

## **THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

This report is made solely to the members of The Mauritius Civil Service Mutual Aid Association Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Report on the Financial Statements**

We have audited the group financial statements of The Mauritius Civil Service Mutual Aid Association Ltd (the "Group") and the Company's separate financial statements on pages 7 to 54 which comprise the statements of financial position at June 30, 2016, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Banking Act 2004 as applicable to non-bank financial institutions, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

**THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**Report on the Financial Statements**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements on pages 7 to 54 give a true and fair view of the financial position of the Group and the Company at June 30, 2016, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

**Report on Other Legal and Regulatory Requirements**

*Companies Act 2001*

We have no relationship with, or interests in, the Company or its subsidiary, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

*Banking Act 2004*

In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius, as applicable to non-bank financial institutions.

The explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

*Financial Reporting Act 2004*

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosures in the annual report are consistent with the requirements of the Code.

**BDO & Co**

*Chartered Accountants*

**Rookaya Ghanty, FCCA**

Licensed by FRC

Port Louis,

Mauritius.

September 21, 2016

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2016

	THE GROUP			THE COMPANY		
	2016	2015	2014	2016	2015	2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest income	3,431,744,696	3,181,263,749	2,753,673,505	3,431,744,696	3,181,263,749	2,753,673,505
Interest expense	(1,733,770,261)	(1,699,106,013)	(1,545,357,266)	(1,733,770,261)	(1,699,106,013)	(1,545,357,266)
<b>Net interest income</b>	<b>1,697,974,435</b>	<b>1,482,157,736</b>	<b>1,208,316,239</b>	<b>1,697,974,435</b>	<b>1,482,157,736</b>	<b>1,208,316,239</b>
Fee income	117,849,249	142,746,532	152,373,192	117,849,249	142,746,532	152,373,192
Rental income	15,717,414	13,343,075	12,407,183	15,717,414	13,343,075	12,407,183
Other gains - net	4,537,500	12,047,403	-	4,537,500	12,047,403	-
<b>Operating income</b>	<b>1,836,078,598</b>	<b>1,650,294,746</b>	<b>1,373,096,614</b>	<b>1,836,078,598</b>	<b>1,650,294,746</b>	<b>1,373,096,614</b>
Net impairment loss on financial assets	(41,058,410)	(47,247,867)	(58,357,480)	(41,058,410)	(47,247,867)	(58,357,480)
Personnel expenses	(78,520,771)	(66,556,513)	(58,435,639)	(78,520,771)	(66,556,513)	(58,435,639)
Depreciation and amortisation	(53,318,771)	(8,943,162)	(9,729,058)	(53,318,771)	(8,943,162)	(9,729,058)
Operating lease expenses	(2,654,330)	(2,333,071)	(2,593,543)	(2,654,330)	(2,333,071)	(2,593,543)
Other expenses	(58,737,931)	(45,316,966)	(43,484,426)	(58,737,441)	(45,316,966)	(43,484,426)
Deficit in valuation of Fund	-	-	(91,547,500)	-	-	(91,547,500)
Fair value (loss)/gain on investment properties	(880,033)	20,134,797	(7,783,845)	(880,033)	20,134,797	(7,783,845)
	(235,170,246)	(150,262,782)	(271,931,491)	(235,169,756)	(150,262,782)	(271,931,491)
<b>Profit before income tax</b>	<b>1,600,908,352</b>	<b>1,500,031,964</b>	<b>1,101,165,123</b>	<b>1,600,908,842</b>	<b>1,500,031,964</b>	<b>1,101,165,123</b>
Income tax expense	(14,101,956)	(16,346,391)	(11,611,536)	(14,101,956)	(16,346,391)	(11,611,536)
<b>Profit for the year</b>	<b>1,586,806,396</b>	<b>1,483,685,573</b>	<b>1,089,553,587</b>	<b>1,586,806,886</b>	<b>1,483,685,573</b>	<b>1,089,553,587</b>
Other comprehensive income: <i>Items that will not be reclassified to profit or loss:</i> Remeasurements of post employment benefit obligations	(58,364,000)	15,520,000	(14,141,000)	(58,364,000)	15,520,000	(14,141,000)
<b>Total comprehensive income for the year</b>	<b>1,528,442,396</b>	<b>1,499,205,573</b>	<b>1,075,412,587</b>	<b>1,528,442,886</b>	<b>1,499,205,573</b>	<b>1,075,412,587</b>
Profit attributable to owners of the parent	1,586,806,396	1,483,685,573	1,089,553,587	1,586,806,886	1,483,685,573	1,089,553,587
Total comprehensive income attributable to owners of the parent	1,528,442,396	1,499,205,573	1,075,412,587	1,528,442,886	1,499,205,573	1,075,412,587
Earnings per share - Basic	798.52	725.41	549.99	798.52	725.41	549.99
Transfer to statutory reserve	723,600	980,120	865,200	723,600	980,120	865,200

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF FINANCIAL POSITION - AS AT JUNE 30, 2016

	THE GROUP			THE COMPANY		
	2016	2015	2014	2016	2015	2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>						
Cash and cash equivalents	949,992,770	585,736,388	503,188,803	949,991,932	585,735,060	503,187,475
Loans and advances to customers	33,943,499,789	31,918,801,104	28,491,643,025	33,943,499,789	31,918,801,104	28,491,643,025
Investment in subsidiary company	-	-	-	10,000,000	10,000,000	200,000,000
Held-to-maturity investment securities	3,499,219,463	2,530,327,660	3,351,275,363	3,499,219,463	2,530,327,660	3,351,275,363
Property, plant and equipment	205,106,562	181,426,250	80,186,969	205,106,562	181,426,250	80,186,969
Intangible assets	62,566,978	51,018,804	402,793	62,566,978	51,018,804	402,793
Investment property	196,866,667	195,330,446	198,410,269	196,866,667	195,330,446	198,410,269
Other assets	425,556,244	501,049,737	358,649,767	425,557,572	501,051,065	358,651,095
Retirement benefit asset	-	15,748,000	-	-	15,748,000	-
<b>Total assets</b>	<b>39,282,808,473</b>	<b>35,979,438,389</b>	<b>32,983,756,989</b>	<b>39,292,808,963</b>	<b>35,989,438,389</b>	<b>33,183,756,989</b>
<b>LIABILITIES</b>						
Deposits from customers	25,456,464,484	23,828,243,003	22,482,381,087	25,456,464,484	23,828,243,003	22,482,381,087
Other borrowed funds	675,984,548	914,091,135	1,066,676,835	675,984,548	914,091,135	1,066,676,835
Current tax liabilities	3,099,382	2,784,949	1,725,640	3,099,382	2,784,949	1,725,640
Funds	3,229,790,653	3,014,432,987	2,743,846,881	3,229,790,653	3,014,432,987	2,743,846,881
Retirement benefit obligations	37,953,000	-	39,028,000	37,953,000	-	39,028,000
Other liabilities	1,936,437,751	1,766,187,497	1,656,884,965	1,946,437,751	1,776,187,497	1,856,884,965
<b>Total liabilities</b>	<b>31,339,729,818</b>	<b>29,525,739,571</b>	<b>27,990,543,408</b>	<b>31,349,729,818</b>	<b>29,535,739,571</b>	<b>28,190,543,408</b>
<b>Shareholders' equity</b>						
Share capital	223,432,500	222,708,900	221,728,780	223,432,500	222,708,900	221,728,780
Retained earnings	7,563,723,303	6,017,426,666	4,574,421,669	7,563,723,793	6,017,426,666	4,574,421,669
Statutory reserve	223,432,500	222,708,900	221,728,780	223,432,500	222,708,900	221,728,780
Actuarial reserves	(77,289,548)	(18,925,548)	(34,445,548)	(77,289,548)	(18,925,548)	(34,445,548)
Other reserves	9,779,900	9,779,900	9,779,900	9,779,900	9,779,900	9,779,900
<b>Total equity attributable to owners of the parent</b>	<b>7,943,078,655</b>	<b>6,453,698,818</b>	<b>4,993,213,581</b>	<b>7,943,079,145</b>	<b>6,453,698,818</b>	<b>4,993,213,581</b>
<b>Total equity and liabilities</b>	<b>39,282,808,473</b>	<b>35,979,438,389</b>	<b>32,983,756,989</b>	<b>39,292,808,963</b>	<b>35,989,438,389</b>	<b>33,183,756,989</b>

These financial statements have been approved for issue by the Board of Directors on September 21, 2016.

Mr. P. Neerunjun  
Chairperson

Mr M.Bheekhee  
Director

Mr. N.Dabeesingh  
Chief Executive Officer

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2016

THE GROUP

	Share capital	Statutory reserve	Revaluation and other reserves	Actuarial (losses)/gains	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2015	222,708,900	222,708,900	9,779,900	(18,925,548)	6,017,426,666	6,453,698,818
Issue of shares	723,600	-	-	-	-	723,600
Profit for the year	-	-	-	-	1,586,806,396	1,586,806,396
Other comprehensive income for the year	-	-	-	(58,364,000)	-	(58,364,000)
Total comprehensive income	-	-	-	(58,364,000)	1,586,806,396	1,528,442,396
Dividend declared	-	-	-	-	(39,786,159)	(39,786,159)
Movement in respect of the year	-	723,600	-	-	(723,600)	-
<b>Balance at June 30, 2016</b>	<b>223,432,500</b>	<b>223,432,500</b>	<b>9,779,900</b>	<b>(77,289,548)</b>	<b>7,563,723,303</b>	<b>7,943,078,655</b>
Balance at July 1, 2014	221,728,780	221,728,780	9,779,900	(34,445,548)	4,574,421,669	4,993,213,581
Issue of shares	980,120	-	-	-	-	980,120
Profit for the year	-	-	-	-	1,483,685,573	1,483,685,573
Other comprehensive income for the year	-	-	-	15,520,000	-	15,520,000
Total comprehensive income	-	-	-	15,520,000	1,483,685,573	1,499,205,573
Dividend declared	-	-	-	-	(39,700,456)	(39,700,456)
Movement in respect of the year	-	980,120	-	-	(980,120)	-
<b>Balance at June 30, 2015</b>	<b>222,708,900</b>	<b>222,708,900</b>	<b>9,779,900</b>	<b>(18,925,548)</b>	<b>6,017,426,666</b>	<b>6,453,698,818</b>
Balance at July 1, 2013	220,863,580	220,863,580	9,779,900	(20,304,548)	3,529,905,998	3,961,108,510
Issue of shares	865,200	-	-	-	-	865,200
Profit for the year	-	-	-	-	1,089,553,587	1,089,553,587
Other comprehensive income for the year	-	-	-	(14,141,000)	-	(14,141,000)
Total comprehensive income	-	-	-	(14,141,000)	1,089,553,587	1,075,412,587
Dividend declared	-	-	-	-	(44,172,716)	(44,172,716)
Movement in respect of the year	-	865,200	-	-	(865,200)	-
<b>Balance at June 30, 2014</b>	<b>221,728,780</b>	<b>221,728,780</b>	<b>9,779,900</b>	<b>(34,445,548)</b>	<b>4,574,421,669</b>	<b>4,993,213,581</b>

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2016

THE COMPANY

	Share capital	Statutory reserve	Revaluation and other reserves	Actuarial gains/(losses)	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2015	222,708,900	222,708,900	9,779,900	(18,925,548)	6,017,426,666	6,453,698,818
Issue of shares	723,600	-	-	-	-	723,600
Profit for the year	-	-	-	-	1,586,806,886	1,586,806,886
Other comprehensive income for the year	-	-	-	(58,364,000)	-	(58,364,000)
Total comprehensive income	-	-	-	(58,364,000)	1,586,806,886	1,528,442,886
Dividend declared	-	-	-	-	(39,786,159)	(39,786,159)
Movement in respect of the year	-	723,600	-	-	(723,600)	-
<b>Balance at June 30, 2016</b>	<b>223,432,500</b>	<b>223,432,500</b>	<b>9,779,900</b>	<b>(77,289,548)</b>	<b>7,563,723,793</b>	<b>7,943,079,145</b>
Balance at July 1, 2014	221,728,780	221,728,780	9,779,900	(34,445,548)	4,574,421,669	4,993,213,581
Issue of shares	980,120	-	-	-	-	980,120
Profit for the year	-	-	-	-	1,483,685,573	1,483,685,573
Other comprehensive income for the year	-	-	-	15,520,000	-	15,520,000
Total comprehensive income	-	-	-	15,520,000	1,483,685,573	1,499,205,573
Dividend declared	-	-	-	-	(39,700,456)	(39,700,456)
Movement in respect of the year	-	980,120	-	-	(980,120)	-
<b>Balance at June 30, 2015</b>	<b>222,708,900</b>	<b>222,708,900</b>	<b>9,779,900</b>	<b>(18,925,548)</b>	<b>6,017,426,666</b>	<b>6,453,698,818</b>
Balance at July 1, 2013	220,863,580	220,863,580	9,779,900	(20,304,548)	3,529,905,998	3,961,108,510
Issue of shares	865,200	-	-	-	-	865,200
Profit for the year	-	-	-	-	1,089,553,587	1,089,553,587
Other comprehensive income for the year	-	-	-	(14,141,000)	-	(14,141,000)
Total comprehensive income	-	-	-	(14,141,000)	1,089,553,587	1,075,412,587
Dividend declared	-	-	-	-	(44,172,716)	(44,172,716)
Movement in respect of the year	-	865,200	-	-	(865,200)	-
<b>Balance at June 30, 2014</b>	<b>221,728,780</b>	<b>221,728,780</b>	<b>9,779,900</b>	<b>(34,445,548)</b>	<b>4,574,421,669</b>	<b>4,993,213,581</b>

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2016

	THE GROUP			THE COMPANY		
	2016	2015	2014	2016	2015	2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net cash generated from/(used in) operating activities	1,670,536,432	(394,132,969)	(84,771,586)	1,670,536,922	(394,132,969)	(84,771,586)
Net cash (used in)/generated from investing activities	(1,030,331,636)	670,849,347	(788,473,962)	(1,030,331,636)	670,849,347	(788,473,962)
Net cash (used in)/generated from financing activities	(271,880,407)	(186,089,890)	965,778,124	(271,880,407)	(186,089,890)	965,778,124
Net increase in cash and cash equivalents	368,324,389	90,626,488	92,532,576	368,324,879	90,626,488	92,532,576
Effect of foreign exchange rate changes	(4,068,007)	(8,078,903)	(1,925)	(4,068,007)	(8,078,903)	(1,925)
Cash and cash equivalents at beginning of year	585,736,388	503,188,803	410,658,152	585,735,060	503,187,475	410,656,824
Cash and cash equivalents at end of year	949,992,770	585,736,388	503,188,803	949,991,932	585,735,060	503,187,475