



*VACOAS POPULAR MULTI PURPOSE  
COOPERATIVE SOCIETY LTD*

*ANNUAL REPORT 2011*



**COOPERATIVE ENTERPRISES BUILD A BETTER WORLD**

Dear Member,

The Vacoas Popular Multi Purpose Cooperative Society Ltd is pleased to present its Annual Report for the year ended 30<sup>th</sup> June 2011.

Members shall find in this report the Notice of Annual Meeting of Members and the Financial Statements of the Society. A special effort has been made so that this report is more informative for the benefit of Members.

Yours faithfully,

K.Gunness-Purmessur (Mrs.)  
Manager

### *Corporate Information*

#### *Manager*

*Kamla Gunness-Purmessur*

#### *Accountant*

*Leckraj J Gunness ACCA*

#### *Staff*

*Vareedhee Gunness*

*Resawny Devi Arnassalon*

*Morganavalle Coothaparoomaul*

*Mootoosamy Pursooramen*

*Girish Ramdhony*

*Ubaid Koyratty*

*Stephanie Amourdon*

*Sewoosancar Itnac*

*Esnee Gungaram*

#### *Auditors*

*Nathadkhan Associates (External)*

*Kamal Raj Sadien FCCA (Internal)*

#### *Bankers*

*State Bank of Mauritius*

*Mauritius Commercial Bank*

*Barclays Bank*

*BankOne*

*HSBC*

*MPCB*

*Bank of Baroda*

#### *Board of Directors*

*Gita-Anjali Bheenick (Mrs.) - President*

*Hoonar Ramchurter – Vice President*

*Tarkeeswarsing Hurrinag - Secretary*

*Kessor Newaj - Treasurer*

*Safir Nazurally*

*Poubarlanaden Appavoo*

*Rajen Kandasamy*

*Meera Jhugroo (Mrs.)*

*Wong Hok Tsung (Pierre) Wong Tek Kong*

#### *Registered Office*

*Morc. Coop, Bonne-Terre,*

*Solferino,*

*Vacoas*

*Registration No. 723*

*Telephone: 698-4072, 697-9447*

*Fax: 698-3845*

*Email: [vpmpcs@intnet.mu](mailto:vpmpcs@intnet.mu)*

*[vpmpcs@yahoo.com](mailto:vpmpcs@yahoo.com)*

*[vacoas.popular@gmail.com](mailto:vacoas.popular@gmail.com)*



## **REVIEW ON SOCIETY'S ACTIVITIES**

### **Principal Activities**

The principal activities of the Society are :-

- (1) Promotion of Thrift and Savings
- (2) Granting of Loans to members for provident and productive purposes
- (3) To purchase, lease, or otherwise, acquire land, manage develop and sell, transfer or otherwise dispose of such land, and do all other things as are incidental thereto and connected therewith, for the promotion of the welfare and benefit of members.

During the year those activities have remained unchanged.

### **Business Segments**

The Society is currently present in the following two segments:-

- i) Provision of Financial Services to its members
- ii) Land Development

### **Results**

#### *An overview of the Mauritian Economy and the Financial Services Market*

Mauritius has encountered a slow growth in 2010 and 2011, whereby growth rate for these periods was around 4%. The expectations for the year 2012 will be lesser than 4%, meaning that our country's economy is not booming. Moreover, we are currently facing new challenges such as the EURO Zone crisis.

Additionally, there is a cut throat competition in the financial services sector. Banks are currently proposing different schemes to its customers (existing and potentials) in view to attract a large majority.

#### *Highlights of the Society's performance*

The year 2011 marked the 35<sup>th</sup> year of existence of the Vacoas Popular MPCs Ltd. Throughout the years the Society has been constantly at the service of its members by providing effective financial solutions to them. Profitability for the financial year under review the Society's shows the following; a profit after taxation amounting to Rs. 2,244,847 has been generated compared to Rs. 2,329,340 during the last financial year

Members have benefitted from a higher rate of interest on their investments which resulted in a slightly lower Profit after taxation compared to last year. Loans that are disbursed by the Society to its members are an important means to help them improve their socio-economic conditions. The Society currently offers a wide range of Savings and Loans Schemes for the benefit of its members. It is to be noted that Interest Income has increased by 6.5 % to reach Rs. 78.7M. Besides Non Operating Income has risen by 50%, with a large contribution from our Land Segment which contributed 80% of this increase through profit on sale of land at our Morcellement located at Melrose and Camp Ithier

Looking at our Balance Sheet, Total Assets went up by 13.2% reaching new heights of Rs. 948M. We can note that the Society is not far from reaching a Total Assets of Rs. 1 Billion.



Members will also appreciate that in its 35<sup>th</sup> year of operation, Society has made it a must to reward its members to mark its anniversary. An interest on Life Savings amounting to **7%** has been paid to members on 30 June 2011. This means that members obtained **2% more** on their Life Savings account compared to last year. Taking into consideration the current market interest rate, a **7%** interest shows that members have enjoyed an appreciable return on their Life Savings investment.

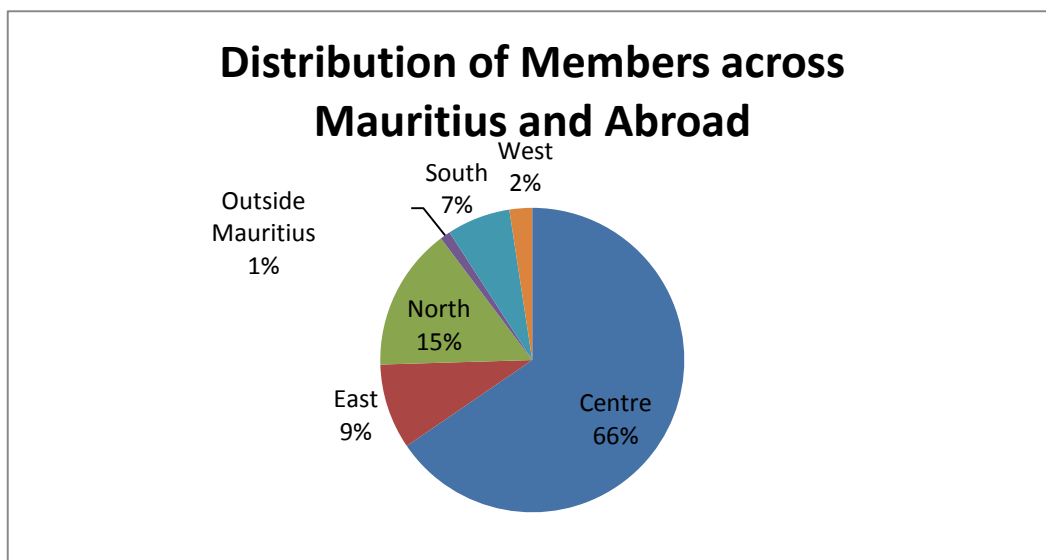
Concerning interest rate on Savings and deposits, members are still reaping a higher interest with regards to current market interest. While members are enjoying a 5% interest on their Ordinary Savings account, fixed deposit holders are obtaining a 7.5% - 8% return on their investments.

The results do show that the Society has always strived for the benefit of its members in the sense that investments of members are rewarded at a more attractive rate.

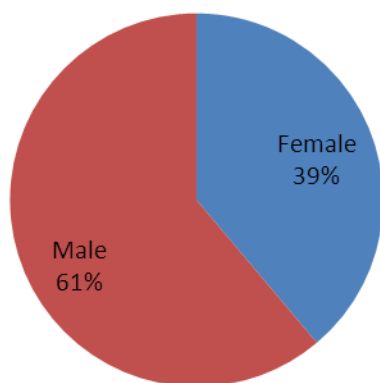
### Key figures as at 30 June 2011

#### Membership

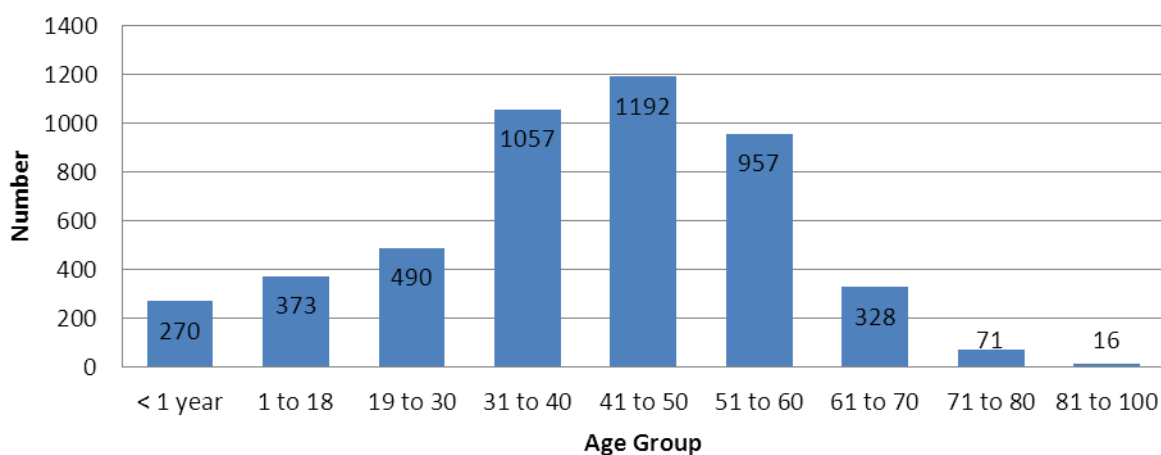
Membership as at 30.06.2011	
No. of Shareholders at Start	4510
New Shareholders	244
Shareholding from existing members	57
No. of Closed Account	57
No. of Shareholders at Close	4754



## Gender Distribution of Members



## Age Group of Members



## Loan Portfolio

Total Loan Disbursed										
Loan Type	Loan Against Life Savings		Mortgaged Loan		Housing Loan		Hire Purchase Loan		Exams Fees Loan	
	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)
New	169	27,402,901	136	186,996,117	9	9,557,414	8	2,105,000	11	114,325
Renewed	258	70,861,752	22	8,774,143	1	683,000	4	204,206		
Instalment disbursed during the year in respect of Loan applied previously	3	800,000	4	11,963,531	1	585,900				
<b>Total</b>	<b>430</b>	<b>99,064,653</b>	<b>162</b>	<b>207,733,791</b>	<b>11</b>	<b>10,826,314</b>	<b>12</b>	<b>2,309,206</b>	<b>11</b>	<b>114,325</b>

Grand Total (Number) 626

Grand Total (Amount) 320,048,289

Increase in Loan Portfolio of 15.4%

## Deposit Portfolio

Increase in Deposit Portfolio of 15.2%



## Solidarity Plan

Solidarity Plan	
Members at Start	1744
Members joining the plan	181
Members withdrawing from the plan	22
Deceased Members	4
Members at Close	1899

A total of Rs. 353,951 were paid to heirs of four members from Solidarity Plan

## Life Savings and Loan Protection Fund

Life Savings and Loan Protection Fund has disbursed Rs. 1,008,470.- to heirs of 11 members

Product	No.	Amount (Rs.)
Life Savings	10	444,927
Loan	4	563,543
Total		1,008,470

## Replenishment of Fund

A provision of Rs. 4,991,530 has been made to the fund during the year

## Fund

	Rs.
Balance at Start	27,785,095
Additional Contribution made by Society during the year	15,000
<i>Appropriation of Profit:-</i>	
To adjust Replenishment for year 09-10	62,671
Interest on Investment for year 09-10	323,860
Replenishment of Fund	4,991,530
<b>Total</b>	<b>33,178,156</b>



## Morcellement Project

Sales during the financial year 2011

<i>Location</i>	<i>Number of Plots Sold</i>
Camp Ithier (Bramsthan)	8
Melrose	18
<b>Total Sold</b>	26

Overall Sales since start of the Project

<b>Location</b>	<b>Number of Plots Sold</b>	<b>Number of Saleable Plots</b>	<b>% Sold</b>
Camp Ithier (Bramsthan)	74	166	44
Melrose	52	103	50
<b>Total Sold</b>	126	269	

## Social Activities

The Management of the Vacoas Popular MPCs Ltd has always catered for the social needs of its members by organizing several Social activities.

During the year 2011 the following social activities were organized:

1. Celebration of Independence Day
2. Guava Picking and Hiking at Le Petrin
3. Catamaran Cruise at Tamarin
4. Celebration of the Society's 35<sup>th</sup> anniversary
5. Celebration of Divali
6. Catamaran Cruise at Grand Baie
7. Annual Children's day
8. Celebration of Christmas

## Acknowledgment

We would like to thank the management team, staff, board members, sub-committee members and all those members who have contributed on a voluntary basis for their valuable advice, dynamism, help and support during the year under review. These persons have been key in producing very good results for the year.



## **Auditors' report to the members of Vacoas Popular Multi Purpose Co-operative Society Ltd**

We have audited the financial statements set out on pages 19 to 26 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 22 to 23.

### **Respective responsibilities of directors and auditors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or errors; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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





## Auditors' report to the members of Vacoas Popular Multi Purpose Co-operative Society Ltd (cont)

### Opinion

We have obtained all the information and explanations that we have required.

In our opinion:

- proper accounting records have been kept by the Society as far as appears from our examination of those records
- the financial statements give a true and fair view of the state of affairs of the Society as at 30 June 2011, and of its results for the year ended, comply with the Co-operatives Act 2005, and have been prepared in accordance with Generally Accepted Accounting Principles.

**Nathadkhan Associates**  
*Public Accountants*

**M I Nathadkhan, Licensed by FRC**  
*FCCA LLB LLM*

Date: 26 December 2011



## Vacoas Popular Multi Purpose Co-operative Society Ltd

### Statement of comprehensive income for the year ended 30 June 2011

	Notes	2011 Rs	2010 Rs
<b>Interest income</b>			
Interest on loan		76,113,905	71,633,121
Bank interest		2,649,724	2,289,038
		<u>78,763,629</u>	<u>73,922,159</u>
<b>Interest expense</b>			
Interest on deposits		(65,341,247)	(60,290,346)
Bank charges		(39,430)	(23,416)
		<u>(65,380,677)</u>	<u>(60,313,762)</u>
<b>Net Interest Income</b>			
		13,382,952	13,608,397
Other Operating Income	3	6,577,608	4,395,037
		<u>19,960,560</u>	<u>18,003,434</u>
Operating Expenses	4	(16,226,621)	(14,264,166)
<b>Surplus for the year</b>			
		<u>3,733,939</u>	<u>3,739,268</u>
		3,733,939	3,739,268
Taxation	9	(1,489,092)	(1,409,928)
<b>Net Surplus for the year</b>			
		<u>2,244,847</u>	<u>2,329,340</u>

The notes on pages 21 to 26 form part of the financial statements.



# Vacoas Popular Multi Purpose Co-operative Society Ltd

## Statement of financial position

at 30 June 2011

	Notes	2011 Rs	2010 Rs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	28,656,624	29,672,530
Investment property	6	3,135,350	3,135,350
Intangibles	7	600,172	539,743
		<u>32,392,146</u>	<u>33,347,623</u>
<b>Current assets</b>			
Inventories	8	52,176,818	59,617,397
Loans to members		770,556,649	651,797,986
Accounts receivable		11,415,649	10,685,158
Cash and cash equivalents		81,530,056	67,228,978
		<u>915,679,172</u>	<u>789,329,519</u>
<b>Total assets</b>		<u><u>948,071,318</u></u>	<u><u>822,677,142</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Members' share capital		4,399,843	3,983,480
Statutory reserve		20,002,411	19,769,477
Revaluation reserve		13,224,058	13,562,809
General reserve		268,528	268,528
Revenue reserve		4,271,841	2,685,941
Shares & loan guarantee fund		33,187,156	27,785,095
		<u>75,353,837</u>	<u>68,055,330</u>
<b>Non-current liabilities</b>			
Members' deposit		844,436,864	733,177,822
Retirement scheme		889,919	774,219
Solidarity plan		1,755,058	1,651,534
		<u>847,081,841</u>	<u>735,603,575</u>
<b>Current liabilities</b>			
Deposit on land		2,349,000	1,070,500
Accounts payable		21,685,211	17,372,802
Taxation	9	174,684	574,935
Bank overdraft		1,426,745	-
		<u>25,635,640</u>	<u>19,018,237</u>
<b>Total equity and liabilities</b>		<u><u>948,071,318</u></u>	<u><u>822,677,142</u></u>

Approved by the Board on 24 December 2011

G.A. Bheenick (sd.)  
President

T.Hurrynag (sd.)  
Secretary

M.Jhugroo (sd.)  
Committee Member



## Vacoas Popular Multi Purpose Co-operative Society Ltd

### Statement of changes in equity for the year ended 30 June 2011

	Members' share capital	Statutory reserve	General reserve	Shares and loan guarantee fund	Revaluation reserve	Revenue reserve	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 1 July 2009	3,763,627	19,769,477	268,528	22,998,216	13,901,560	356,601	61,058,009
Additions	305,276	-	-	4,786,879	-	-	5,092,155
Withdrawals	(85,423)	-	-	-	-	-	(85,423)
Transfer to income statement	-	-	-	-	(338,751)	-	(338,751)
Profit for the year	-	-	-	-	-	2,329,340	2,329,340
At 30 June 2010	3,983,480	19,769,477	268,528	27,785,095	13,562,809	2,685,941	68,055,330
Additions	474,987	-	-	5,015,530	-	-	5,490,517
Withdrawals	(58,624)	-	-	-	-	-	(58,624)
Transfer to retirement scheme	-	-	-	-	-	(100,000)	(100,000)
Transfer	-	-	-	-	(338,751)	338,751	-
Transfer to life savings	-	-	-	386,531	-	(386,531)	-
Transfer to statutory reserves	-	232,934	-	-	-	(232,934)	-
Transfer to solidarity plan	-	-	-	-	-	(100,869)	(100,869)
Profit for the year	-	-	-	-	-	2,244,847	2,244,847
Dividend	-	-	-	-	-	(177,364)	(177,364)
At 30 June 2011	4,399,843	20,002,411	268,528	33,187,156	13,224,058	4,271,841	75,353,837



# Vacoas Popular Multi Purpose Co-operative Society Ltd

## Notes to and forming part of the financial statements

for the year ended 30 June 2011

### 1. General Information

Vacoas Popular Multi Purpose Co-operative Society Ltd is a private limited Co-operative society registered under the Co-operative Act 1976, (now Co-operatives Act 2005), and has its registered office at Clairfonds Road No. 3, Vacoas. The registration number of the Society is 723.

The main objective of the Society is to promote savings, and advance low cost loans to its members.

### 2. Significant Accounting policies

#### A) Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and under the historical cost convention.

#### B) Interest income and expense

Interest income and expense are accounted for on an accruals basis.

#### C) Deposits

Deposits from members are recognized upon receipts of funds.

#### D) Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment loss in value. Depreciation is calculated on a straight line method to write off the cost of each asset to their residual value over their estimated useful life. The principal annual rates used are as follows:

Building	- 5 %
Furniture & fittings	- 10 %
Computer and other equipment	- 40 %
Motor vehicle	- 25 %

Gain or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken to income statement.

#### E) Computer software

Computer software costs recognized as assets are amortised over their estimated useful lives over five years.



## Vacoas Popular Multi Purpose Co-operative Society Ltd

### Notes to and forming part of the financial statements for the year ended 30 June 2011

#### 2. Significant Accounting policies (cont)

##### F) Impairment

At each balance sheet date, the society reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

##### G) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

##### H) Provisions

Provisions are recognized when the society has a present legal or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

#### 3. Other operating income

	2011 Rs	2010 Rs
Rent	540,000	525,000
Profit on sale of land	4,403,790	2,441,421
Commissions	-	200,000
Others	1,633,818	1,228,616
	----- 6,577,608 =====	----- 4,395,037 =====

#### 4. Operating expenses

	2011 Rs	2010 Rs
Administrative expenses	1,820,850	1,785,377
Staff costs	3,505,068	3,212,943
Provision for credit losses	1,500,000	1,500,000
Depreciation and amortisation	1,334,934	1,102,087
Professional fees	244,500	340,250
Building security and maintenance	405,445	36,180
Advertising	1,082,583	350,000
Life savings & Loan protection fund	1,008,470	1,150,450
Provision for Life savings & Loan protection fund	4,991,530	4,786,879
Corporate events expenses	333,241	-
	----- 16,226,621 =====	----- 14,264,166 =====



## Vacoas Popular Multi Purpose Co-operative Society Ltd

Notes to and forming part of the financial statements  
for the year ended 30 June 2011

### 5. Property, plant and equipment

	Land	Building	Furniture & fittings	Computer & office Equipment	Motor vehicles	Total
	Rs	Rs	Rs	Rs	Rs	Rs
<i>Cost</i>						
At 1 July 2010	16,000,000	16,000,000	1,013,923	801,985	731,293	34,547,201
Additions	-	-	-	79,028	-	79,028
At 30 June 2011	16,000,000	16,000,000	1,013,923	881,013	731,293	34,626,229
<i>Depreciation</i>						
At 1 July 2010	-	3,200,000	369,923	801,985	502,763	4,874,671
Charge for the year	-	800,000	80,500	31,611	182,823	1,094,934
At 30 June 2011	-	4,000,000	450,423	833,596	685,586	5,969,605
<i>Net book value</i>						
<b>At 30 June 2011</b>	<b>16,000,000</b>	<b>12,000,000</b>	<b>563,500</b>	<b>47,417</b>	<b>45,707</b>	<b>28,656,624</b>
At 30 June 2010	16,000,000	12,800,000	644,000	-	228,530	29,672,530

Note: The land and buildings were revalued in August 2006 by Mr Ng Tong Ng Wah, Land Surveyor, as follows.

1. A building situate at Vacoas at Rs 16,000,000.
2. A portion of land situate at Vacoas at Rs 7,500,000
3. A portion of bare land situate at Vacoas at Rs 8,500,000.



## Vacoas Popular Multi Purpose Co-operative Society Ltd

### Notes to and forming part of the financial statements for the year ended 30 June 2011

#### 6. Investment property

	2011 Rs	2010 Rs
Land	3,135,350	3,135,350
	=====	=====

#### 7. Intangibles Software

	Rs
<i>Cost</i>	
At 1 July 2010	899,571
Additions	300,429
	-----
At 30 June 2011	1,200,000
	-----
<i>Amortisation</i>	
At 1 July 2010	359,828
Charge for the year	240,000
	-----
At 30 June 2011	599,828
	-----
Net book Value	
<b>At 30 June 2011</b>	<b>600,172</b>
	=====
At 30 June 2010	<b>539,743</b>
	=====

#### 8. Inventories

	2011 Rs	2010 Rs
Balance at 1 July	59,617,397	64,643,966
Additions	1,082,581	-
Disposals	(8,523,160)	(5,026,569)
	-----	-----
Balance at 30 June	52,176,818	59,617,397
	=====	=====





## Vacoas Popular Multi Purpose Co-operative Society Ltd

### Notes to and forming part of the financial statements for the year ended 30 June 2011

#### 9. Taxation

Income tax is calculated at the rate of 15% on the profit for the year as adjusted for income tax purposes.

	2011 Rs	2010 Rs
Income tax based on adjusted profit @ 15%	<b>1,442,505</b>	1,409,928
	=====	=====
<i>Tax reconciliation</i>		
Profit before taxation	<b>3,733,939</b>	3,739,268
	=====	=====
Income tax using effective tax rate	<b>560,091</b>	560,890
Depreciation	<b>203,041</b>	216,126
Non deductible expenses	<b>749,446</b>	722,236
Capital allowances	<b>(70,073)</b>	(70,175)
Loss brought forward	-	(19,149)
CSR	<b>46,587</b>	-
	-----	-----
Income tax charge for the year	<b>1,489,092</b>	1,409,928
	=====	=====
<i>Recognised in the statement of financial position</i>		
Charge for the year	<b>1,442,505</b>	1,409,928
CSR	<b>46,587</b>	-
	-----	-----
	<b>1,489,092</b>	1,409,928
Opening provisions	<b>574,935</b>	(571,133)
Paid for the year:		
- Income tax	<b>(574,935)</b>	-
- APS	<b>(1,057,446)</b>	-
- TDS	<b>(256,962)</b>	(263,860)
	-----	-----
Current tax liability	<b>174,684</b>	574,935
	=====	=====

