



*Vacoas Popular  
Multi Purpose  
Co-operative Society Ltd*

**Annual Report  
2013**

*It's where we Belong ...*

This report has been prepared to assist members to assess the Board's strategies and their potential of success. The statements contained herein may include declarations of future expectations and other forward looking statements that are based on management's current views and assumptions. These involve risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Readers are advised not to place undue reliance on the forward-looking statements relating to the VPMPCS's strategy, plans, objectives and financial positions as these statements rely on assumptions and hypotheses which inherently represent an accuracy risk. Actual results, performance and events may differ from those in such statements due to general evolution of economic, political and industry conditions, interest rate levels, currency exchange rates as well as changes in laws and regulations and the extent of competition and technological factors.

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## *Chairman's Statement*

Dear Valued Member,

I am presenting to you the annual report and financial statements of the Vacoas Popular Multipurpose Cooperative Society Ltd for the financial year ending 30 June 2013.

Right from its inception in the 1970's, the VPMPCS has not ceased progressing and developing from a few members with business conducted in small rented offices we have today more than 6000 members and our own office, which is second to none. Needless to say that most of our members have benefitted in one way or another through the attractive products offered. Members have consolidated their position through advancement of credit by the Society for diverse purposes ranging from housing, educational, business/ economic, recreational, medical, to name a few.

Besides the core activities of the Society, VPMPCS has also been a platform for many social activities namely: picnics, outings for elderly, culinary competitions, flag raising ceremony, celebration of Society's anniversary, family weekends, medical checkups and children's day amongst others. All these are being done to consolidate the big family and enhance the cooperative philosophy. We have also embarked on projects which time has proved worthwhile. The Society has purchased plots of land which have been parcelled and sold out mainly to members. Thanks to this foresight, many members have become owners of plots of land and houses. Recently, the Society has purchased 2 plots of land of about 37 acres at Flic en Flac. In a matter of years, everyone will realise the very positive aspect of this decision.

I seize this opportunity to thank the members of the Society, who have placed their trust on us and supporting us in one way or another. Thanks also go to the dedication of the staff and members of the Board of directors, who are sparing no effort to ensure financial performance, good governance, transparency, sound internal control

system and institutionalisation of activities by the Vacoas Popular MPCs Ltd.

I am pleased to say that despite the challenges of this decade-globalisation, financial crisis and world recession, the VPMPCS is living up to its expectations. Long Live VPMPCS.



Roopeshwar Deo GOOLY  
Chairman

***Note of Appreciation***

The directors wish to thank management, staff and all those members who have contributed on a voluntary basis for their hard work and motivation.

## *Acting Chief Executive's Statement*

Dear Shareholder,

In my uttermost humility and in my capacity of Acting CEO of the Vacoas Popular MPCs Ltd, I hereby report to you. You will appreciate that, throughout the years, Board and Management are making every effort to continuously improve our reporting. We do believe that communicating to you in such manner portrays our professionalism and also the value we give to keep you informed about the progress of our Society. I am very grateful to all those who have brought their valuable contribution and input to allow us present this 2013 Annual Report.

The results of our operations and an analysis of the current situation are commented later in our annual report. However, I wish to highlight that despite a difficult context, we are very devoted to move forward and prosper. Being involved in a line of activity where the degree of risk is very sensitive, Board and Management constantly review the level of risk being taken and bring about innovation and process re-engineering to better manage the operations.

Though the difficulties encountered in 2012-2013, members have been rewarded with an adequate return on their investments. All statutory requirements and provisions have been respected and accounted for accordingly.

With the new challenges that is awaiting us, which include inter alia being licensed and having to report to the Bank of Mauritius, in addition to reporting to the Ministry of Co-operatives, our team, which is expected to grow to meet our requirements, remains fully committed to deliver. We do hope for the best for the financial year 2013-2014.

On another note, we had to cope with some unfortunate situations. Indeed, we ended 2013 on a sad note with the untimely demise of one

of colleague, Mrs E.Gungaram. Our thoughts are with her family, who had to endure such difficult moments.

I seize this opportunity to thank you for your trust and support which I am convinced will be renewed time and again. Board and Management do engage themselves to continue work towards making you **Members** truly feel that indeed Vacoas MPCs Ltd is the place where you belong.

With Co-operative Greetings

Yours faithfully,



Leckraj J GUNNESS ACCA  
Ag. CEO

## ***Notice of Meeting***

25 March 2014

Dear Member,

The Managing Committee of the Vacoas Popular Multi Purpose Co-operative Society Ltd is pleased to invite you to attend its Annual General Meeting.

Venue: Seat of Society

Date: 19 April 2014

Time: 1.30 p.m.

### **AGENDA**

1. Welcome Address by President
2. Report of the Board on the activities of the preceding year.
3. Approve minutes of last Annual General Meeting held on 23.2.2013.
4. Matters Arising out of minutes
5. Adoption of Financial Statements for the year ending 30 June 2013.
6. Approval of estimates for financial year July 2013-June 2014
7. Election of three members to sit in the Managing Committee
8. Fix investment ceiling for property development
9. To ratify recommendation of Bizlall's Restructuring Report in respect of succession planning
10. Appointment of External Auditor
11. Appointment of Internal Auditor
12. A.O.B.

Members who wish to stand as candidates to fill the three vacancies on the Board of Directors are kindly requested to submit their letter of candidature to the Secretary on 18<sup>th</sup> April 2014 at noon by latest.



Ashwin MUSSAI

Secretary

### ***N.B***

- *Access into the Hall will be prohibited to non-members (friends, relatives etc)*
- *Election will be held from 1.30 p.m. to 3.00 p.m.*

In case of lack of quorum, AGM will be scheduled for 26 April 2014 at the same time and place.

***All members present will receive a special gift.***



## ***Corporate Information***

### ***Board of Directors***

Roopeshwar Deo GOOLY - President  
Yavisht TOOLSEEYA - Vice President  
Ashwin MUSSAI - Secretary  
Tarkeeswarsing HURRYNAG - Assistant Secretary  
Kerseven ARNASSALON - Treasurer  
Karmaraj Acharyadev NOSIB  
Ashwin Raja TOOLSEEYA  
Sadasiyum Asoka VENKATASAWMY  
Wong Hok Tsung (Pierre) WONG TEK KONG

### ***Chief Executive Officer***

Kamla GUNNESS-PURMESSUR

### ***Accountant***

Leckraj J GUNNESS ACCA

### ***Staff***

Vareedhee GUNNESS  
Resawny Devi ARNASSALON  
Raziana SK HEERAH  
Morganavallee COOTHAPAROOMAUL  
Mootoosamy PURSOORAMEN  
Ubaid KOYRATTY  
Sharvada SEESUNKUR  
Gary LABICHE  
Stephanie AMOURDON  
Sewoosancar ITNAC  
Marie Louise Francess ARAYO  
Late Esnee GUNGARAM

### ***Auditors***

Nathadkhan Associates - Internal  
Baker Tilly (Mauritius) - External

### ***Bankers***

State Bank of Mauritius Ltd  
The Mauritius Commercial Bank Ltd  
Barclays Bank PLC - Mauritius Branch  
Bank One Ltd  
The Hong Kong and Shanghai Banking Corporation Ltd  
Mauritius Post and Cooperative Bank Ltd  
Bank of Baroda

### ***Legal Advisors***

Me Jaykar GUJADHUR  
Me Yanilla MOONSHIRAM  
Me Roshan RAJROOP

### ***Notary***

Me Darmalingum GOORRIAH

### ***Registered Office***

Morc. Coop, Bonne Terre,  
Solferino,  
Vacoas  
Society No. 723  
BRN: F13000084  
Telephone: 698-4072, 697-9447  
Fax: 698-3845  
Email: vpm pcs@intnet.mu

## *Corporate Profile*

### ***Overview of Vacoas Popular MPCs Ltd***

Established in 1976 in the financial services market, the VPMPCS is a primary co-operative society, registered and regulated by the Ministry of Business, Enterprise and Co-operatives – Co-operatives Department. Thanks to the unflinching support of its members and Management, the VPMPCS is now one of the leading societies in Mauritius and in the Indian Ocean. The Society has played a major role in the socio-economic development of its members through its Credit Union segment. A full range of products and services have been developed over the years to better serve its members. The VPMPCS also diversified its activities to eventually launch its Property Development segment. So far three morcellement projects have been materialised and the Society has presently invested in an upcoming morcellement project at Flic en Flac.

### ***Key Facts & Figures***

- Started operations with Rs. 860, as share capital and 30 members
- Date of initial registration: 18<sup>th</sup> April 1977
- Society Number: 723
- Originally registered as Vacoas Popular Multi-Purpose Co-operative Society Ltd as from 10<sup>th</sup> January 1983 as per Special General Meeting dated 31<sup>st</sup> July 1982
- First Co-operative Society from the African continent, which is affiliated with the Association of Asian Confederation of Credit Union (ACCU) since 2004
- Three morcellement projects have already been completed since 1989, namely:
  - 1989 - Morcellement Co-operative at Bonne Terre, Vacoas
  - 2004 - Morcellement Mon Plaisir at Melrose and Morcellement Mon Reve at Camp Ithier

### ***Principal Activities***

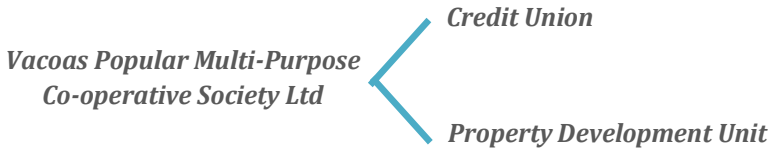
The principal activities of the Society are shown hereunder and have remained unchanged during the financial year 2012/2013:-

1. To promote the economic, social and cultural interests of its Members; in accordance with Co-operative Principles and Objectives;
2. To promote and encourage thrift and savings, self-help and mutual help among its Members;
3. To obtain for its Members the credit, goods and services required by them;
4. To obtain, procure, process, distribute goods to or perform other services for its Members and share among them the surplus derived from the production, processing or distribution in such proportion as may be fixed by AGM;
5. To produce and dispose of the goods of its Members on a collective basis;
6. Set up and operate schemes and projects for the welfare of Members and their families;
7. 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;
8. To assist its Members to renovate, extend and construct houses;
9. To raise funds, contract loan, receive deposit, to accept deposits from Members;
10. To grant loans upon furnishing a security;
11. To accept donations from different sources;
12. To create a source of credit for productive and provident purposes at reasonable rate of interest;
13. To organise social, cultural and educational programmes for the benefit of Members and the public in collaboration with the National Co-operative Institute for Co-operative Education, public or para-statal bodies, authorities, institutes and other development agencies;

14. To do such other activities as are incidental and conducive to the attainment of the above objects of the Society.

### ***Business Segments***

The Society currently operates in the following two segments:



### ***Our Vision***

*We will be a strong leader in Mauritius, the leading Credit Union and a strong member of the Co-operative movement.*

*Our reputation will be built on dedication to knowing our members, supporting their financial stability and providing responsive and professional service.*

*We will be trusted and chosen as the preferred Co-operative Society in Mauritius.*

### ***Our Mission***

*We are a Co-operative Society, with our members' needs foremost in our decision making.*

*Our aim is to deliver a friendly, efficient, and quality service to our members at all times.*

## ***Corporate Governance***

Corporate governance refers to the system by which organisations are directed and controlled. It involves managing and controlling the relationship between members, Board of Directors and Management.

The **VPMPCS** complies with corporate governance as set out in the Co-operatives Act 2005, Co-operatives (Amendment) Act 2006 and the Code of Best Practices for Co-operatives.

### ***Directorate***

The VPMPCS is headed by a Board of Directors, duly elected by members at the AGM. The Board's primary objective is to act in the best interests of the Society and its members, use their powers for a proper purpose and exercise a duty of care.

The Board sets strategic decisions and policies, provides the leadership to put them into effect, appoints and supervises Management and ensures accountability of the Society's affairs to its members and other stakeholders.

The Board comprises of nine members, including the President and Secretary, all of whom are non-executive directors.

### ***Separation between powers of Chairman and CEO***

There is a clearly accepted division of responsibility between the Chairman and CEO to ensure balance of power and authority. The role of Chairman and CEO is not exercised by the same individual.

The Board is led by the Chairman, the President, elected by Board members, while the CEO leads the executive team responsible for the day to day running of the Society.

### ***Composition of Board of Directors***

During the financial year 2012/2013, two Boards of Directors held office as stated below:

#### **From 1<sup>st</sup> July 2012 to 25<sup>th</sup> February 2013:**

Rajen KANDASAMY - President  
Hoonar RAMCHURTER - Vice President  
Tarkeeswarsing HURRYNAG - Secretary  
Poubarlanaden APPAVOO  
Roopeshwar Deo GOOLY  
Karmaraj Acharyadev NOSIB  
Yavisht TOOLSEEYA  
Sadasivum Asoka VENKATASAWMY  
Wong Hok Tsung (Pierre) WONG TEK KONG

After serving three years on the Board of Directors, a director must retire and be replaced democratically by members at the AGM. Three directors qualify for retirement yearly.

Directors who retired after the AGM held on 23<sup>rd</sup> February 2013 were:

Poubarlanaden APPAVOO  
Rajen KANDASAMY  
Hoonar RAMCHURTER

#### **From 26<sup>th</sup> February 2013 to 30<sup>th</sup> June 2013:**

Roopeshwar Deo GOOLY - President  
Yavisht TOOLSEEYA - Vice President  
Ashwin MUSSAI - Secretary  
Tarkeeswarsing HURRYNAG - Assistant Secretary  
Kerseven ARNASSALON - Treasurer  
Karmaraj Acharyadev NOSIB  
Ashwin Raja TOOLSEEYA  
Sadasivum Asoka VENKATASAWMY  
Wong Hok Tsung (Pierre) WONG TEK KONG

### ***Sub Committees***

Sub Committees have been established by the Board to assist it in its decision-making process and to give closer attention to important issues facing the Society. Members of the Board of Directors and in some cases, members of the Society serve on these Committees. The following Sub Committees met during the financial year 2012/2013:

#### **Credit Monitoring Committee**

The Credit Monitoring Committee has been created with the view to monitor the performance of loans and ensure that appropriate credit control procedures are in place for the timely collection of debts. Management and six Board members sit on that Committee.

#### **Loan Committee**

This Committee meets on a weekly basis and has for task to assess the credit quality and repayment capacity of potential borrowers. The Committee is chaired by the President and comprises of two directors, appointed by the Board, the CEO and Accountant.

#### **Project Management Committee**

This Committee has been set up with the responsibility to identify, monitor and manage projects, especially in the real estate sector. The Committee is composed of six board members, three members of the Society, the CEO and Accountant.

#### **Staff Committee**

The focus of the Staff Committee is on all matters related to industrial relations, discipline, appointment, promotion, and so on as stated in the Bizlall Report. The President and two directors sit on this Committee. The CEO and Accountant are in attendance.

#### **Social Committee**

This Committee has been set up to cater for the social welfare of members. All social activities organised by the Society bear the signature of the Social Committee. It also charts the rules and



regulations for the CSR programme. A reasonable blend of Board members and members of the Society constitute this Committee and the CEO and Accountant are also present. Members sit on this Committee on a voluntary basis.

The following table shows board members who sat on the different Sub Committees during the financial year 2012/2013.

<i>Sub Committees</i>	<i>01.07.2012 - 25.02.2013</i>	<i>26.02.2013 - 30.06.2013</i>
<i>Credit Monitoring Committee</i>		Kerseven ARNASSALON Roopeshwar Deo GOOLY Tarkeeswarsing HURRYNAG Ashwin Raja TOOLSEEYA Sadasiyum Asoka VENKATASAWMY Wong Hok Tsung (Pierre) WONG TEK KONG
<i>Loan Committee</i>	Rajen KANDASAMY Roopeshwar Deo GOOLY Tarkeeswarsing HURRYNAG	Roopeshwar Deo GOOLY Tarkeeswarsing HURRYNAG Kerseven ARNASSALON
<i>Project Management Committee</i>	Roopeshwar Deo GOOLY Leckrajsing (Ashok) GUNNESS Tarkeeswarsing HURRYNAG Rajen KANDASAMY Louis Gilbert L. LOUISON Hoonar RAMCHURTER Ashwin Raja TOOLSEEYA Yavisht TOOLSEEYA Sadasiyum Asoka VENKATASAWMY	Roopeshwar Deo GOOLY Leckrajsing (Ashok) GUNNESS Tarkeeswarsing HURRYNAG Ashwin MUSSAI Karmaraj Acharyadev NOSIB Ashwin Raja TOOLSEEYA Yavisht TOOLSEEYA Sadasiyum Asoka VENKATASAWMY
<i>Social Committee</i>	Roopeshwar Deo GOOLY Leckrajsing (Ashok) GUNNESS Tarkeeswarsing HURRYNAG Marlene Genevieve JOSEPH Rajen KANDASAMY Karmaraj Acharyadev NOSIB Hoonar RAMCHURTER Guy Norbert TAMATAVE Ashwin Raja TOOLSEEYA Sadasiyum Asoka VENKATASAWMY	Kerseven ARNASSALON Houlashi GOOLY Leckrajsing (Ashok) GUNNESS Tarkeeswarsing HURRYNAG Marlene Genevieve JOSEPH Rajen KANDASAMY Guy Norbert TAMATAVE Ashwin Raja TOOLSEEYA Sadasiyum Asoka VENKATASAWMY
<i>Staff Committee</i>	Gita-Anjali BHEENICK Meera JHUGROO Wong Hok Tsung (Pierre) WONG TEK KONG	Roopeshwar Deo GOOLY Ashwin MUSSAI Wong Hok Tsung (Pierre) WONG TEK KONG

*Note: Board of Directors who retired during the year under review and who formed part of Sub Committees were replaced accordingly.*

## Attendance to Committee Meetings

	Board of Directors	Sub Committees				
		Credit Monitoring	Loan	Project Mgt	Social	Staff
<b>Number of Meetings held</b>	<b>9</b>	<b>1</b>	<b>51</b>	<b>15</b>	<b>6</b>	<b>3</b>
Poubarlanaden APPAVOO**	1	N/A	N/A	N/A	N/A	N/A
Kerseven ARNASSALON*	4	1	18	N/A	3	N/A
Houlashi GOOLY	N/A	N/A	N/A	N/A	5	N/A
Roopeshwar Deo GOOLY	9	1	51	14	-	1
Leckrajsing (Ashok) GUNNESS	1	N/A	N/A	15	6	N/A
Tarkeeswarsing HURRYNAG	8	1	50	15	3	1
Rajen KANDASAMY**	5	N/A	31	8	2	1
Louis Gilbert L. LOUISON	N/A	N/A	N/A	3	N/A	N/A
Ashwin MUSSAI*	4	N/A	N/A	7	-	0
Karmaraj Acharyadev NOSIB	5	N/A	N/A	2	1	N/A
Hoonar RAMCHURTER**	4	N/A	2	6	1	N/A
Guy Norbert TAMATAVE	N/A	N/A	N/A	N/A	4	N/A
Ashwin Raja TOOLSEEYA*	4	1	N/A	13	5	N/A
Yavisht TOOLSEEYA	9	N/A	N/A	11	-	2
Sadasivum Asoka VENKATASAWMY	9	1	N/A	13	5	N/A
Wong Hok Tsung (Pierre) WONG TEK KONG	5	1	N/A	N/A	-	3

*\*Appointed on 26.02.2013*

*\*\*Retired on 25.02.2013*

### Loan Committee

Mr. K. Arnassalon was the only member to join the Committee upon retirement of Mr. R. Kandasamy.

Mr. H. Ramchurter, being the Vice President, chaired the Loan Committee during the absence of Mr. R. Kandasamy, who was on overseas assignment.

### ***Committee Allowance***

Allowance paid by the Society for the year ended 30 June 2013 with comparatives was as follows:

	<i>2013 (Rs.)</i>	<i>2012 (Rs.)</i>
<b>Committee Allowance</b>	268,128	226,484

### ***Auditors Fees***

The fees paid to the auditors for audit and other services including payable were:

	<i>2013 (Rs.)</i>	<i>2012 (Rs.)</i>
<b>Baker Tilly (Mauritius) - External Audit</b>	143,750	109,250
<b>Nathadkhan Associates - Internal Audit</b>	120,000	NIL
<b>Kamal Raj SADIEN FCCA - Internal Audit</b>	Nil	45,000

### ***Professional Fees***

The Credit Union expensed Rs. 150,000 (2012 - Rs. 240,000) for the maintenance of its software.

The Property Development Unit disbursed Rs.22,500 for land surveying in 2013. In 2012, Rs 21,000 was disbursed for valuing the property at Flic en Flac before its purchase.

Rs. 900,000 has been paid to J&A Architects Ltd, being consultancy fees for Morcellement Buena Vista at Flic en Flac.

## ***Management Performance Analysis***

### ***Overview of the Mauritian Economy***

After realising a wonderful financial performance during the financial year ending 30 June 2012, the Society had to face many challenges for the financial year under review. The situation in Mauritius itself does not portray great sign of growth. Our economy experienced a growth rate of 3.2% in 2013. Though this rate is satisfactory compared to worldwide trends, several sectors are finding it difficult to prosper. The excess in liquidity that the economy is facing is not helping either.

### ***Review of Vacoas Popular MPCs Ltd Performance***

The primary objective of Vacoas Popular MPCs Ltd throughout its 37 years of existence is to promote thrift and savings and advance loans to its members. Various deposits and loan schemes are presented to members to enable them to make significant progress across the social ladder. Furthermore, laying more emphasis on the real estate sector enables our Society to achieve greater return on capital employed.

For the first time since its 37 years of operation, the Vacoas Popular MPCs Ltd had to report a significant deficit. Members should make an informed judgement while analysing those results. Before reaching a conclusion, several factors must be considered. Though an adverse situation in our performance, our liquidity position has never been affected.

Members have still enjoyed an appreciable return on their investment which matches market rates and in various situations betters them. For indicative purposes, our savings rate was 5% per annum during year 2012/2013. Fixed deposit holders have enjoyed healthy returns on their investment, whereby a rate of interest of 7%-8% was applicable for them. Those who hold Life Savings account, where they are eligible to make an application for loan of 5 times their investment, were appropriately rewarded. In their case, they enjoyed

a 4.5% return. It should be noted that the Vacoas Popular MPCS Ltd has never failed in discharging its obligations in respect of paying interest to its members.

Statutory requirements, in respect of our Life Savings & Loan Protection Fund Account, have been respected and appropriate provision has been made as stipulated in our rules.

Our real estate segment is also faring well with the sale of plots of land at Melrose being completed. Plots of land at Camp Ithier are being sold at regular intervals and very soon this project shall end. Our upcoming morcellement project at Flic en Flac is also on the right track. In early 2014, an EIA licence has been delivered to us and we are now working towards obtaining our letter of intent. In the coming months, members will be presented with our master plan and they will be allowed to make down payments to secure lots.

It is in respect of our loan products that we have faced difficulties, leading to these adverse results. After analysing the situation, it has been found that the Society has overexposed itself in relation to certain loans. In the first years, those undertakings made positive contributions to our results. Members will note that for the past years our profits were ever increasing. With the slowdown that those members have encountered in their activities, this has negatively impacted on our accounts. Their loans have been serviced at irregular intervals leading the Society to earn lesser interest income. Consequently, our external auditors, together with Board and Management, have decided to account for an impairment loss of Rs 25 million. This has been made in line with common worldwide practice in the financial sector. It is worth noting that impairment does not imply that accounts will be written off. Once those accounts start to perform properly again, **accounting standards** permit the reversal of those impairment losses. Thus in the coming years, this amount will be definitely reversed leading to more positive results for the Society. The Society has not remained insensitive to this situation. A series of measures have been adopted in order to ensure recovery of

those debts. A better debt monitoring system has been implemented leading to more stringent control in respect of loan defaults. In various cases, legal avenues are being explored to ensure that all money is being recouped. Tight procedures have been designed when assessing new loan applications so as to make a more informed ascertainment before a loan is disbursed. The latter measures have started to bear its fruits. As an indication for the calendar year 2013, out of a total of **579 loans**, **only 4 loans** are showing signs of serious defaults and appropriate legal actions have been initiated to recover those debts.

### ***Challenges Awaiting the Society***

A positive turnaround is soon expected as we are more than determined to recover from this adverse situation. As mentioned, new strategies in terms of debt monitoring have been adopted, better cost control procedures have been set up and new ways to realise safer return on investment are being considered. Soon our Co-operative will be regulated and licensed by the Bank of Mauritius with the Ministry of Co-operative still having a purview on our activities. To better prepare ourselves, we are continuously improving our operations, team and the logistic behind to deliver quality services to our members. The design of a website is currently in progress and this will be an asset to us in view of improving our communication with our members.

We are confident of a slow but steady recovery during the coming years which will lead our Society realising better results. We count on the continuous support and contribution of our members in accompanying us towards this goal.

### ***Participating in making Mauritius an eco-friendly country***

We have not remained insensible to the challenges that the Mauritian economy is facing in respect of making our country a greener island. A series of initiative is being adopted which includes inter alia collection of used batteries and cell phones for proper disposal. Members will

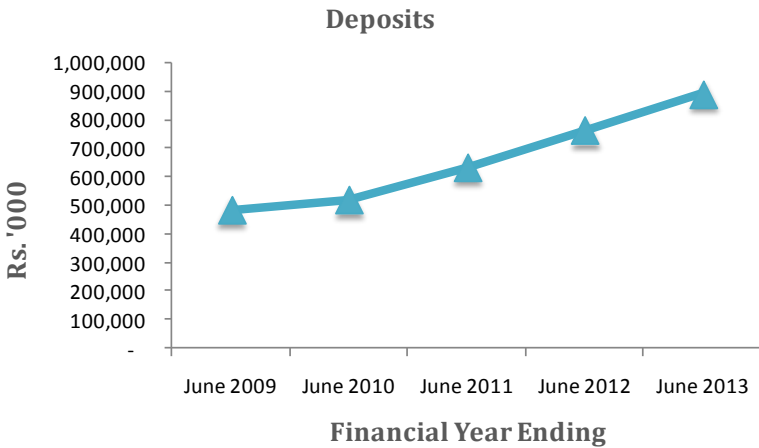
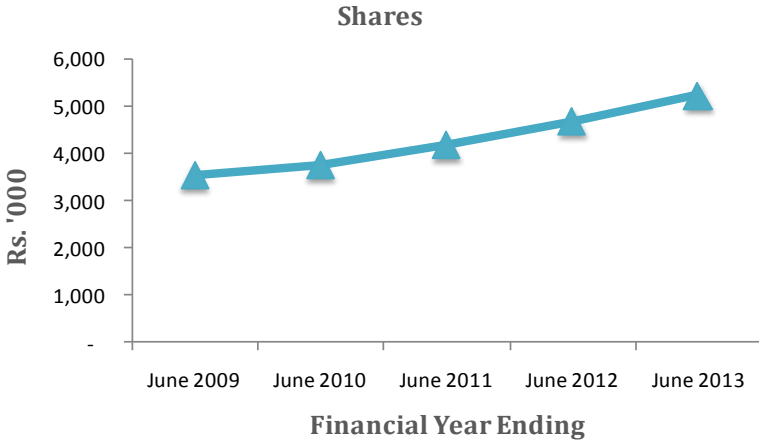
also be able to dispose of used paper and plastics in specialised bins that will be placed at our premises and those wastes shall be then sent for recycling.



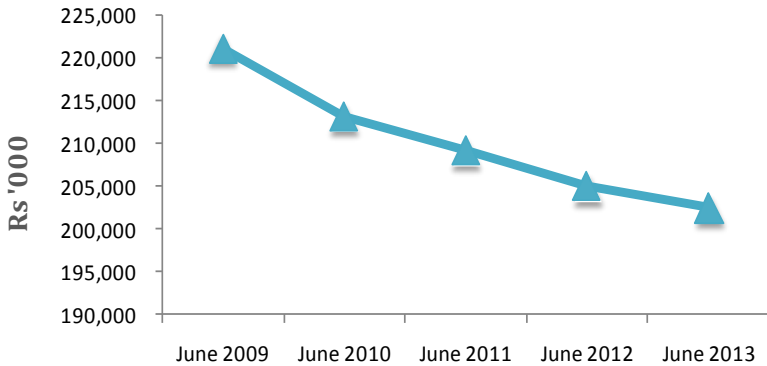
## Key Statistics as at 30 June 2013

### Growth

The charts below demonstrate the evolution in shares, deposits, life savings, loans and surplus after tax over the last five years.

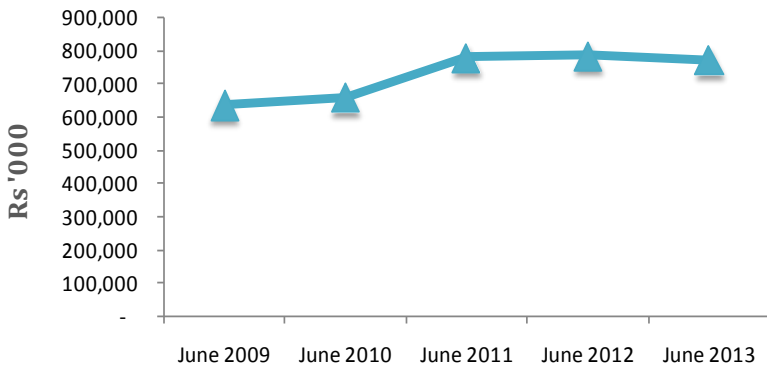


### Life Savings

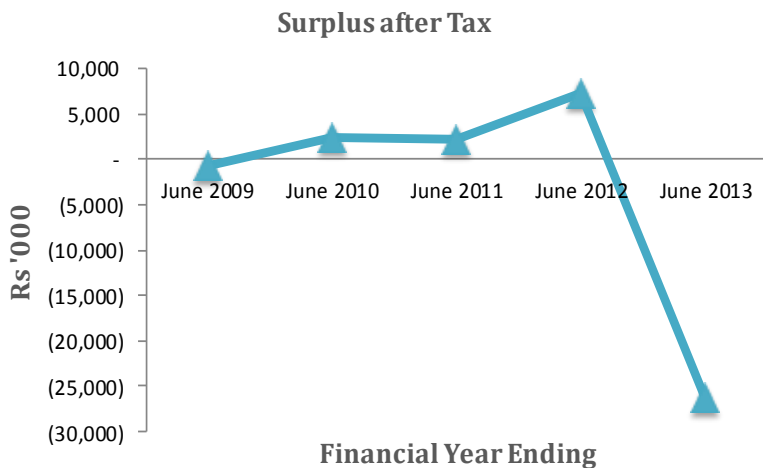


### Financial Year Ending

### Loan

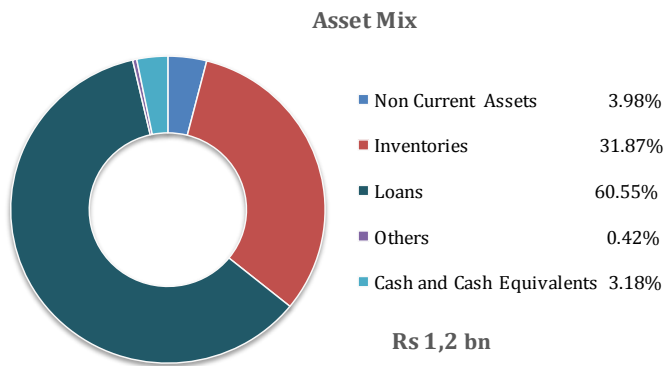


### Financial Year Ending



### ***Asset Mix***

The following figure shows the percentages which every asset class contributes to the total asset value of the Society.



## Membership

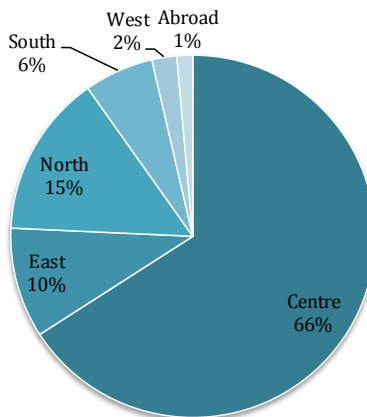
In order to benefit from the various products and services of the VPMPCS, one should be a member. The table below shows the growth in membership for the financial year 2012/2013.

### Membership as at 30.06.2013

<i>No. of Shareholders at Start</i>	4994
<i>New Shareholders</i>	299
<i>Shareholding from existing members</i>	11
<i>No. of Closed Account</i>	64
<i>No. of Shareholders at Close</i>	5240

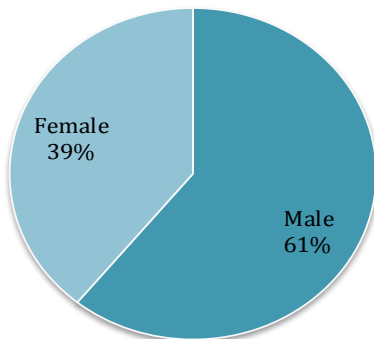
The following chart illustrates how our membership base is spread across the island and that VPMPCS has members even abroad.

### Distribution of Members across Mauritius and Abroad



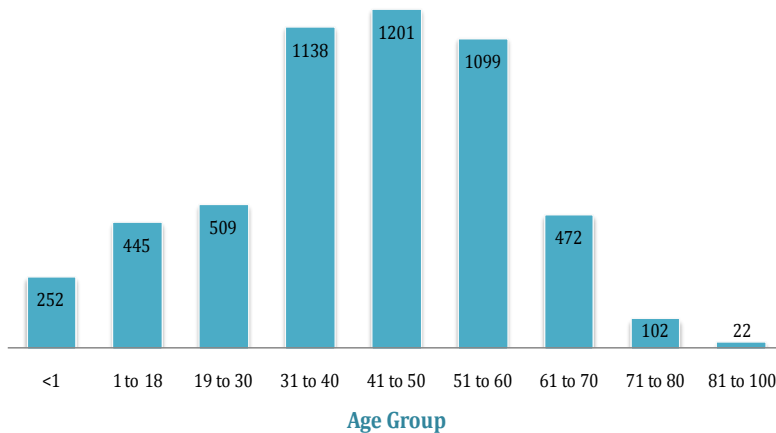
The chart below portrays the mix between male and female members of the VPMPCS.

### Gender Distribution of Members



This bar chart depicts the number of members across the different age group.

### Number of Members Across Age Groups



## ***Loan Portfolio***

### **Purpose Wise**

As at 30 June 2013, VPMPCS had advanced loans to 1663 members for the following purposes.

<i>Purpose</i>	<i>Number of Loans</i>	<i>Amount (Rs.)</i>
<b>Housing</b>	111	50,680,653
<b>Education</b>	137	35,105,102
<b>Purchase of Vehicle</b>	187	49,701,784
<b>Purchase of Land + Legal Fees</b>	124	74,340,657
<b>Repayment of Debts</b>	89	27,001,284
<b>House Renovation</b>	309	71,847,589
<b>Wedding</b>	64	11,267,656
<b>Business</b>	227	298,251,213
<b>Construction</b>	265	74,764,217
<b>Travelling</b>	26	4,559,609
<b>Medical</b>	34	6,415,345
<b>Purchase of Furniture</b>	6	479,990
<b>Purchase of Office Space</b>	3	1,483,769
<b>Purchase of Equipment</b>	17	2,138,848
<b>Investment</b>	12	18,168,443
<b>Purchase of Immovable Property</b>	32	42,195,052
<b>Car Expenses</b>	20	3,757,865
<b>Total</b>	<b>1663</b>	<b>772,159,076</b>

## Loan Maturity

The table below shows the remaining term to maturity of loans.

<i>Loans</i>	<i>2013</i>	<i>2012</i>
<b>Remaining Term to Maturity</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Less than 1 year</b>	140,007,529	118,288,807
<b>More than 1 year and less than 2 years</b>	24,175,828	36,615,048
<b>More than 2 years and less than 3 years</b>	29,818,367	29,499,218
<b>More than 3 years and less than 4 years</b>	42,135,439	34,722,182
<b>More than 4 years and less than 5 years</b>	72,555,238	52,288,360
<b>More than 5 years and less than 10 years</b>	364,246,405	390,138,684
<b>More than 10 years</b>	99,220,270	124,625,954
	<b>772,159,076</b>	<b>786,178,253</b>

### **Deposit Portfolio**

The following table shows the change in deposit over the last year. The deposit portfolio has increased by 13.15%.

<i>Deposit Type</i>	<i>Credit Union (Rs.)</i>	<i>Property Development (Rs.)</i>	<i>% Change over last year</i>
<b>Life Savings</b>	202,485,336		(1.19)
<b>Savings</b>	65,739,347		39.50
<b>Xmas Savings</b>	605,750		1.64
<b>Cumulative Deposit</b>	22,356,717		40.52
<b>Fixed Deposit</b>	505,710,279	193,100,334	16.10
<b>Deposit Double</b>	104,093,863		7.86

### **Deposit Maturity**

The table below shows the remaining term to maturity of deposits.

<i>Deposits</i>	<i>2013</i>	<i>2012</i>
<b>Remaining Term to Maturity</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Savings &amp; Life Savings</b>	268,224,683	252,051,209
<b>Cumulative Deposit (Maturity between 1 year and 15 years)</b>	22,356,717	15,909,811
<b>Less than 1 year</b>	282,807,363	430,065,177
<b>More than 1 year and less than 2 years</b>	74,943,786	46,525,770
<b>More than 2 years and less than 3 years</b>	152,933,060	129,302,117
<b>More than 3 years and less than 4 years</b>	21,247,692	7,399,962
<b>More than 4 years and less than 5 years</b>	47,628,205	19,472,677
<b>More than 5 years and less than 10 years</b>	28,849,786	64,250,206
<b>More than 10 years</b>	2,000,000	2,000,000
	<b>900,991,292</b>	<b>966,976,929</b>



### ***Solidarity Plan***

The Solidarity Plan was introduced with the aim to provide financial support to heirs of deceased members within the plan. Besides members forming part of this plan are granted exam fees loans at relatively low interest rate.

Evolution of the plan during the financial year 2012/2013 was as follows:

#### ***Solidarity Plan As at 30.06.2013***

<i>Members at Start</i>	2083
<i>Members joining the plan</i>	212
<i>Members withdrawing from the plan</i>	84
<i>Deceased Members</i>	8
<i>Members at Close</i>	2203

A total of Rs. 844,648 was paid to heirs of 8 members from the Solidarity Plan.

### ***Life Savings and Loan Protection Fund***

The Life Savings and Loan Protection Fund has been set up to act as an Insurance for Life Savings and Loan against Life Savings for members. This fund covers the Life Savings of a member in case of death and in the event, he/she has a loan, same will be covered by the fund provided the loan is not in arrears.

The Life Savings and Loan Protection Fund has disbursed Rs. 662,664 to heirs of 8 members.

<b><i>Product</i></b>	<b><i>Number</i></b>	<b><i>Amount (Rs.)</i></b>
<b>Life Savings</b>	4	356,582
<b>Loan</b>	4	619,723
<b>Total</b>	<b>8</b>	<b>976,305</b>

## Replenishment of Fund

A provision of Rs. 5,337,336 has been made to the fund during the year.

	<i>Rs.</i>
<i>Balance at Start</i>	39,536,211
<i>Additional Contribution from Members during the year</i>	73,020
<i>Appropriation of Profit:-</i>	
<i>To adjust Replenishment for year 2008/2009</i>	5,000,000
<i>Interest on Investment for year 2010/2011</i>	334,374
<i>Replenishment of Fund</i>	5,337,336
<b>Total</b>	<b>50,280,941</b>

## Morcellement Project

Another main income generating unit for the Society is the real estate segment.

Sales during the financial year ending 30 June 2013 were as follows:

<i>Location</i>	<i>No. of Plots Sold</i>
<b>Camp Ithier (Bramsthan)</b>	14
<b>Melrose</b>	11
<b>Total Sold</b>	<b>25</b>

Overall Sales since start of the Project

<i>Location</i>	<i>No. of Plots Sold</i>	<i>No. of Saleable Plots</i>	<i>% Sold</i>
<b>Camp Ithier (Bramsthan)</b>	99	166	60
<b>Melrose</b>	95	103	92
<b>Total Sold</b>	<b>194</b>	<b>269</b>	

## *Corporate Social Responsibility*

At the VPMPCS, the social welfare of our members and the community at large is taken into consideration at all times.

Since its inception, the Society has continuously invested in activities aimed at enhancing social interaction and welfare of members. The following activities were carried out during the **calendar year 2013**:

1. Celebration of Chinese Spring Festival
2. Celebration of National Day
3. Celebration of Easter
4. Catamaran Trip at Grand Baie
5. Celebration of Eid-Ul-Fitr
6. Lunch for Senior Citizens at Open Air Theatre
7. Family Weekend at Le Canonier Hotel
8. Family Day
9. Health Day
10. Celebration of Diwali
11. Annual Children's Day

During the year under review, the Social Committee reconsidered its CSR strategy. Instead of remitting the CSR contribution to MRA as was being done previously, the Committee decided to distribute the fund to five NGOs, namely, **APEIM, Lupus Alert, Link to Life, Cedem and Centre for Natural Healing and Meditation**. A total donation of **Rs. 192,334.15** was made to those institutions.

## ***Notes of AGM 23 February 2013***

### **Notes of the Annual General Meeting of the Vacoas Popular Multi-Purpose Co-operative Society Ltd (VPMPCS) held on Saturday 23 February, 2013 at the seat of the Society at 1.30 p.m.**

The members of the VPMPCS were convened for the Annual General Meeting (AGM) on Saturday 23 February, 2013 at the seat of the Society.

The Agenda was as follows:

#### **Agenda:**

1. Welcome Address by President
2. Report of the Board on the activities of the preceeding year
3. Approve minutes of last Annual General Meeting held on 25 February 2012
4. Matters Arising out of minutes
5. Adoption of Financial Statements for the year ending 30 June 2012
6. Appropriation of surplus for the year ending 30 June 2012
7. Approval of estimates for financial year July 2012-June 2013
8. Election of three members to sit in the Managing Committee
9. Fix investment ceiling for property development
10. Fix the annual fee for External Auditor
11. To fix deadline date for existing members to join Solidarity Plan
12. A.O.B

With **291** members present, the quorum was reached and the meeting was held as scheduled.

In Attendance: Mr Shakeel Toorabally (Nathadkhan Associates)

#### **1. Welcome Address by President**

The President opened the meeting by welcoming the members present and invited them to observe one minute of silence on behalf of the deceased members of the Society.

The President thanked all members present for the AGM and requested their collaboration to proceed in a disciplined way.

## **2. Report of the Board on the activities of the preceding year**

The President recalled the various activities organised by the Society during the previous calendar year.

The activities were:

1. Celebration of Spring Festival
2. Celebration of Independence and Republic Day
3. Celebration of Easter
4. Hiking at Le Petrin
5. Outing at Domaine Des Aubineaux and Marine Park at Mahebourg
6. Trip to Casela and Le Morne Beach
7. Lunch for Senior Citizen at Sofitel Imperial
8. Celebration of Diwali
9. Annual Children's Day

A calendar of activities for the year 2013 was distributed to the members present and the President invited all members to participate fully in the proposed activities.

### **ACCU Forum at Philippines**

The President also informed the members that the CEO and himself attended the International forum organised by ACCU in September 2012 held in Philippines and added that it was an enriching experience on cooperative field.

## **3. Election of three members of the Managing Committee**

President asked members present for their consent to consider item 8 of the agenda, as there were four applications from members to form part of the Managing Committee for a period of three years. There must be an election to elect 3 candidates. Same exercise might be time consuming. Remaining items of the Agenda and election will be carried out in parallel.

Members present unanimously approved same.

The 4 candidates were namely:

Mr Ashwin Mussai

Mr Ashwin Raja Toolseeya

Mr Kerseven Arnassalon

Mr Abdool Jabar Hosany

Members present viewed with concern the absence of Mr Abdool Jabar Hosany for two consecutive years without any excuse.

Mr Jacques Francois Veerapen drew attention of members that decision taken in previous years shall rule. He opined any member willing to serve on the Board shall be in a position to devote fully his time; he questioned whether a member who is not present in an Assembly will be able to serve as Board Member. He proposed that the request of Mr Abdool Jabar Hosany must not be entertained next time as logistics behind organisation of an election is time consuming.

Mrs Pricilla Moothien seconded Mr Jacques Francois Veerapen adding that any member willing to be elected on Board of Directors must be present during Annual General Meeting.

The three other candidates introduced themselves to the Assembly.

Mr A. Mussai, Mr A.R Toolseeya and Mr K. Arnassalon were declared elected to sit on the Managing Committee for a period of three years.

#### **4. Approval of minutes of last Annual General Meeting held on 25.02.12**

The minutes of the AGM held on 25 February, 2012 were approved by Mr Ashok Ram and seconded by Mr Kreshnaduth Mussai.

#### **5. Matters arising out of minutes**

There were no matters arising out of the minutes and the President proceeded with the next item on the agenda.

## **6. Adoption of Financial Statements for the year ending 30 June, 2012**

The Financial Statements for the year ending 30 June 2012 were contained in the Annual Report 2012 and Members were invited to request for clarification or query.

The Financial Statements were adopted upon approval of Mrs Kurmaneetee Bissessur and secondment of Mr Ashwin Toolseeya.

## **7. Distribution of surplus for year ending 30 June, 2012**

The distribution of surplus for the year ending 30 June, 2012 as recommended by Section 85 of the Co-operatives Act 2005 was presented as follows by the Accountant:

### **Appropriation of Surplus for year ended 30 June 2012**

<i>Item</i>	<i>Rs.</i>	<i>Rs.</i>
<b>Net Surplus for the year</b>		7,327,966
Appropriations		
<b>To Statutory Reserve - 10%</b>	732,797	
<b>To Solidarity Plan Buffer A/c</b>	128,679	
<b>To Life Savings &amp; Loan Protection Fund</b>	5,334,374	
<b>Dividend on Shares @ 8%</b>	334,191	
<b>To Revenue Reserve</b>	797,925	

The appropriation of surplus was approved by Mrs Kurmaneetee Bissessur and seconded by Mr Hansraj Bucktowar.

## **8. Approval of estimates for Financial Year July 2012-June 2013**

The estimates for the period July 2012-June 2013 was included in the Annual Report.

These estimates were adopted upon approval of Mr Sewoosing Goroodeo and secondment of Mr Hansraj Bucktowar.

### **9. Fix investment ceiling for property development**

The Assembly was informed that ceiling for investment was fixed up to Rs. 100m at AGM held on 25.2.2012.

However, the CEO pointed out, that a Special General Meeting had to be convened on 24 March 2012 to approve the purchase of **27A15** of land at **Flic en Flac at Rs 260m**. The plot of land has already been purchased and J&A Architects has been entrusted with the development of the project. The project will consist of un-built residential plots and built residential plots. A preliminary investigation and design has already been done and further improvements are being carried out.

In the meantime another plot of land of an extent of **10A84** of agricultural nature neighbouring Society's **27A15** of land has been offered for sale. However, the price should be negotiated.

The main factor that has triggered this interest for the purchase of the said plot is the fact that a housing project can be started in parallel with the procedure of the existing morcellement project.

On a proposal made by Mr Ashok Gunness and secondment of Mr Kaviraj Imrith, the Assembly unanimously approved the purchase of the **10A84** of land at **Flic en Flac**.

Registrar's Authority must be sought for Society to be exempted from Registration fee as per Section 31 of Co-operatives Act 2005.

Furthermore the maximum ceiling up to Rs. 200m for project development was accepted by the Assembly.

Proposed by Mr Ashok Gunness and seconded by Mrs Luvna Arnassalon-Seerungen.



## **10. Annual fee for External Auditor**

The Accountant pointed out that the firm Baker Tilly, the External Auditor for the Society, has made a request for the revision of the annual fee from **Rs 95,000 + VAT** to **Rs 125,000 + VAT** for year 2012 -2013. He added that the increase was justified in view of the increase in the volume of work resulting with the Flic en Flac project.

After discussions, the proposal of **Rs 125,000 + VAT** was accepted by the Assembly.

Proposed by Mr Nethram Ramdenee and seconded by Mrs Priscilla Mootien.

## **11. Deadline date for existing members to join the Solidarity Plan**

The CEO drew the attention of the Assembly that there were many existing members who have not yet joined the Solidarity Plan despite repeated requests made to them. Some of them, now at an advanced age, are expressing their desire to join the Solidarity Plan. She added that the issue was raised at the Social Committee which recommended that the matter be taken up at AGM for a decision.

The CEO reminded that existing members were given up to 30 September 2008 to join the Solidarity Fund to benefit the full amount. Those joining afterwards, were eligible of 90% of the amount payable to beneficiaries.

Mr Asoka Venkatasawmy proposed that existing members who have not yet joined the Solidarity Fund should no longer be allowed to join from now.

Proposal of Mr Asoka Venkatasawmy was seconded by Mr Ashok Gunness.

Mr Ashwin Toolseeya said that the scheme cannot be closed immediately to existing members. He proposed that a more flexible

solution must be reached to keep the fund dynamic. We can go for a pro-rata basis.

Mr Arkam Gunness seconded Mr Aswin Toolseeya saying that a hard and fast rule cannot be applied in this special case of “Solidarity Fund”.

Messrs Abdool, Basoodelsing, Bucktowar, Appavoo, Mrs Mala Boodram and Mrs Kurmaneete Bissessur were also agreeable for a pro-rata basis.

After lengthy discussions, the Assembly decided that henceforth payment would be made on a pro-rata basis according to the number of years.

Finally Mr H. Ramchurter pointed out that the best solution will be any **member (be it existing or new) joining** the Solidarity Plan from **Monday 25 March 2013** will be entitled, in case of death to:

<i>Tenure of membership in Solidarity Plan</i>	<i>Percentage</i>
<b>1 year</b>	10% of the proceeds
<b>2 years</b>	20% of the proceeds
<b>3 years</b>	30% of the proceeds
<b>4 years</b>	40% of the proceeds
<b>5 years</b>	50% of the proceeds
<b>6 years</b>	60% of the proceeds
<b>7 years</b>	70% of the proceeds
<b>8 years</b>	80% of the proceeds
<b>9 years</b>	90% of the proceeds
<b>10 years and above</b>	100% of the proceeds

The above proposition was seconded by Mr Roopeshwar Deo Gooly. Members present unanimously approved same.

## **12. A.O.B**

### **Release of Charges**

The President proposed to include in the scheme of service of the CEO and the Accountant that Release of Charges document be prepared and submitted to the Loan Committee for approval.

Same shall be forwarded to the Ministry of Co-operatives for erasure of charges with the Conservator of Mortgages.

The above proposition was approved by Mr. Ashwin Mussai and seconded by Mr Arkam Guinness.

### **Request for President's Report**

Mr Ashok Guinness made a request that next time the Annual Report should include the President's Report instead of the President's Statement. In the same line the CEO should also produce her Report thereon.

He also drew the attention that there were repetitions of certain issues in the Annual Report.

### **Vote of thanks and End of meeting.**

There being no further points raised, the President and the CEO thanked all members present, the present, outgoing committee members and the staff for their support and collaboration in the advancement of the Society.

The meeting ended at 3.00 p.m.



Tarkeeswarsing Hurrynag  
Secretary

## ***Independent Auditors' Report to the Members of Vacoas Popular Multipurpose Co-operative Society Limited***

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

1. We have audited the financial statements of the Vacoas Popular Multipurpose Co-Operative Society Limited (the "Society") on pages 45 to 78, which comprise the statement of financial position at 30 June 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### ***Board Members' Responsibilities for the Financial Statements***

2. The Society's board members are responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Co-operatives Act 2005. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's Responsibilities***

3. We are responsible for expressing an independent opinion, based on our audit, on these financial statements presented by the directors and reporting our opinion to you. This opinion has been prepared for and only for the Society's members in accordance with Section 79 of the Co-operatives Act 2005 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

***Independent Auditors' Report to the Members of Vacoas Popular Multipurpose Co-operative Society Limited (Cont'd)***

***Report on the Financial Statements (Cont'd)***

*Auditor's Responsibilities (Cont'd)*

4. We conducted our audit in accordance with International Standards on Auditing. Those principles require that we comply with ethical requirements and plan and perform our audit so as to obtain reasonable assurance as to whether the financial statements are free from material misstatements.
5. An audit involves performing procedures, on a test basis, 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 misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Society'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 Society's internal controls. 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.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Independent Auditors' Report to the Members of Vacoas Popular Multipurpose Co-operative Society Limited (Cont'd)***

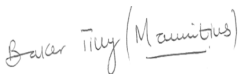
***Report on the Financial Statements (Cont'd)***

*Opinion*

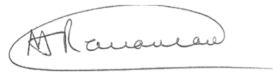
7. In our opinion:
- a) the financial statements on pages 45 to 78:
    - (i) have been prepared in accordance with and comply with International Financial Reporting Standards;
    - (ii) give a true and fair view of the matters to which they relate;
    - (iii) present fairly the financial position of the Society at 30 June 2013 and its financial performance, changes in equity for the year ended on that date; and
    - (iv) comply with the Co-operatives Act 2005.
  - b) proper accounting records have been kept by the Society as far as it appears from our examination of those records.

***Report on Other Legal and Regulatory Requirements***

8. We have no relationship with or interest in the Society other than in our capacity as auditors in the ordinary course of business.
9. We have obtained all the information and explanations we have required.



**Baker Tilly (Mauritius)**



**Aleem Ramankhan**  
Licensed by FRC

26 February 2014

**Statement of Comprehensive Income  
For The Year Ended 30 June 2013**

	2013 Rs	2012 Rs
<b>Interest income</b>		
Interest on loan	68,699,403	83,361,493
Bank interest	2,105,580	2,271,231
	<b>70,804,983</b>	<b>85,632,724</b>
<b>Interest expense</b>		
Interest on deposits	(62,763,269)	(65,754,496)
<b>Net interest income</b>	<b>8,041,714</b>	<b>19,878,228</b>
Other operating income (Note 5)	6,919,465	9,160,649
	<b>14,961,179</b>	<b>29,038,877</b>
Operating expenses (Note 6)	(16,227,001)	(17,647,310)
Provision for impairment loss on loans (Note 12)	(26,500,000)	(1,500,000)
<b>(Deficit)/surplus for the year</b>	<b>(27,765,822)</b>	<b>9,891,567</b>
Taxation (Note 7)	1,446,641	(2,563,601)
<b>Net (deficit)/surplus for the year</b>	<b>(26,319,181)</b>	<b>7,327,966</b>
Other comprehensive income	-	-
<b>Total comprehensive (deficit)/surplus for the year</b>	<b>(26,319,181)</b>	<b>7,327,966</b>

The accounting policies on pages 49 to 60 and the notes on pages 60 to 78 form an integral part of these financial statements.

**Statement of Financial Position  
At 30 June 2013**

	2013	2012
	Rs	Rs
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment (Note 8)	45,077,859	47,139,612
Investment property (Note 9)	3,135,350	3,135,350
Intangible assets (Note 10)	120,172	360,172
Deferred tax asset (Note 18)	4,108,897	-
	<b>52,442,278</b>	<b>50,635,134</b>
<b>Current assets</b>		
Inventories (Note 11)	386,869,767	301,051,739
Loans to members (Note 12)	735,159,076	775,678,253
Accounts receivable (Note 13)	5,114,356	10,158,174
Cash and cash equivalents	38,597,459	83,065,931
	<b>1,165,740,658</b>	<b>1,169,954,097</b>
<b>Total assets</b>	<b>Rs 1,218,182,936</b>	<b>1,220,589,231</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to the Society's equity holders</b>		
Members' share capital (Note 14)	5,249,136	4,696,060
Statutory reserve	20,959,693	20,226,896
Revaluation reserve	26,543,176	27,650,629
General reserve	268,528	268,528
Life savings & loan protection fund	50,280,941	39,536,211
Revenue (deficit)/ reserve	(20,944,647)	10,797,122
<b>Total equity</b>	<b>82,356,827</b>	<b>103,175,446</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Members' deposits (Note 15)	1,094,091,626	966,976,929
Retirement scheme (Note 16)	2,946,719	2,914,019
Solidarity plan (Note 17)	1,988,091	1,998,340
Deferred tax liability (Note 18)	-	63,270
	<b>1,099,026,436</b>	<b>971,952,558</b>
<b>Current liabilities</b>		
Deposits received on morcellement (Note 19)	4,572,091	2,519,000
Accounts payable (Note 20)	30,651,998	140,990,691
Income tax (Note 7)	1,575,584	1,951,536
	<b>36,799,673</b>	<b>145,461,227</b>
<b>Total liabilities</b>	<b>1,135,826,109</b>	<b>1,117,413,785</b>
<b>Total equity and liabilities</b>	<b>Rs 1,218,182,936</b>	<b>1,220,589,231</b>

Approved for issue by the Board of Members on and signed on its behalf by:



President



Secretary



Accountant

The accounting policies on pages 49 to 60 and the notes on pages 60 to 78 form an integral part of these financial statements.



**Statement of Changes in Equity  
For The Year Ended 30 June 2013**

**VPMPCS Annual Report 2013**

	Members' Share Capital		Statutory reserve		Revaluation reserve		General reserve		Life savings and loan protection fund		Revenue/Deficit Reserve		Total	
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 01 July 2011	4,399,843	20,002,411	13,224,058	268,528	33,187,156	4,271,841	75,353,837							
Additions	326,503	-	-	-	5,026,695	-	5,353,198							
Withdrawals	(287,168)	-	(1,107,453)	-	-	-	(287,168)							
Transfer	-	-	-	-	-	1,107,453	-							
Transfer to life saving and protection fund	-	-	-	-	1,322,360	(1,322,360)	-							
Transfer to statutory reserve	-	224,485	-	-	-	(224,485)	-							
Revaluation gain	-	-	15,534,024	-	-	-	15,534,024							
Transfer to solidarity plan	-	-	-	-	-	(99,593)	(99,593)							
Surplus for the year	-	-	-	-	-	7,327,966	7,327,966							
Dividend	256,882	-	-	-	-	(263,700)	(6,818)							
At 30 June 2012	4,696,060	20,226,896	27,650,629	268,528	39,536,211	10,797,122	103,175,446							
Additions	293,705	-	-	-	5,410,356	-	5,704,061							
Withdrawals	(67,898)	-	(1,107,453)	-	-	-	(67,898)							
Transfer	-	-	-	-	-	1,107,453	-							
Transfer to life saving and protection fund	-	-	-	-	5,334,374	(5,334,374)	-							
Transfer to statutory reserve	-	732,797	-	-	-	(732,797)	-							
Transfer to solidarity plan	-	-	-	-	-	(128,679)	(128,679)							
Deficit for the year	-	-	-	-	-	(26,319,181)	(26,319,181)							
Dividend	327,269	-	-	-	-	(334,191)	(6,922)							
At 30 June 2013	5,249,136	20,959,693	26,543,176	268,528	50,280,941	(20,944,647)	82,356,827							

The accounting policies on pages 49 to 60 and the notes on pages 60 to 78 form an integral part of these financial statements.

**Statement of Cash Flows**  
**For The Year Ended 30 June 2013**

	2013 Rs	2012 Rs
<b>Cash flows from operating activities</b>		
(Loss)/profit before income tax	(27,765,822)	9,891,567
<i>Adjustment for:</i>		
Depreciation and amortisation	2,439,753	2,505,277
Interest income	(70,804,983)	(85,632,724)
Interest expense	62,763,269	65,754,496
Provision for life savings and loan protection fund	5,337,336	5,023,695
Provision for impairment loss on loans	26,500,000	1,500,000
Provision for retirement scheme	-	2,000,000
Operating (loss)/profit before working capital changes	<u>(1,530,447)</u>	<u>1,042,311</u>
<b>Changes in operating assets and liabilities</b>		
Increase in inventories	(71,901,483)	(247,382,028)
Decrease/(increase) in loans to members	14,019,177	(6,621,604)
Increase in other assets	(813,409)	(255,722)
Increase in deposits from members	44,086,123	12,468,305
(Decrease)/increase in other liabilities	(115,263,467)	119,251,442
Interest income	76,145,688	86,346,434
Interest expenses	(65,071,726)	(65,359,667)
Income tax paid including CSR paid to MRA (Note 7)	(3,101,478)	(723,479)
<b>Net cash used in operating activities</b>	<u>(123,431,022)</u>	<u>(101,234,009)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(138,000)	(4,414,756)
<b>Net cash used in investing activities</b>	<u>(138,000)</u>	<u>(4,414,756)</u>
<b>Cash flows from financing activities</b>		
Net cash proceeds from issuing shares	225,807	32,517
Increase in deposit from members	83,028,574	110,071,760
Interest expense	(4,153,831)	(1,492,892)
<b>Net cash from financing activities</b>	<u>79,100,550</u>	<u>108,611,385</u>
Net (decrease)/increase in cash and cash equivalents	(44,468,472)	2,962,620
Opening cash and cash equivalents	83,065,931	80,103,311
<b>Closing cash and cash equivalents</b>	<b>Rs</b> <u>38,597,459</u>	<u>83,065,931</u>

The accounting policies on pages 49 to 60 and the notes on pages 60 to 78 form an integral part of these financial statements.

## *Notes to the Financial Statements For The Year Ended 30 June 2013*

### 1. GENERAL

Vacoas Popular Multipurpose Co-Operative Society Limited (the “Society”) was registered as a primary Co-operative Society under the provisions of the Co-Operative Act 2005. The registered office of the Society is at Morcellement Co-operative, Bonne Terre, Vacoas. The Society is managed by a board consisting of members elected by the general assembly of Vacoas Popular Multipurpose Co-Operative Society Limited. Its activities are to promote savings and to advance loans to its members and to purchase, lease, acquire land, manage, develop and sell, transfer or otherwise dispose of such land. The membership of the Society which is opened to all Mauritians on the island, stood at **5,240**(2012: 4,994) at 30 June 2013. Details of the Society are:

Name of Society	: Vacoas Popular Multipurpose Co-operative Society Limited
Registered number	: 723
Operational Area	: Upper Plains Wilhems
Regional Co-operative Centre	: Henrietta
Year	: 2012/2013

### 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted and which have been applied consistently in the preparation of the financial statements are set out below:

#### *Basis of preparation*

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of property.

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Basis of preparation (Cont'd)*

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Society accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

*(a) New and amended standards, amendments and interpretations mandatory for the first time for the financial year beginning 01 July 2012 but not currently relevant to the Society.*

<b>Standards/ Amendments/ interpretations</b>	<b>Contents</b>	<b>Applicable for financial years Beginning on/after</b>
IAS 1	Financial statement presentation	01 July 2012
IAS 19	Employee benefits	01 January 2013
IFRS 1	First time adoption on government loans	01 January 2013
IFRS 7	Financial instrument disclosures on asset and liability offsetting	01 January 2013
IFRS's 10,11,12	Transition guidance	01 January 2013
Various	Annual improvement 2011	01 January 2013
IFRIC 20	Stripping cost in the production phase of a surface mine	01 January 2013
IFRS 10	Consolidated financial statements	01 January 2013
IFRS 11	Joint arrangements	01 January 2013
IFRS 12	Disclosures of interests in other entities	01 January 2013
IFRS 13	Fair value measurement	01 January 2013
IAS 27	Separate financial statements (revised 2011)	01 January 2013
IAS 28	Associates and joint ventures (revised 2011)	01 January 2013

The above new and amended standards, amendments and interpretations do not have an impact on the Society's financial statements.

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*(b) New standards, amendments and interpretations issued and effective for the financial year beginning 01 July 2013 and not early adopted.*

<b>Standards/ Amendments/ Interpretations</b>	<b>Contents</b>	<b>Applicable for financial years beginning on/after</b>
IAS 32	Financial instruments: Presentation on asset and liability offsetting	01 January 2014
IFRS 9	Financial instruments	01 January 2015

#### *Property, plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Following initial recognition at cost, freehold land and buildings are revalued at least every five years.

Any revaluation surplus is credited to the revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date or when events or changes in circumstances indicate that the carrying value may be recoverable.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Property, plant and equipment (Cont'd)*

restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on the straight-line basis at annual rates estimated to write off the cost or valuation of the assets less their estimated residual values over their expected useful lives. The annual rates used are:

Buildings	6.7%
Furniture and fittings	10%-20%
Office equipment	20%
Computers	40%
Motor vehicles	25%

No depreciation is provided on freehold land.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Investment property*

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Society, is classified as investment property.

Land held under operating leases is classified and accounted for by the Society as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, the Society continues to account for the investment property using the cost model, namely cost less accumulated depreciation less accumulated impairment losses.

Investment property which is recognised using the cost model is depreciated on a straight-line basis over the period of the lease at the rate of 2%. No depreciation is charged on bare land.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Intangible assets*

Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful lives at an annual rate of 20%.

#### *Cash and cash equivalents*

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### *Deposits*

Deposits from members are recognised upon receipts of funds.

#### *Other liabilities*

Other liabilities are stated at cost.

#### *Inventories - land*

Bare lands are stated at cost, including borrowing costs and which will be parcelled within the foreseeable future.

#### *Borrowing costs*

Borrowing costs (namely interest payable on deposits from members) for specific projects, are capitalised while development work is actively underway and will cease once the asset is substantially completed, or suspended if the development of the asset is suspended.



## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Interest income and expense*

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest method. The Society does not recognise interests on loans which have a high probability of being unpaid. Such interests are recognised on a cash basis.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of comprehensive income.

#### *Other revenue*

Other revenue earned by the Society are recognised on the following basis:

Rental income	-	on an accrual basis
Sale of land	-	on cash basis

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Financial assets*

##### **(a) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets. Loans and receivables are classified as account receivable, loan to members and cash and cash equivalents in the statement of financial position.

##### **(b) Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Society commits to purchase or sell the asset. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

##### **(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### *Impairment of financial assets*

##### **Assets carried at amortised cost**

The Society assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Impairment of financial assets (Cont'd)*

after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Society uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Society, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (i) Adverse changes in the payment status of borrowers in the portfolio; and
  - (ii) Local economic conditions in Mauritius that correlate with defaults on the assets in the portfolio.

The Society first assesses whether objective evidence of impairment exists.

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Impairment of financial assets (Cont'd)*

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Society may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

#### *Current and deferred income tax*

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Current and deferred income tax (Cont'd)*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of freehold building and provision for retirement benefits.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### *Retirement scheme*

Retirement schemes consist of lump sum payments payable to employees at the time of retirement in accordance with Employment

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### *Retirement scheme (Cont'd)*

Law in Mauritius. It also consists of a contributory deposit scheme administered by the Society, as prescribed by an independent salary review report. However, the schemes have not been assessed by an actuarial valuation.

#### *Related parties*

Related parties are individuals, including management personnel, where the individual, has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

#### *Dividend distribution*

Dividend distribution to the Society's members is recognised as a liability in the Society's accounts in the period in which the dividend is approved by the Society's members.

### **3. FINANCIAL RISK MANAGEMENT**

#### ***3.1 Financial risk factors***

The Society's activities expose it to a variety of financial risks, which includes credit risk, liquidity risk and market risk.

The Society's business involves taking on risks through loans to members, in a targeted manner and managing them professionally. The core functions of the Society's risk management are to identify all key risks for the Society, measure these risks, manage the risk positions and determine capital allocations.

The Society's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Society's financial performance.

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **3. FINANCIAL RISK MANAGEMENT (CONT'D)**

#### ***3.1 Financial risk factors (Cont'd)***

The Society defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

Risk management is carried out by members of the loan committee, including the CEO and the Accountant.

- **Cash flow and interest rate risk**

The Society's income and operating cash flows are exposed to interest rate risk as it borrows at variable rates. The Society's policy is to manage its interest cost using a mix of fixed and variable rate debts.

- **Credit risk**

Credit risk is the risk of suffering financial loss, should any of the Society's customers or market counterparties fail to fulfil their contractual obligations to the Society. Credit risk arises mainly from loans and advances together with loan commitments arising from such lending activities.

The credit worthiness of borrowers may be affected by various factors such as an economic downturn, lack of liquidity, an unexpected change in government policy or death. Any of these events could lead the Society to incur losses.

At 30 June 2013, the Society is facing significant concentration of credit risk. However, this risk is partly mitigated through regular assessment of loan debtors.

## Notes to the Financial Statements For The Year Ended 30 June 2013

### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 3.1 Financial risk factors (Cont'd)

- Liquidity risk

The Chief Executive Officer and Accountant monitor rolling forecasts of the Society's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Society's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Current	Non-current	Total
	Rs	Rs	Rs
<b>At 30 June 2013</b>			
Accounts payable	30,651,998	-	30,651,998
Borrowings – Deposits from members	-	1,094,091,626	1,094,091,626
<b>Rs</b>	<b>30,651,998</b>	<b>1,094,091,626</b>	<b>1,124,743,624</b>
<b>At 30 June 2012</b>			
Accounts payable	140,990,691	-	140,990,691
Borrowings – Deposits from members	-	966,976,929	966,976,929
<b>Rs</b>	<b>140,990,691</b>	<b>966,976,929</b>	<b>1,107,967,620</b>

#### 3.2 (a) Capital risk management

The primary objectives of the Society, when managing capital, is to safeguard the Society's ability to continue as going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.



## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **3. FINANCIAL RISK MANAGEMENT (CONT'D)**

#### ***3.2 (a) Capital risk management (Cont'd)***

The Society manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Society may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Society monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and bank balances. Total capital comprises all components of equity plus net debt.

The gearing ratios as at 30 June 2013 and 2012 were as follows:

	<b>2013</b>	2012
	<b>Rs</b>	Rs
Total debt	<b>1,094,091,626</b>	966,976,929
Less: cash and bank balances	<b>(38,597,459)</b>	( 83,065,931)
	-----	-----
Net debt	<b>1,055,494,167</b>	883,910,998
Total equity	<b>82,356,827</b>	103,175,446
	-----	-----
Total capital	<b>Rs 1,137,850,994</b>	987,086,444
	=====	=====
Gearing ratio	<b>92.7%</b>	90.0%
	-----	-----

At 30 June 2013 the Society was highly geared and exposed to capital risk.

## *Notes to the Financial Statements For The Year Ended 30 June 2013*

### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 3.2 (b) Categories of financial instruments

	2013	2012
	Rs	Rs
<b><i>Financial assets</i></b>		
<i>Loans and receivables</i>		
Loans advanced to members	735,159,076	775,678,253
Accounts receivable	5,114,356	10,158,174
Cash and bank balances	38,597,459	83,065,931
	-----	-----
<b>Rs</b>	<b>778,870,891</b>	<b>868,902,358</b>
	=====	=====
<b><i>Financial liabilities</i></b>		
Deposits from members	1,094,091,626	966,976,929
Accounts payable	30,651,998	140,990,691
	-----	-----
<b>Rs</b>	<b>1,124,743,624</b>	<b>1,107,967,620</b>
	=====	=====

### 4. CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

#### ***(a) Judgements***

In the process of applying the Society's accounting policies, management has made the following judgements, which have the

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **4. CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES (CONT'D)**

#### ***(a) Judgements (Cont'd)***

most significant effect on the amounts recognised in the financial statements:

##### **(1) Going concern**

The Society incurred a loss of **Rs 26m** for the year ended 30 June 2013 and is also significantly exposed to credit risk and capital risks. The Society meets its day to day working capital requirements through deposits from members, loan refunds from borrowers and from sale of land. The financial statements have been prepared on the going concern basis which assumes that the Society will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the Society's members. The Society's management has made an assessment of its ability to continue as a going concern and is of the opinion that it will be a going concern having regard to refund from existing borrowers and prospective new members and sale of land from confirmed buyers. Consequently, the financial statements have been prepared on the going concern basis.

##### **(2) Impairment of loans receivable**

The Society follows the guidance of IAS 36 to determine when a loan receivable is impaired. This determination requires significant judgement. In making this judgement, the Society evaluates, among other factors, the duration and extent to which the recoverable amount is less than its book value; and the financial health of and short term business outlook for the loan debtor, including factors such as industry and sector performance, unexpected changes in government policy and operational and financing cash flow. Any of these events could lead the Society to incur losses.

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **4. CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES (CONT'D)**

#### ***(b) Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

#### **(1) Revaluation of freehold land and buildings**

The Society measures freehold land and buildings at revalued amounts with changes in fair value being recognised in equity. The Society engaged an independent valuation specialist to determine fair value based on prevailing market data.

#### **(2) Life Savings and Loan Protection Fund**

The Society provides against life savings and loan protection in respect of members who have contracted loans based on their life savings. Upon death of member, the loan due from them is written off against this Fund, provided their account has been serviced regularly, and the balance on their life savings is repaid to the deceased member's heirs. The amount thus expensed in the financial statements is based on actual figures paid to heirs and loans covered. An actuarial valuation is currently being undertaken to assess the adequacy of the Fund.

***Notes to the Financial Statements  
For The Year Ended 30 June 2013***

**4. CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES (CONT'D)**

***(b) Estimates and assumptions (Cont'd)***

**(3) Retirement Scheme**

The retirement benefit plan is a partly funded one and is also an undiscounted plan. It comprises gratuity payable on retirement to employees under the Labour Act. Presently, the Plan is not determined using actuarial valuation which takes into account the discount rate, future salary increases, mortality rates and pension increases.

**5. OTHER OPERATING INCOME**

	<b>2013</b>	2012
	<b>Rs</b>	Rs
Rental income	<b>576,000</b>	540,000
Profit on sale of land	<b>4,531,974</b>	6,990,376
Early disbursement fees	<b>832,654</b>	585,424
Processing fees	<b>585,432</b>	635,981
Entrance fees	<b>149,000</b>	139,000
Others	<b>244,405</b>	269,868
	-----	-----
<b>Rs</b>	<b>6,919,465</b>	9,160,649
	=====	=====

## Notes to the Financial Statements For The Year Ended 30 June 2013

### 6. OPERATING EXPENSES

	2013	2012
	Rs	Rs
Salaries and related costs (See note below)	<b>4,681,905</b>	6,382,093
AGM expenses	<b>113,189</b>	138,756
Depreciation and amortization	<b>2,439,753</b>	2,505,277
Provision for life savings and loan protection fund	<b>5,334,374</b>	5,026,695
Life savings and loan protection paid	<b>665,626</b>	929,095
Building security alarm services	<b>29,843</b>	127,580
Car expenses	<b>139,059</b>	116,570
Committee allowances	<b>268,128</b>	226,484
Computer maintenance and repairs	<b>267,852</b>	96,725
Education and training	<b>257,816</b>	81,080
Insurance	<b>31,289</b>	62,579
External audit fees	<b>143,750</b>	109,250
Internal audit fees	<b>120,000</b>	45,000
Legal and professional fees	<b>108,500</b>	371,369
Software annual maintenance	<b>150,000</b>	240,000
Motor vehicles insurance	<b>21,876</b>	-
Municipality rates	<b>20,114</b>	25,057
Postage	<b>41,818</b>	54,937
Stationery	<b>31,924</b>	125,782
Bank charges	<b>45,043</b>	46,092
Utility expenses	<b>305,488</b>	274,045
Advertising	<b>641,408</b>	-
Building maintenance	<b>47,657</b>	553,740
Community development activities	<b>242,524</b>	45,882
Others	<b>78,065</b>	63,223
	<b>Rs 16,227,001</b>	17,647,310
	<b>=====</b>	<b>=====</b>
<i>Salaries and related costs:</i>		
Wages and salaries	<b>3,959,675</b>	3,692,201
Provision for retirement benefits	-	2,000,000
Other related cost, NPF	<b>204,710</b>	169,660
Travel and passage benefit	<b>274,091</b>	243,553
Other allowances	<b>243,429</b>	276,679
	<b>Rs 4,681,905</b>	6,382,093
	<b>=====</b>	<b>=====</b>
	<b>2013</b>	2012
Number of persons employed at year end (Full time)	<b>13</b>	12

## Notes to the Financial Statements For The Year Ended 30 June 2013

### 7. TAXATION

#### *Income tax*

The Society is liable to income tax at **15.00%** (2012 – 15.00%) on its chargeable income.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritian income tax laws.

	2013 Rs	2012 Rs
<i>(Credit)/charge:</i>		
Current tax charge	897,249	2,307,997
Under provision in previous years	1,708,644	-
Deferred tax (credit)/charge (Note 18)	(4,172,167)	63,270
CSR	119,633	192,334
	Rs (1,446,641)	2,563,601
	=====	=====
<i>Liability:</i>		
At 01 July	1,951,536	174,684
Charge for the year	897,249	2,307,997
Under provision in previous years	1,708,644	-
Paid to MRA during the year	(3,101,478)	(723,479)
CSR	119,633	192,334
	Rs 1,575,584	1,951,536
	=====	=====

#### *Reconciliation between applicable income tax and effective income tax:*

A reconciliation between the applicable income tax of **Rs (4,164,873)** (2012 – Rs 1,483,735) and the effective income tax of **Rs(1,446,641)** (2012 – Rs 2,563,601) follows:

	2013 Rs	2012 Rs
(Loss)/surplus before tax	(27,765,822)	9,891,567
	=====	=====
Income tax @ 15%	( 4,164,873)	1,483,735
Non-deductible expenses	4,811,978	615,000
Others	(2,093,746)	464,866
	(1,446,641)	2,563,601
	=====	=====

**Notes to the Financial Statements  
For The Year Ended 30 June 2013**

**8. PROPERTY, PLANT AND EQUIPMENT**

	Freehold land		Buildings		Fixtures and fittings		Office Equipment		Computers		Motor vehicle		Total	
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Cost or valuation:														
At 01 July 2011	16,000,000	16,000,000	1,013,923	259,005	622,008	731,293	34,626,229							
Additions	-	3,465,976	896,386	851,879	-	-	5,214,241							
Adjustment	-	(4,000,000)	-	-	-	-	(4,000,000)							
Revaluation	5,000,000	10,534,024	-	-	-	-	15,534,024							
Disposal/scrapped	-	-	(208,923)	(259,005)	-	-	(467,928)							
At 30 June 2012	21,000,000	26,000,000	1,701,386	851,879	622,008	731,293	50,906,566							
Additions	-	-	138,000	-	-	-	138,000							
At 30 June 2013	21,000,000	26,000,000	1,839,386	851,879	622,008	731,293	51,044,566							
Depreciation:														
At 01 July 2011	-	4,000,000	450,423	259,005	574,591	685,586	5,969,605							
Charge for the year	-	1,742,000	259,777	170,376	47,417	45,707	2,265,277							
Revaluation adjustment	-	(4,000,000)	-	-	-	-	(4,000,000)							
Disposal/scrapped	-	-	(208,923)	(259,005)	-	-	(467,928)							
At 30 June 2012	-	1,742,000	501,277	170,376	622,008	731,293	3,766,954							
Charge for the year	-	1,742,000	287,377	170,376	-	-	2,199,753							
At 30 June 2013	-	3,484,000	788,654	340,752	622,008	731,293	5,966,707							
Net book value:														
30 June 2013	Rs	21,000,000	22,516,000	1,050,732	511,127	-	45,077,859							
		=====	=====	=====	=====	=====	=====							
30 June 2012	Rs	21,000,000	24,258,000	1,200,109	681,503	-	47,139,612							
		=====	=====	=====	=====	=====	=====							

**Revaluation of land and building**

The land and buildings of the Society were revalued on 22 June 2012 by **Mr Tong Ng Wah**, Sworn Land Surveyor, based on open market value. It is the Society's policy to revalue its land and building every five years.



## *Notes to the Financial Statements For The Year Ended 30 June 2013*

### 9. INVESTMENT PROPERTY

	<b>2013</b>	2012
	<b>Rs</b>	Rs
<i>Bare land:</i>		
Cost:		
At 30 June	<b>Rs 3,135,350</b>	3,135,350
	=====	=====

#### Note:

Investment property consists of a bare land situated at Calodyne. Management does not have any immediate plan for the use of this land. Hence, its classification under investment property.

Investment property is accounted for under the 'cost model' as per IAS 40. No depreciation is charged as it consists only of bare land.

### 10. INTANGIBLE ASSETS

	<b>2013</b>	2012
	<b>Rs</b>	Rs
<i>Computer software</i>		
Cost		
At 30 June	<b>1,200,000</b>	1,200,000
	-----	-----
<i>Amortisation</i>		
At 01 July	<b>839,828</b>	599,828
Charge for the year	<b>240,000</b>	240,000
	-----	-----
At 30 June	<b>1,079,828</b>	839,828
	-----	-----
<i>Carrying amount</i>		
At 30 June	<b>Rs 120,172</b>	360,172
	=====	=====

## *Notes to the Financial Statements For The Year Ended 30 June 2013*

### 11. INVENTORIES

	2013	2012
	Rs	Rs
Bare land (see note below) (at cost)	<b>386,428,593</b>	299,969,157
Other gifts/accessories (see note below) (at cost)	<b>441,174</b>	1,082,582
	-----	-----
<b>Rs</b>	<b>386,869,767</b>	301,051,739
	=====	=====
<i>Bare lands:</i>		
At 01 July	<b>299,969,157</b>	51,094,237
Additions (see note below)	<b>94,849,122</b>	262,527,891
Disposals	<b>(8,389,686)</b>	(13,652,971)
	-----	-----
<b>Rs</b>	<b>386,428,593</b>	299,969,157
	=====	=====

#### *Melrose and Camp Ithier Morcellement*

Bare lands consist of 2 sites namely at Melrose and Camp Ithier. These have been 'parcelled' and are being sold to members.

#### *Flic en Flac Project*

Additions relate to **27A 15P** of residential land and **10A 84P** of agricultural land acquired in *Flic en Flac* in 2012 and 2013 respectively. These are also planned to be parcelled in the near future, subject to approval from the relevant authorities. Deposits, on which interest is payable, have been accepted from members to partly finance the acquisition of land for development. The related borrowing costs, (namely interest payable on deposits), that have been capitalised in the cost of the land during the year amounted to **Rs 13,916,545** (2012: Rs 1,099,824).

#### *Gifts:*

These refer to promotional and advertising materials and include amongst others, umbrellas etc. These costs are being expensed in income statement as and when removed from stocks and gifted to members.

**Notes to the Financial Statements  
For The Year Ended 30 June 2013**

**12. LOANS TO MEMBERS**

	<b>2013</b>	2012
	<b>Rs</b>	Rs
At 01 July	<b>786,178,253</b>	779,556,649
Disbursements	<b>234,791,352</b>	267,354,342
Repayments	<b>(248,810,529)</b>	(260,732,738)
	-----	-----
	<b>772,159,076</b>	786,178,253
Less: Provision for impairment loss (see note below)	<b>(37,000,000)</b>	(10,500,000)
	-----	-----
At 30 June	<b>735,159,076</b>	775,678,253
	=====	=====
Provision for impairment loss:		
At 01 July	<b>10,500,000</b>	9,000,000
Charge for the year	<b>26,500,000</b>	1,500,000
	-----	-----
At 30 June	<b>Rs 37,000,000</b>	10,500,000
	=====	=====

As stated in Note 2, the Society has not recognised interest on loan amounting to around **Rs 30M** at 30 June 2013(2012: Rs 12M) in line with the Society’s accounting policy as it is highly probable that these will not be recovered.

Repayment of loans advanced to members is made through check off from ministries/parastatal bodies, standing orders or cash payment. The period for the repayment of a loan is specified in the loan agreement so as to secure repayment or instalments of repayment at the earliest date compatible with the resources of the borrower. A borrower member may at any time during the business hours of the Society repay a loan granted to him either in whole or in part prior to maturity or to the date of any instalment due. Interest on the loan advanced to members is charged daily at rates between 6% and 18%, depending on type of loan, on a reducing balance basis.

Loans to members also consist of mortgage loans wherein the member has given security in the form of fixed and floating charges on his or her personal assets and in some cases on their company’s assets.

**Notes to the Financial Statements  
For The Year Ended 30 June 2013**

13. ACCOUNTS RECEIVABLE

	2013	2012
	Rs	Rs
Interest receivable on loans	4,501,749	9,842,454
Other receivables and prepayments	612,607	315,720
	-----	-----
<b>Rs</b>	<b>5,114,356</b>	<b>10,158,174</b>
	=====	=====

14. STATED CAPITAL

	2013	2012
	Rs	Rs
At 01 July	4,696,060	4,399,843
Shares issued	293,705	326,503
Dividend capitalized	327,269	256,882
	-----	-----
Shares redeemed	5,317,034 (67,898)	4,983,228 (287,168)
	-----	-----
At 30 June	<b>Rs 5,249,136</b>	<b>4,696,060</b>
	=====	=====

15. MEMBERS' DEPOSITS

	2013	2012
	Rs	Rs
At 01 July	856,905,169	844,436,864
New deposits	773,604,835	678,405,031
Refunds	(729,518,712)	(665,936,726)
	-----	-----
Deposits – property development	900,991,292 193,100,334	856,905,169 110,071,760
	-----	-----
At 30 June	<b>Rs 1,094,091,626</b>	<b>966,976,929</b>
	=====	=====

**Notes to the Financial Statements  
For The Year Ended 30 June 2013**

16. RETIREMENT SCHEME

	<b>2013</b>	2012
	<b>Rs</b>	Rs
At 01 July	<b>2,914,019</b>	889,919
Provision for the year	-	2,000,000
Staff contribution	<b>32,700</b>	24,100
	-----	-----
At 30 June	<b>Rs 2,946,719</b>	2,914,019
	=====	=====

17. SOLIDARITY PLAN

	<b>2013</b>	2012
	<b>Rs</b>	Rs
At 01 July	<b>1,998,340</b>	1,755,058
<i>Add:</i>		
Receipts from new members	<b>212,000</b>	218,000
Top up by members	<b>713,509</b>	287,287
Contribution from existing members to deceased members	<b>844,648</b>	301,205
	-----	-----
	<b>3,768,497</b>	2,561,550
<i>Less:</i>		
Solidarity plan withdrawn	<b>(20,019)</b>	(22,210)
Contribution from existing members to deceased members	<b>(844,648)</b>	(301,205)
To heirs of deceased members	<b>(915,739)</b>	(239,795)
	-----	-----
At 30 June	<b>Rs 1,988,091</b>	1,998,340
	=====	=====

The Fund of the above scheme is operated in a separate bank account of the Society.

## Notes to the Financial Statements For The Year Ended 30 June 2013

### 18. DEFERRED TAX (ASSETS)/LIABILITIES

Deferred income tax is calculated on all temporary differences under the liability method using a tax rate of **15%** (2012 – 15%).

The gross movement in the deferred income tax account is as follows:

	<b>2013</b>	2012
	<b>Rs</b>	Rs
At 01 July	<b>63,270</b>	-
Movement during the year (Note 7)	<b>(4,172,167)</b>	63,270
	-----	-----
At 30 June	<b>Rs (4,108,897)</b>	63,270
	=====	=====

The movement in deferred income tax assets and liabilities during the year is as follows:

	At 01 July 2012 Rs	Credited to income statement Rs	At 30 June 2013 Rs
<i>Deferred income tax assets</i>			
Revaluation reserve	-	(3,981,476)	(3,981,476)
Retirement benefits	-	(150,000)	(150,000)
	-----	-----	-----
	-	( 4,131,476)	(4,131,476)
	-----	-----	-----
<i>Deferred income tax liability</i>			
Accelerated capital allowances	63,270	(40,691)	22,579
	-----	-----	-----
Net deferred income tax asset	<b>Rs 63,270</b>	<b>(4,172,167)</b>	<b>(4,108,897)</b>
	=====	=====	=====

	At 01 July 2011 Rs	Debited to income statement Rs	At 30 June 2012 Rs
<i>Deferred income tax asset</i>			
	-	-	-
	-----	-----	-----
<i>Deferred income tax liability</i>			
Accelerated capital allowances	-	63,270	63,270
	-----	-----	-----
Net deferred income tax liabilities	<b>Rs -</b>	<b>63,270</b>	<b>63,270</b>
	=====	=====	=====

## Notes to the Financial Statements For The Year Ended 30 June 2013

### 19. DEPOSITS RECEIVED ON MORCELLEMENT

	<b>2013</b>	2012
	<b>Rs</b>	Rs
At 01 July	<b>2,519,000</b>	2,349,000
Received during the year	<b>15,202,591</b>	12,299,600
Transfer on sales of land	<b>(13,149,500)</b>	(12,129,600)
	-----	-----
At 30 June	<b>Rs 4,572,091</b>	2,519,000
	=====	=====

### 20. ACCOUNTS PAYABLE

	<b>2013</b>	2012
	<b>Rs</b>	Rs
Interest payable on members' deposits	<b>25,525,395</b>	18,071,138
Bonus on shares and rebates on interest	<b>2,635,388</b>	2,628,466
Staff bonus	-	600,000
Other payables and accruals	<b>2,491,215</b>	119,691,087
	-----	-----
	<b>Rs 30,651,998</b>	140,990,691
	=====	=====

### 21. RELATED PARTY TRANSACTIONS

During the year ended 30 June 2013, the Society had transactions with related parties. The balances at year end and transactions during the year with related parties were as follows:

	<b>2013</b>	2012
	<b>Rs</b>	Rs
<i>Receivables:</i>		
Loans advanced to related parties	<b>21,740,678</b>	24,812,125
	=====	=====
<i>Payables:</i>		
Deposits received from related parties	<b>9,139,982</b>	7,909,512
	=====	=====

The receivables from related parties arise from loans advanced to them. Most loans are secured following normal procedures whereas some are

## ***Notes to the Financial Statements For The Year Ended 30 June 2013***

### **21. RELATED PARTY TRANSACTIONS (CONT'D)**

secured mainly by personal guarantees. The loans bear interest at rates between 6% and 14%. There are no provisions held against receivables from related parties.

The payables to related parties arise from deposits received from them. The deposits bear interest at rates between 4.5% and 11%.

The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business.

#### *Compensation of key management personnel:*

Board members' remuneration and short-term benefits	<b>268,128</b>	226,484
Management's remuneration and short-term benefits	<b>1,585,841</b>	1,573,267
	-----	-----
<b>Rs</b>	<b>1,853,969</b>	1,799,751
	=====	=====

There were no benefits other than those disclosed above.

### **22. CONTINGENCIES**

At the reporting date, the Society had no contingent liabilities (2012 – Nil).

### **23. CAPITAL COMMITMENTS**

At the reporting date, the Society had no capital commitments (2012 – Nil).

### **24. CURRENCY**

The financial statements are presented in Mauritian rupees.



## **Segmental Statement of Comprehensive Income For The Year Ended 30 June 2013**

*(The information given below does not form part of the audited financial statements and is included solely for management)*

	Credit Union Rs	Property Development Rs	2013 Rs	2012 Rs
<b>Interest income</b>				
Interest on loan	68,699,403	-	68,699,403	83,361,493
Bank interest	1,468,894	636,686	2,105,580	2,271,231
	70,168,297	636,686	70,804,983	85,632,724
<b>Interest expense</b>				
Interest on deposits	(62,763,269)	-	(62,763,269)	( 65,754,496)
Net interest income	7,405,028	636,686	8,041,714	19,878,228
Other operating Income (Note 5)	6,913,915	5,550	6,919,465	9,160,649
	14,318,943	642,236	14,961,179	29,038,877
Operating expenses	(16,204,501)	(22,500)	(16,227,001)	(17,647,310)
Provision for impairment loss on loans (Note 12)	(26,500,000)	-	(26,500,000)	(1,500,000)
<b>(Deficit)/surplus for the year</b>	(28,385,558)	619,736	(27,765,822)	9,891,567
Taxation (Note 7)	1,446,641	-	1,446,641	( 2,563,601)
<b>Net (deficit)/surplus for the year</b>	(26,938,917)	619,736	(26,319,181)	7,327,966
	=====	=====	=====	=====

## Segmental Statement of Financial Position At 30 June 2013

(The information given below does not form part of the audited financial statements and is included solely for management)

	Credit Union Rs	Property Devel- opment Rs	2013 Rs	2012 Rs
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment (Note 8)	45,077,859	-	45,077,859	47,139,612
Investment property (Note 9)	3,135,350	-	3,135,350	3,135,350
Intangible asset (Note 10)	120,172	-	120,172	360,172
Deferred tax asset (Note 18)	4,108,897	-	4,108,897	
	<b>52,442,278</b>	<b>-</b>	<b>52,442,278</b>	<b>50,635,134</b>
<b>Current assets</b>				
Inventories (Note 11)	29,492,754	357,377,013	386,869,767	301,051,739
Loans to members (Note 12)	735,159,076	-	735,159,076	775,678,253
Accounts receivable (Note 13)	5,114,356	-	5,114,356	10,158,174
Cash and cash equivalents	37,886,636	710,823	38,597,459	83,065,931
	<b>807,652,822</b>	<b>358,087,836</b>	<b>1,165,740,658</b>	<b>1,169,954,097</b>
<b>Total assets</b>	<b>Rs 860,095,100</b>	<b>358,087,836</b>	<b>1,218,182,936</b>	<b>1,220,589,231</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves attributable to the Society's equity holders</b>				
Members' share capital (Note 14)	5,249,136	-	5,249,136	4,696,060
Statutory reserve	20,959,693	-	20,959,693	20,226,896
Revaluation reserve	26,543,176	-	26,543,176	27,650,629
General reserve	268,528	-	268,528	268,528
Life Savings & loan Protection fund	50,280,941	-	50,280,941	39,536,211
Revenue (deficit)/reserve	(21,779,567)	834,920	(20,944,647)	10,797,122
<b>Total equity</b>	<b>81,521,907</b>	<b>834,920</b>	<b>82,356,827</b>	<b>103,175,446</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Members' deposits (Note 15)	748,014,292	346,077,334	1,094,091,626	966,976,929
Retirement scheme (Note 16)	2,946,719	-	2,946,719	2,914,019
Solidarity plan (Note 17)	1,988,091	-	1,988,091	1,998,340
Deferred tax (Note 18)	-	-	-	63,270
	<b>752,949,102</b>	<b>346,077,334</b>	<b>1,099,026,436</b>	<b>971,952,558</b>
<b>Current liabilities</b>				
Deposits on morcellement (Note 19)	4,572,091	-	4,572,091	2,519,000
Accounts payable (Note 20)	19,476,416	11,175,582	30,651,998	140,990,691
Taxation (Note 7)	1,575,584	-	1,575,584	1,951,536
	<b>25,624,091</b>	<b>11,175,582</b>	<b>36,799,673</b>	<b>145,461,227</b>
<b>Total liabilities</b>	<b>778,573,193</b>	<b>357,252,916</b>	<b>1,135,826,109</b>	<b>1,117,413,785</b>
<b>Total equity and liabilities</b>	<b>Rs 860,095,100</b>	<b>358,087,836</b>	<b>1,218,182,936</b>	<b>1,220,589,231</b>

## **Statement of Receipts and Payments For The Year Ended 30 June 2013**

*(The information given below does not form part of the audited financial statements and is included solely for management)*

	2013	2012
	Rs	Rs
<b>Opening cash and bank balances</b>	<b>83,065,931</b>	<b>80,103,311</b>
<hr/>		
<b>Receipts</b>		
Loan repayments	248,810,529	260,732,738
Interest on loans	74,040,108	84,075,203
Shares in	620,974	583,385
Life savings and Loan Protection Fund	73,020	3,000
Deposits received	856,666,157	788,776,111
Morcellement down payments received	2,053,091	170,000
Bank interest received	2,105,580	2,271,231
Other operating income	2,534,042	2,015,273
Sale of land	14,100,500	21,859,002
	<hr/>	<hr/>
	<b>1,201,004,001</b>	<b>1,160,485,943</b>
<hr/>		
<b>Payments</b>		
Purchase of inventories, property, plant and equipment	81,070,577	147,965,672
Loans disbursed	234,791,352	267,354,342
Shares withdrawn	67,898	287,168
Deposits withdrawn	729,518,712	665,984,174
Interest expense	69,225,557	65,752,734
Bank charges	45,043	46,092
Morcellement expenses	1,178,841	1,215,655
Life Savings and Loan Protection Fund Expenses	690,185	697,062
Staff costs	5,481,867	4,208,833
Utility bills	295,205	274,572
Professional costs	401,750	577,750
Rates and insurance	125,297	128,982
Income tax paid	3,101,478	723,479
Advance payment to contractor	-	7,500
CSR paid	192,334	-
Expenses	1,374,794	2,042,428
Dividend paid	327,269	256,882
Trade payables paid	117,584,314	-
	<hr/>	<hr/>
	<b>1,245,472,473</b>	<b>1,157,523,325</b>
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<b>Closing cash and bank balances</b>	<b>Rs 38,597,459</b>	<b>83,065,931</b>
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**VACOAS POPULAR MULTI PURPOSE CO-OPERATIVE SOCIETY LTD**

**ESTIMATE PERIOD July 2013-June 2014**

	Rs.		Rs.
Entrance Fee	100,000.00	AGM	150,000.00
Interest on Loan	60,000,000.00	Committee Expenses	250,000.00
Interest from Bank	1,000,000.00	Bank Charges	45,000.00
Rent	540,000.00	CEB	150,000.00
Other income	1,800,000.00	CWA	4,000.00
Profit on Sale of Land	3,500,000.00	Community Dvpt Activities	350,000.00
		Depreciation	2,300,000.00
		Car Expenses	150,000.00
		Education & Training	275,000.00
		General Expenses	650,000.00
		Interest on deposit	63,000,000.00
		Telecom	75,000.00
		Postage	65,000.00
		Printing & Stationery	150,000.00
		Rates - Municipality	25,000.00
		Repairs & Maintenance (Building & Office Equipment)	250,000.00
		Auditor's fee - External	109,250.00
		Auditor's fee - Internal	120,000.00
		Staff Costs	5,700,000.00
		VPMPCS Life Savings & Loan Protection Fund	6,000,000.00
		Insurance (Fire & Allied Perils)	150,000.00
		Professional fees (Attorney's Fee, Lawyer's Fee, Software Maintenance)	300,000.00
Deficit	13,328,250.00		
	<u>80,268,250.00</u>		<u>80,268,250.00</u>

**Forecast Capital Expenditure**

Property Development at Flic en Flac      Rs. 15,000,000





**Vacoas Popular Multi Purpose  
Co-operative Society Ltd**

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*Designed by: Vacoas Popular MPCs Ltd  
Printed by: Ile Design Ltd*