

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of The Mauritius Civil Service Mutual Aid Association Ltd (the "Company" which comprise the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of the Company as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001, the Financial Reporting Act 2004 and Banking Act 2004 as applicable to non-bank financial institutions.

*Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The directors are responsible for the other information. The other information comprises the Directors' Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Statements*

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

*Responsibilities of the Directors for the Financial Statements (continued)*

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

*Other matter*

This report is made solely for the Company's members, 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 auditor's 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 Other Legal and Regulatory Requirements

*Companies Act 2001*

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

We have obtained all the 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.

*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 whether the disclosure is consistent with the requirement of the Code.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

ERNST & YOUNG  
Ebène, Mauritius

PATRICK NG TSEUNG, A.C.A  
Licensed by FRC

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2017

	THE GROUP			THE COMPANY		
	2017	2016	July 1,2015	2017	2016	July 1,2015
	Rs.	(Restated) Rs.	(Restated) Rs.	Rs.	(Restated) Rs.	(Restated) Rs.
Interest income	3,479,873,500	3,519,165,367	3,284,364,796	3,479,873,500	3,519,165,367	3,284,364,796
Interest expense	(1,600,829,881)	(1,733,349,337)	(1,699,106,013)	(1,600,829,881)	(1,733,349,337)	(1,699,106,013)
<b>Net interest income</b>	<b>1,879,043,619</b>	<b>1,785,816,030</b>	<b>1,585,258,783</b>	<b>1,879,043,619</b>	<b>1,785,816,030</b>	<b>1,585,258,783</b>
Other income	7,796,426	11,905,965	9,809,715	17,796,426	11,905,965	9,809,715
Rental income	17,167,588	15,717,414	13,343,075	17,167,588	15,717,414	13,343,075
Other gains	179,849	4,537,500	12,047,403	179,849	4,537,500	12,047,403
<b>Operating income</b>	<b>1,904,187,482</b>	<b>1,817,976,909</b>	<b>1,620,458,976</b>	<b>1,914,187,482</b>	<b>1,817,976,909</b>	<b>1,620,458,976</b>
Net impairment loss on financial assets	(60,803,390)	(41,058,410)	(47,247,867)	(60,803,390)	(41,058,410)	(47,247,867)
Personnel expenses	(80,127,275)	(78,520,771)	(66,556,513)	(80,127,275)	(78,520,771)	(66,556,513)
Depreciation and amortisation	(54,728,800)	(53,318,771)	(8,943,162)	(54,728,800)	(53,318,771)	(8,943,162)
Operating lease expenses	(2,378,725)	(2,654,330)	(2,333,071)	(2,378,725)	(2,654,330)	(2,333,071)
Other expenses	(66,686,528)	(58,737,434)	(45,316,966)	(76,686,528)	(58,737,434)	(45,316,966)
Surplus in valuation of Fund	85,470,000	-	-	85,470,000	-	-
Fair value (loss)/gain on investment properties	(922,965)	(880,033)	20,134,797	(922,965)	(880,033)	20,134,797
	(180,177,683)	(235,169,749)	(150,262,782)	(190,177,683)	(235,169,749)	(150,262,782)
<b>Profit before income tax</b>	<b>1,724,009,799</b>	<b>1,582,807,160</b>	<b>1,470,196,194</b>	<b>1,724,009,799</b>	<b>1,582,807,160</b>	<b>1,470,196,194</b>
Income tax expense	(15,095,191)	(14,101,957)	(16,346,391)	(15,095,191)	(14,101,957)	(16,346,391)
<b>Profit for the year</b>	<b>1,708,914,608</b>	<b>1,568,705,203</b>	<b>1,453,849,803</b>	<b>1,708,914,608</b>	<b>1,568,705,203</b>	<b>1,453,849,803</b>
Other comprehensive income: <i>Items that will not be reclassified to profit or loss:</i> Remeasurements of post employment benefit obligations	(17,024,000)	(58,364,000)	15,520,000	(17,024,000)	(58,364,000)	15,520,000
<b>Total comprehensive income for the year</b>	<b>1,691,890,608</b>	<b>1,510,341,203</b>	<b>1,469,369,803</b>	<b>1,691,890,608</b>	<b>1,510,341,203</b>	<b>1,469,369,803</b>
Profit attributable to owners of the parent	1,708,914,608	1,568,705,203	1,453,849,803	1,708,914,608	1,568,705,203	1,453,849,803
Total comprehensive income attributable to owners of the parent	1,691,890,608	1,510,341,203	1,469,369,803	1,691,890,608	1,510,341,203	1,469,369,803
Earnings per share - Basic and Diluted	857.31	789.41	710.82	857.31	796.51	710.82

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF FINANCIAL POSITION - AS AT JUNE 30, 2017

	THE GROUP			THE COMPANY		
	2017	2016	July 1, 2015	2017	2016	July 1, 2015
		(Restated)	(Restated)		(Restated)	(Restated)
ASSETS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	1,669,048,535	949,992,770	585,736,388	1,669,048,535	949,991,932	585,735,060
Loans and advances to members	34,606,979,924	33,544,368,801	31,644,443,906	34,606,979,924	33,544,368,801	31,644,443,906
Investment in subsidiary company	-	-	-	-	10,000,000	10,000,000
Placements with bank and non-bar	4,470,327,150	3,499,219,463	2,530,327,660	4,470,327,150	3,499,219,463	2,530,327,660
Property, plant and equipment	190,767,127	200,307,514	176,627,202	190,767,127	200,307,514	176,627,202
Intangible assets	37,326,156	62,566,978	51,018,804	37,326,156	62,566,978	51,018,804
Investment property	236,741,667	196,866,667	195,330,446	236,741,667	196,866,667	195,330,446
Other assets	240,895,884	214,506,514	199,622,826	240,895,884	214,507,848	199,624,154
Employee benefit asset	-	-	15,748,000	-	-	15,748,000
<b>Total assets</b>	<b>41,452,086,443</b>	<b>38,667,828,707</b>	<b>35,398,855,232</b>	<b>41,452,086,443</b>	<b>38,677,829,203</b>	<b>35,408,855,232</b>
<b>LIABILITIES</b>						
Deposits from customers	28,231,618,830	26,983,154,303	25,194,257,450	28,231,618,830	26,983,154,303	25,194,257,450
Other borrowed funds	429,540,552	675,984,548	914,091,135	429,540,552	675,984,548	914,091,135
Current tax liabilities	3,449,074	3,099,389	2,784,949	3,449,074	3,099,389	2,784,949
Funds	3,284,417,761	3,229,790,653	3,014,432,987	3,284,417,761	3,229,790,653	3,014,432,987
Employee benefit asset	55,440,000	37,953,000	-	55,440,000	37,953,000	-
Other liabilities	131,654,285	69,618,081	76,338,622	131,654,285	79,618,577	86,338,622
<b>Total liabilities</b>	<b>32,136,120,502</b>	<b>30,999,599,974</b>	<b>29,201,905,143</b>	<b>32,136,120,502</b>	<b>31,009,600,470</b>	<b>29,211,905,143</b>
<b>Shareholders' equity</b>						
Share capital	223,965,600	223,432,500	222,708,900	223,965,600	223,432,500	222,708,900
Retained earnings	8,677,368,905	7,295,172,429	5,766,976,985	8,677,368,905	7,295,172,429	5,766,976,985
Revaluation reserve	3,480,852	3,480,852	3,480,852	3,480,852	3,480,852	3,480,852
Statutory reserve	223,965,600	223,432,500	222,708,900	223,965,600	223,432,500	222,708,900
Actuarial reserves	(94,313,548)	(77,289,548)	(18,925,548)	(94,313,548)	(77,289,548)	(18,925,548)
Other reserves	281,498,532	-	-	281,498,532	-	-
<b>Total equity attributable to owners of the parent</b>	<b>9,315,965,941</b>	<b>7,668,228,733</b>	<b>6,196,950,089</b>	<b>9,315,965,941</b>	<b>7,668,228,733</b>	<b>6,196,950,089</b>
<b>Total equity and liabilities</b>	<b>41,452,086,443</b>	<b>38,667,828,707</b>	<b>35,398,855,232</b>	<b>41,452,086,443</b>	<b>38,677,829,203</b>	<b>35,408,855,232</b>

These financial statements have been approved for issue by the Board of Directors on September 28, 2017.

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, 2017

THE GROUP	Share capital	Statutory reserve	Revaluation and other reserves (Restated)	Other Reserve	Actuarial (losses)/gains	Retained earnings (Restated)	Total equity (Restated)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2016	223,432,500	223,432,500	9,779,900	-	(77,289,548)	7,563,723,799	7,943,079,151
-As previously stated	-	-	(6,299,048)	-	-	(268,551,370)	(274,850,418)
-Adjustment on correction of errors	223,432,500	223,432,500	3,480,852	-	(77,289,548)	7,295,172,429	7,668,228,733
-As restated	533,100	-	-	-	-	-	533,100
Issue of shares	-	-	-	-	-	1,708,914,608	1,708,914,608
Profit for the year	-	-	-	-	(17,024,000)	-	(17,024,000)
Other comprehensive income for the year	-	-	-	-	(17,024,000)	1,708,914,608	1,691,890,608
Total comprehensive income	-	533,100	-	281,498,532	-	(282,031,632)	-
Movement in respect of the year	-	-	-	-	-	(44,686,500)	(44,686,500)
Dividend declared	223,965,600	223,965,600	3,480,852	281,498,532	(94,313,548)	8,677,368,905	9,315,965,941
<b>Balance at June 30, 2017</b>							
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
-As previously stated	-	-	(6,299,048)	-	-	(250,449,681)	(256,748,729)
-Adjustment on correction of errors	222,708,900	222,708,900	3,480,852	-	(18,925,548)	5,766,976,985	6,196,950,089
-As restated	723,600	-	-	-	-	-	723,600
Issue of shares	-	-	-	-	-	1,586,806,892	1,586,806,892
Profit for the year	-	-	-	-	-	(18,101,689)	(18,101,689)
-As previously stated	-	-	-	-	-	1,568,705,203	1,568,705,203
-Adjustment on correction of errors	-	-	-	-	-	-	(58,364,000)
-As restated	-	-	-	-	(58,364,000)	1,568,705,203	1,510,341,203
Other comprehensive income for the year	-	723,600	-	-	-	(723,600)	-
Total comprehensive income	-	-	-	-	-	(39,786,159)	(39,786,159)
Movement in respect of the year	223,432,500	223,432,500	3,480,852	-	(77,289,548)	7,295,172,429	7,668,228,733
Dividend declared							
<b>Balance at June 30, 2016</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
-As previously stated	-	-	(6,299,048)	-	-	(220,613,911)	(226,912,959)
-Adjustment on correction of errors	221,728,780	221,728,780	3,480,852	-	(34,445,548)	4,353,807,758	4,766,300,622
-As restated	980,120	-	-	-	-	-	980,120
Issue of shares	-	-	-	-	-	1,483,685,573	1,483,685,573
Profit for the year	-	-	-	-	-	(29,835,770)	(29,835,770)
-As previously stated	-	-	-	-	-	1,453,849,803	1,453,849,803
-Adjustment on correction of errors	-	-	-	-	15,520,000	-	15,520,000
-As restated	-	-	-	-	15,520,000	1,453,849,803	1,469,369,803
Other comprehensive income for the year	-	980,120	-	-	-	(980,120)	-
Total comprehensive income	-	-	-	-	-	(39,700,456)	(39,700,456)
Movement in respect of the year	222,708,900	222,708,900	3,480,852	-	(18,925,548)	5,766,976,985	6,196,950,089
Dividend declared							
<b>Balance at June 30, 2015</b>							

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2017

THE COMPANY	Share capital	Statutory reserve	Revaluation and other reserves (Restated)	Other Reserve	Actuarial gains/(losses)	Retained earnings (Restated)	Total equity
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Balance at July 1, 2016							
-As previously stated	223,432,500	223,432,500	9,779,900	-	(77,289,548)	7,563,723,799	7,943,079,151
-Adjustment on correction of errors	-	-	(6,299,048)	-	-	(268,551,370)	(274,850,418)
-As restated	223,432,500	223,432,500	3,480,852	-	(77,289,548)	7,295,172,429	7,668,228,733
Issue of shares	533,100	-	-	-	-	-	533,100
Profit for the year	-	-	-	-	-	1,708,914,608	1,708,914,608
Other comprehensive income for the year	-	-	-	-	(17,024,000)	-	(17,024,000)
Total comprehensive income	-	-	-	-	(17,024,000)	1,708,914,608	1,691,890,608
Movement in respect of the year	-	533,100	-	281,498,532	-	(282,031,632)	-
Dividend declared	-	-	-	-	-	(44,686,500)	(44,686,500)
<b>Balance at June 30, 2017</b>	<b>223,965,600</b>	<b>223,965,600</b>	<b>3,480,852</b>	<b>281,498,532</b>	<b>(94,313,548)</b>	<b>8,677,368,905</b>	<b>9,315,965,941</b>
Balance at July 1, 2015							
-As previously stated	222,708,900	222,708,900	9,779,900	-	(18,925,548)	6,017,426,666	6,453,698,818
-Adjustment on correction of errors	-	-	(6,299,048)	-	-	(250,449,681)	(256,748,729)
-As restated	222,708,900	222,708,900	3,480,852	-	(18,925,548)	5,766,976,985	6,196,950,089
Issue of shares	723,600	-	-	-	-	-	723,600
Profit for the year	-	-	-	-	-	1,586,806,892	1,586,806,892
-As previously stated	-	-	-	-	-	1,586,806,892	1,586,806,892
-Adjustment on correction of errors	-	-	-	-	-	(18,101,689)	(18,101,689)
-As restated	-	-	-	-	-	1,568,705,203	1,568,705,203
Other comprehensive income for the year	-	-	-	-	(58,364,000)	-	(58,364,000)
Total comprehensive income	-	-	-	-	(58,364,000)	1,568,705,203	1,510,341,203
Movement in respect of the year	-	723,600	-	-	-	(723,600)	-
Dividend declared	-	-	-	-	-	(39,786,159)	(39,786,159)
<b>Balance at June 30, 2016</b>	<b>223,432,500</b>	<b>223,432,500</b>	<b>3,480,852</b>	<b>-</b>	<b>(77,289,548)</b>	<b>7,295,172,429</b>	<b>7,668,228,733</b>
Balance at July 1, 2014							
-As previously stated	221,728,780	221,728,780	9,779,900	-	(34,445,548)	4,574,421,669	4,993,213,581
-Adjustment on correction of errors	-	-	(6,299,048)	-	-	(220,613,911)	(226,912,959)
-As restated	221,728,780	221,728,780	3,480,852	-	(34,445,548)	4,353,807,758	4,766,300,622
Issue of shares	980,120	-	-	-	-	-	980,120
Profit for the year	-	-	-	-	-	1,483,685,573	1,483,685,573
-As previously stated	-	-	-	-	-	1,483,685,573	1,483,685,573
-Adjustment on correction of errors	-	-	-	-	-	(29,835,770)	(29,835,770)
-As restated	-	-	-	-	-	1,453,849,803	1,453,849,803
Other comprehensive income for the year	-	-	-	-	15,520,000	-	15,520,000
Total comprehensive income	-	-	-	-	15,520,000	1,453,849,803	1,469,369,803
Movement in respect of the year	-	980,120	-	-	-	(980,120)	-
Dividend declared	-	-	-	-	-	(39,700,456)	(39,700,456)
<b>Balance at June 30, 2015</b>	<b>222,708,900</b>	<b>222,708,900</b>	<b>3,480,852</b>	<b>-</b>	<b>(18,925,548)</b>	<b>5,766,976,985</b>	<b>6,196,950,089</b>

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2017

	THE GROUP			THE COMPANY		
	2017	2016	2015	2017	2016	2015
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net cash generated from/(used in) operating activities	2,032,733,864	1,556,328,941	(382,397,116)	2,032,734,702	1,556,798,924	(382,397,116)
Net cash (used in)/from investing activities	(1,034,084,943)	(916,124,146)	659,113,494	(1,034,084,943)	(916,124,146)	659,113,494
Net cash used in financing activities	(279,771,396)	(271,880,406)	(186,089,890)	(279,771,396)	(271,880,406)	(186,089,890)
Net increase in cash and cash equivalents	718,877,525	368,324,389	90,626,488	718,878,363	368,794,372	90,626,488
Effect of foreign exchange rate changes	178,240	(4,068,007)	(8,078,903)	178,240	(4,537,500)	(8,078,903)
Cash and cash equivalents at beginning of year	949,992,770	585,736,388	503,188,803	949,991,932	585,735,060	503,187,475
Cash and cash equivalents at end of year	1,669,048,535	949,992,770	585,736,388	1,669,048,535	949,991,932	585,735,060