

Dear Member,

The Vacoas Popular Multi Purpose Cooperative Society Ltd is pleased to present its Annual Report for the year ended 30th June 2010.

This innovative format comprises in hard copy, the Notice of Annual Meeting of Members and the Financial Statements of the society namely the Statement of Financial Position, Statement of Comprehensive Income and Statement of Changes in equity together with the notes to the Financial Statements.

Yours faithfully,

K.Gunness-Purmessur (Mrs.)
Manager

Corporate Information

Manager

Kamla Gunness-Purmessur

Accountant

Leckraj J. Gunness ACCA

Staff

Vareedhee Gunness

Resawny Devi Arnassalon

Morganavallee Coothaparoomaul

Stephanie Amourdon

Mootoosamy Pursooramen

Melanie Brasse

Esnee Gungaram

Auditors

Nathadkhan Associates (External)

Kamal Raj Sadien FCCA (Internal)

Board of Directors

Roopeshwar Deo Gooby – President

Chaitanand Jheengun – Vice President

Ashwin Raja Toolseeya – Secretary

Gita-Anjali Bheenick (Mrs)

Safir Nazurally

Kessor Newaj

Poubarlanaden Appavoo

Yuvrajsing Dhunnoo

Hoonar Ramchurter

Registered Office

Morc. Co-op, Bonne-Terre,

Solferino,

Vacoas

Registration No. 723

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Email: vpmpcs@intnet.mu;

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vacoas.popular@gmail.com

REVIEW ON SOCIETY'S ACTIVITIES

Principal Activities

The principal activities of the Society are:-

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

During the year those activities have remained unchanged.

Results

For the financial year under review, the Society's profit after taxation amounted to Rs. 2,329,340.- compared to a loss of Rs. 659,652.- during the last financial year.

This result is mainly due to an increase in Interest Income coupled by the rescaling of interest rates on deposits in line with the global downward movement in interest rate.

It is worth noting that members are enjoying a high rate of return on their investments compared to other financial institutions.

Members will appreciate that the interest rate of both Ordinary Savings and Life Savings are higher than the normal savings rate of other financial institutions. Members have reaped an interest of 5.5% on their Ordinary Savings Accounts and 5% on their Life Savings Accounts during the year ending 30 June 2010.

With the positive recovery in the Society's profits appropriate provisions were made to the different funds namely, the Life Savings & Loan Protection Fund.

Key figures as at 30 June 2010

Membership

No. of new members enlisted during the year: 223

Loan Portfolio

No. of Loans issued during the year: 627

Amount of Loans issued: Rs. 259,549,983.-

Increase in Loan Portfolio of 3%

Deposit Portfolio

Increase in Deposit Portfolio of 3.5%

Solidarity Plan

Members as at 30 June 2010: 1744

Members joined during the year: 141

Rs. 169,359 were paid to heirs of two members from Solidarity Plan

Exam Fees Loan

Loan to the amount of Rs. 130,597.- was disbursed to 12 members to pay exam or university fees.

Life Savings and Loan Protection Fund

Life Savings and Loan Protection Fund has disbursed Rs. 1,150,450.- to heirs of 5 members

Replenishment of Fund

A provision of Rs. 4,786,879.- has been made to the fund during the year

Morcellement Project.

<i>Location</i>	<i>Number of Plots Sold</i>
Camp Ithier (Bramsthan)	9
Melrose	6
<i>Total Sold</i>	15

Social Activities

During the year 2010 the following social activities were organised:

1. Celebration of Independence Day
2. Trip on Catamaran
3. Salon Culinaire
4. Visit to Crocodile Park and “Bataille Navale”
5. Annual Children’s Day.

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

We have audited the financial statements set out on pages 3 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 6 to 7.

Respective responsibilities of directors and auditors

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

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

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

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

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

Opinion

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

In our opinion:

- proper accounting records have been kept by the Society as far as appears from our examination of those records
- the financial statements give a true and fair view of the state of affairs of the Society as at 30 June 2010, and of its results for the year ended, comply with the Co-operatives Act 2005, and have been prepared in accordance with Generally Accepted Accounting Principles.

Nathadkhan Associates (sd.)
Public Accountants

M I Nathadkhan (sd.)
FCCA LLB LLM

Date: 27th December 2010

Vacoas Popular Multi Purpose Co-operative Society Ltd

Statement of comprehensive income
for the year ended 30 June 2010

	Notes	2010 Rs	2009 Rs
Interest income			
Interest on loan		71,633,121	70,692,981
Bank interest		2,289,038	3,740,526
		<u>73,922,159</u>	<u>74,433,507</u>
Interest expense			
Interest on deposits		(60,290,346)	(73,986,423)
Bank charges		(23,416)	(35,379)
		<u>(60,313,762)</u>	<u>(74,021,802)</u>
Net Interest Income		13,608,397	411,705
Other Operating Income	3	4,395,037	5,917,915
		<u>18,003,434</u>	<u>6,329,620</u>
Operating Expenses	4	(14,264,166)	(6,989,272)
Surplus for the year		3,739,268	(659,652)
		<u>3,739,268</u>	<u>(659,652)</u>
Taxation	9	(1,409,928)	-
Net Surplus for the year		2,329,340	(659,652)
		<u><u>2,329,340</u></u>	<u><u>(659,652)</u></u>

The notes on pages 17 to 21 form part of the financial statements.

Statement of financial position
at 30 June 2010

	Notes	2010 Rs	2009 Rs
ASSETS			
Non-current assets			
Property, plant and equipment	5	29,672,530	30,933,454
Investment property	7	3,135,350	3,135,350
Intangibles	6	539,743	719,657
		<u>33,347,623</u>	<u>34,788,461</u>
Current assets			
Inventories	8	59,617,397	64,643,966
Loans to members		651,797,986	630,736,869
Accounts receivable		10,685,158	10,735,000
Cash and cash equivalents		67,228,978	47,015,489
Taxation	9	-	571,133
		<u>789,329,519</u>	<u>753,702,457</u>
Total assets		<u><u>822,677,142</u></u>	<u><u>788,490,918</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Members' share capital		3,983,480	3,763,627
Statutory reserve		19,769,477	19,769,477
Revaluation reserve		13,562,809	13,901,560
General reserve		268,528	268,528
Revenue reserve		2,685,941	356,601
Shares & loan guarantee fund		27,785,095	22,998,216
		<u>68,055,330</u>	<u>61,058,009</u>
Non-current liabilities			
Members' deposit		733,177,822	707,451,143
Retirement scheme		774,219	777,435
Solidarity plan		1,651,534	1,535,385
		<u>735,603,575</u>	<u>709,763,963</u>
Current liabilities			
Deposit on land		1,070,500	561,500
Accounts payable		17,372,802	16,281,844
Taxation	9	574,935	-
Bank overdraft		-	825,602
		<u>19,018,237</u>	<u>17,668,946</u>
Total equity and liabilities		<u><u>822,677,142</u></u>	<u><u>788,490,918</u></u>

Approved by the Board on 25th December 2010

R.D.Gooly (sd.)
President

A.R.Toolseeya (sd.)
Secretary

H.Ramchurter (sd.)
Committee Member

The notes on pages 8 to 13 form part of the financial statements.

Vacoas Popular Multi Purpose Co-operative Society Ltd

Statement of changes in equity for the year ended 30 June 2010

	Shares	Statutory reserve	General reserve	Life Savings and loan guarantee fund	Revaluation reserve	Revenue reserve	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 30 June 2008	233,678,280	18,766,864	268,528	25,195,335	14,917,813	10,026,130	302,852,950
Dividends and other payments	7,299			(2,197,119)		(9023,516)	(11,213,336)
Additions	480,162						480,162
Withdrawals	(7,997,416)						(7,997,416)
Transfer to Life savings	(222,404,698)						(222,404,698)
Transfer		1,002,613				(1,002,613)	-
Transfer					(1,016,253)	1016,253	-
Loss for the year						(659,653)	(659,653)
At 30 June 2009	3,763,627	19,769,477	268,528	22,998,216	13,901,560	356,601	61,058,009
Additions	305,276	-	-	4,786,879	-	-	5,092,155
Withdrawals	(85,423)						(85,423)
Transfer to income statement	-	-	-	-	(338,751)	-	(338,751)
Profit for the year	-	-	-	-	-	2,329,340	2,329,340
At 30 June 2010	3,983,480	19,769,477	268,528	27,785,095	13,562,809	2,685,941	68,055,330

Vacoas Popular Multi Purpose Co-operative Society Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2010

1. General Information

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

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

2. Significant Accounting policies

A) Basis of preparation

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

B) *Interest income and expense*

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

C) *Deposits*

Deposits from members are recognized upon receipts of funds.

D) *Property, plant and equipment*

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

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

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

E) *Computer software*

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

Vacoas Popular Multi Purpose Co-operative Society Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2010

2. Significant Accounting policies (cont)

F) Impairment

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

G) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

H) Provisions

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

3. Other operating income

	2010 Rs	2009 Rs
Rent	525,000	540,000
Profit on sale of land	2,441,421	3,303,310
Commissions	200,000	150,000
Others	1,228,616	1,924,605
	-----	-----
	4,395,037	5,917,915
	=====	=====

4. Operating expenses

	2010 Rs	2009 Rs
Administrative expenses	1,785,377	2,101,953
Staff costs	3,212,943	3,088,959
Provision for credit losses	1,500,000	-
Depreciation and amortisation	1,102,087	1,290,155
Professional fees	340,250	221,200
Building security and maintenance	36,180	72,505
Advertising	350,000	214,500
Life savings & Loan protection fund	1,150,450	-
Provision for Life savings & Loan protection fund	4,786,879	-
	-----	-----
	14,264,166	6,989,272
	=====	=====

Vacoas Popular Multi Purpose Co-operative Society Ltd

Notes to and forming part of the financial statements
for the year ended 30 June 2010

5. Property, plant and equipment

	Land	Building	Furniture & fittings	Computer & office Equipment	Motor vehicles	Total
	Rs	Rs	Rs	Rs	Rs	Rs
<i>Cost</i>						
At 1 July 2009 & 30 June 2010	16,000,000	16,000,000	1,013,923	801,985	731,293	34,547,201
<i>Depreciation</i>						
At 1 July 2009	-	2,400,000	219,022	674,785	319,940	3,613,747
Charge for the year	-	800,000	150,901	127,200	182,823	1,260,924
At 30 June 2010	-	3,200,000	369,923	801,985	502,763	4,874,671
<i>Net book value</i>						
At 30 June 2010	16,000,000	12,800,000	644,000	-	228,530	29,672,530
At 30 June 2009	16,000,000	13,600,000	794,901	127,200	411,353	30,933,454

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

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

Vacoas Popular Multi Purpose Co-operative Society Ltd

Notes to and forming part of the financial statements
for the year ended 30 June 2010

6. **Intangibles**
Software

	Rs
<i>Cost</i>	
At 1 July 2009 & 30 June 2010	899,571

<i>Amortisation</i>	
At 1 July 2009	179,914
Charge for the year	179,914

At 30 June 2010	359,828

Net book Value	
At 30 June 2010	539,743
	=====
At 30 June 2009	719,657
	=====

7. **Investment property**

	2010 Rs	2009 Rs
Land	3,135,350	3,135,350
	=====	=====

8. **Inventories**

	2010 Rs	2009 Rs
Balance at 1 July	64,643,966	72,023,191
Cost of sales	(5,026,569)	(7,379,225)
	-----	-----
Balance at 30 June	59,617,397	64,643,966
	=====	=====

Vacoas Popular Multi Purpose Co-operative Society Ltd

Notes to and forming part of the financial statements
for the year ended 30 June 2010

9. **Taxation**

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

	2010	2009
	Rs	Rs
Income tax based on adjusted profit @ 15%	1,409,928	-
	=====	=====
<i>Tax reconciliation</i>		
Profit/loss before taxation	3,739,268	(659,652)
	=====	=====
Income tax using effective tax rate	560,890	(98,948)
Depreciation	216,126	193,523
Non deductible expenses	722,236	1,852
Capital allowances	(70,175)	(115,576)
Loss carried forward	-	19,149
Loss brought forward	(19,149)	
	-----	-----
Income tax charge for the year	1,409,928	-
	=====	=====
<i>Recognised in the statement of financial position</i>		
Charge for the year	1,409,928	-
	-----	-----
Opening provisions	1,409,928	-
Paid for the year:	(571,133)	-
- TDS	(263,860)	(571,133)
	-----	-----
Current tax liability	574,935	(571,133)
	=====	=====