

*VACOAS POPULAR MULTI PURPOSE
CO-OPERATIVE SOCIETY LIMITED*

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2015

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

CONTENTS	PAGES
INDEPENDENT AUDITORS' REPORT	1 - 2
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 27

Independent Auditors' Report to the Members of
Vacoas Popular Multipurpose Cooperative Society Limited

Independent Auditors' Report to the Members of
Vacoas Popular Multipurpose Cooperative Society Limited

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 Rs	2014 Rs
Interest income			
Interest on loan		43,607,360	55,131,840
Bank interest		1,719,286	1,064,251
		<u>45,326,646</u>	<u>56,196,091</u>
Interest expense			
Interest on deposits		(52,372,561)	(61,411,574)
Net interest expense		<u>(7,045,915)</u>	<u>(5,215,483)</u>
Other operating income	6	2,309,671	8,656,881
		<u>(4,736,244)</u>	<u>3,441,398</u>
Operating expenses	7	(10,646,444)	(16,922,108)
Provision for impairment loss on loans	13	-	(300,000,000)
Deficit for the year before taxation		<u>(15,382,688)</u>	<u>(313,480,710)</u>
Taxation	8	-	(122,539)
Net deficit for the year after taxation		<u>(15,382,688)</u>	<u>(313,603,249)</u>
Other comprehensive loss		-	(17,607,772)
Total comprehensive loss for the year		<u><u>(15,382,688)</u></u>	<u><u>(331,211,021)</u></u>

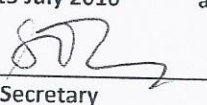
VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

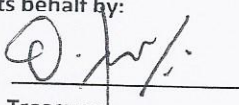
	Notes	2015 Rs	2014 Rs
ASSETS			
Non-current assets			
Property, plant and equipment	9	29,561,293	31,446,099
Investment properties	10	14,635,350	14,635,350
Deferred tax asset	19	3,986,358	3,986,358
Total non-current assets		48,183,001	50,067,807
Current assets			
Inventories	12	395,806,284	393,699,133
Loans to members	13	348,828,283	445,938,442
Accounts receivable	14	89,357	3,241,379
Current tax asset	8	332,141	332,141
Cash and cash equivalents		129,414,714	59,811,458
Total current assets		874,470,779	903,022,553
Total assets		922,653,780	953,090,360
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Society's equity holders			
Members' share capital	15	5,328,047	5,348,144
Statutory reserve		20,959,693	20,959,693
Revaluation reserve		25,435,723	25,435,723
General reserve		268,528	268,528
Life savings & loan protection fund		72,990,807	72,900,000
Accumulated deficit		(366,430,903)	(351,048,215)
Total deficit		(241,448,105)	(226,136,127)
LIABILITIES			
Non-current liabilities			
Members' deposits	16	1,056,602,218	728,931,835
Retirement scheme	17	2,709,315	2,673,515
Solidarity plan	18	2,136,465	2,087,310
Total non-current liabilities		1,061,447,998	733,692,660
Current liabilities			
Members' deposits	16	85,948,010	398,441,716
Deposits received on morcellement	20	6,781,504	5,037,150
Accounts payable	21	9,924,373	42,054,961
Total current liabilities		102,653,887	445,533,827
Total liabilities		1,164,101,885	1,179,226,487
Total equity and liabilities		922,653,780	953,090,360

Approved by the Board of Directors on 15 July 2016

and signed on its behalf by:


 President


 Secretary


 Treasurer

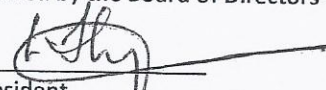
VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

	Notes	2015 Rs	2014 Rs
ASSETS			
Non-current assets			
Property, plant and equipment	9	29,561,293	31,446,099
Investment properties	10	14,635,350	14,635,350
Deferred tax asset	19	3,986,358	3,986,358
Total non-current assets		48,183,001	50,067,807
Current assets			
Inventories	12	395,806,284	393,699,133
Loans to members	13	348,828,283	445,938,442
Accounts receivable	14	89,357	3,241,379
Current tax asset	8	332,141	332,141
Cash and cash equivalents		129,414,714	59,811,458
Total current assets		874,470,779	903,022,553
Total assets		922,653,780	953,090,360
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Society's equity holders			
Members' share capital	15	5,328,047	5,348,144
Statutory reserve		20,959,693	20,959,693
Revaluation reserve		25,435,723	25,435,723
General reserve		268,528	268,528
Life savings & loan protection fund		72,990,807	72,900,000
Accumulated deficit		(366,430,903)	(351,048,215)
Total deficit		(241,448,105)	(226,136,127)
LIABILITIES			
Non-current liabilities			
Members' deposits	16	1,056,602,218	728,931,835
Retirement scheme	17	2,709,315	2,673,515
Solidarity plan	18	2,136,465	2,087,310
Total non-current liabilities		1,061,447,998	733,692,660
Current liabilities			
Members' deposits	16	85,948,010	398,441,716
Deposits received on morcellement	20	6,781,504	5,037,150
Accounts payable	21	9,924,373	42,054,961
Total current liabilities		102,653,887	445,533,827
Total liabilities		1,164,101,885	1,179,226,487
Total equity and liabilities		922,653,780	953,090,360

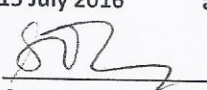
Approved by the Board of Directors on

15 July 2016

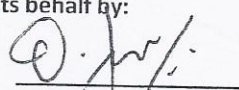
and signed on its behalf by:



 President



 Secretary



 Treasurer

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

	Notes	2015 Rs	2014 Rs
ASSETS			
Non-current assets			
Property, plant and equipment	9	29,561,293	31,446,099
Investment properties	10	14,635,350	14,635,350
Deferred tax asset	19	3,986,358	3,986,358
Total non-current assets		48,183,001	50,067,807
Current assets			
Inventories	12	395,806,284	393,699,133
Loans to members	13	348,828,283	445,938,442
Accounts receivable	14	89,357	3,241,379
Current tax asset	8	332,141	332,141
Cash and cash equivalents		129,414,714	59,811,458
Total current assets		874,470,779	903,022,553
Total assets		922,653,780	953,090,360
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Society's equity holders			
Members' share capital			
Statutory reserve	15	5,328,047	5,348,144
Revaluation reserve		20,959,693	20,959,693
General reserve		25,435,723	25,435,723
Life savings & loan protection fund		268,528	268,528
Accumulated deficit		72,990,807	72,900,000
Total deficit		(366,430,903)	(351,048,215)
LIABILITIES			
Non-current liabilities			
Members' deposits	16	1,056,602,218	728,931,835
Retirement scheme	17	2,709,315	2,673,515
Solidarity plan	18	2,136,465	2,087,310
Total non-current liabilities		1,061,447,998	733,692,660
Current liabilities			
Members' deposits	16	85,948,010	398,441,716
Deposits received on morcellement	20	6,781,504	5,037,150
Accounts payable	21	9,924,373	42,054,961
Total current liabilities		102,653,887	445,533,827
Total liabilities		1,164,101,885	1,179,226,487
Total equity and liabilities		922,653,780	953,090,360
Approved by the Board of Directors on	15 July 2016	and signed on its behalf by:	
_____ President	_____ Secretary	_____ Treasurer	

The notes on pages 7 to 27 form an integral part of these financial statements.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

	Notes	2015 Rs	2014 Rs
ASSETS			
Non-current assets			
Property, plant and equipment	9	29,561,293	31,446,099
Investment properties	10	14,635,350	14,635,350
Deferred tax asset	19	3,986,358	3,986,358
Total non-current assets		48,183,001	50,067,807
Current assets			
Inventories	12	395,806,284	393,699,133
Loans to members	13	348,828,283	445,938,442
Accounts receivable	14	89,357	3,241,379
Current tax asset	8	332,141	332,141
Cash and cash equivalents		129,414,714	59,811,458
Total current assets		874,470,779	903,022,553
Total assets		922,653,780	953,090,360
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Society's equity holders			
Members' share capital			
Statutory reserve	15	5,328,047	5,348,144
Revaluation reserve		20,959,693	20,959,693
General reserve		25,435,723	25,435,723
Life savings & loan protection fund		268,528	268,528
Accumulated deficit		72,990,807	72,900,000
Total deficit		(366,430,903)	(351,048,215)
LIABILITIES			
Non-current liabilities			
Members' deposits	16	1,056,602,218	728,931,835
Retirement scheme	17	2,709,315	2,673,515
Solidarity plan	18	2,136,465	2,087,310
Total non-current liabilities		1,061,447,998	733,692,660
Current liabilities			
Members' deposits	16	85,948,010	398,441,716
Deposits received on morcellement	20	6,781,504	5,037,150
Accounts payable	21	9,924,373	42,054,961
Total current liabilities		102,653,887	445,533,827
Total liabilities		1,164,101,885	1,179,226,487
Total equity and liabilities		922,653,780	953,090,360
Approved by the Board of Directors on	15 July 2016		
_____ President	_____ Secretary	_____ Treasurer	

The notes on pages 7 to 27 form an integral part of these financial statements.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Members' share capital Rs	Statutory reserve Rs	Revaluation reserve Rs	General reserve Rs	Life savings and loan protection fund Rs	Accumulated deficit Rs	Total Rs
At 1 July 2013	5,249,136	20,959,693	26,543,176	268,528	50,280,941	(20,944,647)	82,356,827
Additions	183,303	-	-	-	5,011,287	-	5,194,590
Withdrawals	(84,295)	-	-	-	-	-	(84,295)
Transfer	-	-	(1,107,453)	-	-	1,107,453	-
Other comprehensive loss for the year	-	-	-	-	17,607,772	(17,607,772)	-
Deficit for the year	-	-	-	-	-	(313,603,249)	(313,603,249)
At 30 June 2014	5,348,144	20,959,693	25,435,723	268,528	72,900,000	(351,048,215)	(226,136,127)
At 1 July 2014	5,348,144	20,959,693	25,435,723	268,528	72,900,000	(351,048,215)	(226,136,127)
Additions	71,824	-	-	-	90,807	-	162,631
Withdrawals	(91,921)	-	-	-	-	-	(91,921)
Deficit for the year	-	-	-	-	-	(15,382,688)	(15,382,688)
At 30 June 2015	5,328,047	20,959,693	25,435,723	268,528	72,990,807	(366,430,903)	(241,448,105)

The notes on pages 7 to 27 form an integral part of these financial statements.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

6

	Notes	2015 Rs	2014 Rs
Cash flows from operating activities			
Deficit before income tax		(15,382,688)	(313,480,710)
Adjustment for:			
Depreciation and amortisation	9	2,304,282	2,357,192
Interest income		(45,326,644)	(56,196,091)
Interest expense		52,372,561	61,411,574
Provision for life savings and loan protection fund		90,807	4,852,617
Provision for impairment loss on loans		-	300,000,000
Operating deficit before working capital changes		(5,941,682)	(1,055,418)
<i>Changes in operating assets and liabilities</i>			
(Increase)/decrease in inventories		(2,107,151)	8,093,224
Decrease/(increase) in loans to members		97,110,159	(10,779,366)
Decrease in other assets		7,641	477,634
Increase in deposits from members		15,176,677	36,041,925
(Decrease)/increase in other liabilities		(421,563)	664,894
Interest income		48,471,025	57,553,461
Interest expense		(82,252,277)	(60,672,690)
Income tax paid to MRA	8	-	(1,907,724)
Net cash generated from operating activities		70,042,829	28,415,940
Cash flows from investing activities			
Acquisition of property, plant and equipment		(419,476)	(105,260)
Net cash used in investing activities		(419,476)	(105,260)
Cash flows from financing activities			
Net cash proceeds from issuing shares		(20,097)	99,008
Decrease in deposits from members		-	(2,760,000)
Interest expense		-	(4,435,689)
Net cash used in financing activities		(20,097)	(7,096,681)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		69,603,256	21,213,999
		59,811,458	38,597,459
Cash and cash equivalents at end of year		129,414,714	59,811,458

The notes on pages 7 to 27 form an integral part of these financial statements.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. GENERAL INFORMATION AND PRINCIPAL ACTIVITY

Vacoas Popular Multi-Purpose Co-operative Society Limited (the "Society") was registered as a Co-operative Society on 14 April 1977 in accordance with Section 8 of the Co-operative Societies Ordinance No. 51 of 1945. The registered office of the Society is at Morcellement Co-operative, Bonne Terre, Vacoas. The Ministry of Co-operative had conducted an inquiry under Section 81 of the Co-operatives Act 2005 and identified a number of control deficiencies in a letter dated 05 December 2015.

The board of members, having failed to address the control deficiencies, was removed by the Ministry of Co-operatives on 12 January 2015 and replaced by a Caretaker board.

EY Mauritius has been appointed as the Manager as from 13 May 2015 until the appointment of SB Proconsult Ltd as the Manager on 14 November 2015.

A second Caretaker board was appointed by the Ministry of Co-operatives on 14 November 2015.

The membership of the Society which is opened to all Mauritians on the island, stood at **5,326** (2014: 5,359) at 30 June 2015. Details of the Society are:

Name of Society	:	Vacoas Popular Multi-Purpose Co-operative Society Limited
Registered number	:	723
Operational Area	:	Upper Plaines Wilhems
Regional Co-operative Centre	:	Henrietta
Year	:	2014/2015

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Society has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2014.

2.1 New and revised IFRSs applied with no material effect on financial statements

The following relevant new and revised IFRSs have been applied in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported and/or disclosed for the current year but may affect the accounting for future transactions or arrangements.

IAS 16	Property, plant and equipment – Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation)
IAS 19	Employee Benefits – Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service
IAS 24	Related Party Disclosures – Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)
IAS 32	Financial Instruments: Presentation - Amendments relating to the offsetting of assets and liabilities
IAS 36	Impairment of Assets – Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for novations of derivatives
IAS 40	Investment Property – Amendments resulting from Annual Improvements 2011-2013 Cycle (interrelationship between IFRS 3 and IAS 40)
IFRS 12	Disclosure of Interests in Other Entities - Amendments for investment entities
IFRS 13	Fair Value Measurement – Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant IFRSs were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements – Amendments resulting from the disclosure initiative (effective 1 January 2016)
IAS 16	Property, plant and equipment – Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016)
IAS 16	Property, plant and equipment – Amendments bringing bearer plants into the scope of IAS 16 (effective 1 January 2016)
IAS 19	Employee Benefits – Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018)
IFRS 7	Financial Instruments - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
IFRS 7	Financial instruments – Amendments resulting from September 2014 Annual Improvements to IFRS (effective on 1 January 2016)
IFRS 9	Financial Instruments – Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)
IFRS 12	Disclosure of Interests in Other Entities – Amendments regarding the application of the consolidation exception (effective 1 January 2016)
IFRS 15	Revenue from Contracts with Customers – Original issue (effective 1 January 2018)
IFRS 15	Revenue from Contracts with Customers – Amendments to deter the effective date to 1 January 2018 (effective 1 January 2018)

The board members anticipate that these IFRS will be applied on their effective dates in future years. The board members have not yet had an opportunity to consider the potential impact of the adoption of these amendments.

3. 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:

(a) 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.

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's 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 5.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation.

Freehold 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 the statement of profit or loss and other comprehensive income, in which case the increase is recognised in the statement of profit or loss and other comprehensive income. A revaluation deficit is recognised in the statement of profit or loss and other comprehensive income, 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 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%
Computers	-	50%
Motor vehicles	-	25%

No depreciation is charged 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 profit or loss and other comprehensive income during the year 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.

(c) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Society, are classified as investment properties.

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 properties are 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 completed, or suspended if the development of the asset is suspended.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investment properties (continued)

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

Investment properties which are recognised using the cost model are 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 properties are 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 statement of profit or loss and other comprehensive income in the year of retirement or disposal.

(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%.

(e) Cash and cash equivalents

Cash comprises of 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.

(f) Deposits

Deposits from members are recognised upon receipts of funds.

(g) Other liabilities

Other liabilities are stated at their carrying amounts.

(h) Inventories – land

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

(i) Borrowing costs

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

(j) 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 profit or loss and other 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Interest income and expense (continued)

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 year, 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 profit or loss and other comprehensive income.

(k) Financial assets

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 classified as current assets, except for those with maturity periods greater than 12 months after the end of reporting year. These are classified as non-current assets. Loans and receivables include accounts receivable, loans to members and cash and cash equivalents.

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.

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 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.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

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 into 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.

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 profit or loss and other 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 profit or loss and other comprehensive income.

(l) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Society's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Taxation (continued)

(ii) *Deferred tax*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Society intends to settle its current tax assets and liabilities on a net basis.

(iii) *Current and deferred tax*

Current and deferred taxes are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

(m) Retirement schemes

Retirement schemes consist of lump sum payments payable to employees at the time of retirement in accordance with Employment Law in Mauritius. It also consists of a contributory deposit scheme administered by the Society, as prescribed by an independent salary review report.

(n) Related parties

For the purposes of these financial statements, parties are considered to be related to the Society if they have the ability, directly or indirectly, to control the Society or exercise significant influence over the Society in making financial and operating decisions, or vice versa, or where the Society is subject to common control or common significant influence. Related parties may be individuals or other entities.

(o) Dividend distribution

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

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Society is the Mauritian Rupee. The financial statements are presented in Mauritian Rupee which is the Society's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the presentation currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

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

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

Prior to 12 January 2015, the risk management was carried out by members of the loan committee, including the Chief Executive Officer and the Accountant. Since the appointment of the caretaker board by the Ministry of Co-operatives on 12 January 2015 up to 30 June 2015, no loans were granted.

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.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors (continued)

Credit risk (continued)

At 30 June 2015, the Society was facing significant concentration of credit risk. During the year ended 30 June 2015, management could not implement any debt recovery initiative with a view of mitigating the high concentration of credit risk associated with non performing loans.

Liquidity risk

Prior to 12 January 2015, the Chief Executive Officer and Accountant monitored rolling forecasts of the Society's liquidity requirements to ensure it has sufficient cash to meet operational needs. Since the appointment of the caretaker board by the Ministry of Co-operatives on 12 January 2015 all deposits accounts were frozen until the Society held its Annual General Meeting on 24th October 2015 where a Salvage Plan was submitted to the members and which was approved by a large majority of members. The Salvage Plan proposed the conversion of 20% of all deposits into Redeemable Preference Shares bearing Zero coupon rate and a 15 % refund of deposit to eligible depositors. During December 2015 the Society repaid Rs 85,948,010 representing 15% refund to depositors, net of any charge or security on deposit.

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.

	Within one year Rs	Over one year and up to two years Rs	Over two years and up to five years Rs	Total Rs
2015				
Accounts payable	9,924,373	-	-	9,924,373
Deposits from members	85,948,010	-	1,056,602,218	1,142,550,228
	-----	-----	-----	-----
	95,872,383	-	1,056,602,218	1,152,474,601
	=====	=====	=====	=====
2014				
Accounts payable	42,054,961	-	-	42,054,961
Deposits from members	398,441,716	567,261,240	161,670,595	1,127,373,551
	-----	-----	-----	-----
	440,496,677	567,261,240	161,670,595	1,169,428,512
	=====	=====	=====	=====

4.2 (a) Capital risk management

The primary objectives of the Society, when managing capital, are 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.

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.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 (a) Capital risk management (continued)

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 2015 and 2014 were as follows:

	2015 Rs	2014 Rs
Total debts (note 16)	1,142,550,228	1,127,373,551
Less: cash and cash equivalents	(129,414,714)	(59,811,458)
Net debt	1,013,135,514	1,067,562,093
Total equity	(241,448,105)	(226,136,127)
Total capital	771,687,409	841,425,966
Gearing ratio	131.3%	126.9%

4.2 (b) Categories of financial instruments

	2015 Rs	2014 Rs
Financial assets		
<i>Loans and receivables</i>		
Loans to members	348,828,283	445,938,442
Accounts receivable	89,357	3,241,379
Cash and cash equivalents	129,414,714	59,811,458
	478,332,354	508,991,279
Financial liabilities		
Members' deposits	1,142,550,228	1,127,373,551
Accounts payable	9,924,373	42,054,961
	1,152,474,601	1,169,428,512

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF 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.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATES (CONTINUED)

(a) Judgements

In the process of applying the Society's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1) Impairment of loans receivable

In determining whether the loans receivable are impaired, 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.

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation of 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 had engaged an independent valuation specialist to determine fair value based on prevailing market data. The revaluation of the freehold land and building is performed at least every five years.

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 loans due by 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 expensed in the financial statements is based on actual figures paid to heirs and loans covered. An actuarial valuation has been undertaken to assess the adequacy of the Fund as at 30 June 2014. Management estimates that the fair value of the fund as at 30 June 2015 approximate their fair values at 30 June 2014.

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 Employment Rights Act 2008. Presently, the Plan is not determined using actuarial valuation which takes into account the discount rate, future salary increases, mortality rates and pension increases.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATES (CONTINUED)

(b) Estimates and assumptions (continued)

4) Going concern

The financial statements have been prepared on a going concern basis of accounting which assumes the settlement of liabilities and the realisation of assets in the normal course of business. For the year ended 30 June 2015, the Society incurred a loss before taxation of Rs 15,382,688 (2014: Rs313,603,249) and at year end the Society had a cash and cash equivalents balance of Rs 129,414,714 (2014: Rs 59,811,458). As at 30 June 2015, the Society had a members' deficit of Rs 241,448,105 (2014: Rs 226,136 127). The Society has converted 20% of the deposits from members into redeemable preference shares at 1 July 2015 further to the unanimous vote of members at the Special General Meeting held on 24 October 2015. The conversion of the deposits into redeemable preference shares has reduced the deficit by Rs 217,617,923 at 1 July 2015. The financial statements have been prepared on a going concern basis on the assumption of the continued support of the Society's members. Within the next 12 months, the Directors project to recover part of non-performing loans through the settlement of court cases which are ongoing and the start of preliminary planning for the land development project at Flic en Flac.

6. OTHER OPERATING INCOME

	2015	2014
	Rs	Rs
Rental income	341,500	506,300
Profit on sale of land	1,320,759	6,291,730
Early disbursement fees	75,052	1,138,907
Processing fees	162,591	496,299
Entrance fees	21,000	93,500
Others	388,769	130,145
	2,309,671	8,656,881
	=====	=====

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

7. OPERATING EXPENSES

	2015	2014
	Rs	Rs
Salaries and related costs (See note below)	4,168,783	5,030,191
AGM expenses	58,173	136,930
Depreciation and amortisation	2,304,282	2,357,192
Provision for life savings and loan protection fund	49,980	4,852,617
Life savings and loan protection paid	-	1,147,383
Building security alarm services	28,700	27,600
Car expenses	88,719	122,725
Committee allowances	228,588	227,682
Computer maintenance and consumables	11,749	212,884
Education and training	197,236	229,508
Insurance	74,218	117,233
External audit fees	230,000	172,500
Internal audit fees	50,000	120,000
Legal fees	1,309,122	92,200
Licences and annual fees	4,200	4,200
Software annual maintenance	180,000	180,000
Motor vehicle insurance	9,500	17,210
Municipality rates	28,146	22,796
Postage	14,539	50,887
Stationery	66,661	155,782
Bank charges	43,778	43,519
Utility expenses	317,947	320,076
Advertising	803,186	209,488
Building maintenance	17,915	316,406
Community development activities	237,388	681,028
Others	123,634	74,071
	-----	-----
	10,646,444	16,922,108
	=====	=====
<i>Salaries and related costs:</i>		
Wages and salaries	3,672,302	4,301,858
Other related cost, NPF	213,096	234,962
Travel and passage benefit	155,877	187,583
Other allowances	127,508	305,788
	-----	-----
	4,168,783	5,030,191
	=====	=====
Number of persons employed at year end (Full time)	9	13
	=====	=====

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

8. TAXATION

Income tax

The Society is liable to income tax at 15% (2014: 15%) 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.

	2015 Rs	2014 Rs
<i>Charge :</i>		
Current tax charge	-	-
Deferred tax charge (Note 19)	-	122,539
	-----	-----
	-	122,539
	=====	=====
<i>Current tax asset:</i>		
At 1 July	(332,141)	1,575,584
Paid to MRA during the year	-	(2,333,266)
Refund from MRA during the year	-	425,541
	-----	-----
At 30 June	(332,141)	(332,141)
	=====	=====

Reconciliation between applicable income tax and effective income tax:

	2015 Rs	2014 Rs
Deficit before tax	(15,382,688)	(313,480,710)
	=====	=====
Tax @ 15% (2014:15%)	(2,307,403)	(47,022,107)
Non-deductible expenses	7,497	45,000,000
Others	247,226	2,144,646
Un-utilised tax losses	2,052,680	-
	-----	-----
	-	122,539
	=====	=====

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2015

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land Rs	Building Rs	Fixtures and fittings Rs	Office equipment Rs	Computer equipment Rs	Motor vehicle Rs	Total Rs
<i>Cost:</i>							
At 1 July 2013	21,000,000	26,000,000	1,839,386	851,879	622,008	731,293	51,044,566
Additions	-	-	51,210	-	54,050	-	105,260
Transfer to investment properties	(11,500,000)	-	-	-	-	-	(11,500,000)
At 30 June 2014	9,500,000	26,000,000	1,890,596	851,879	676,058	731,293	39,649,826
Additions	-	-	22,726	396,750	-	-	419,476
Transfer to investment properties	-	-	-	-	-	-	-
At 30 June 2015	9,500,000	26,000,000	1,913,322	1,248,629	676,058	731,293	40,069,302
<i>Accumulated depreciation:</i>							
At 1 July 2013	-	3,484,000	788,654	340,752	622,008	731,293	5,966,707
Charge for the year	-	1,742,000	297,619	170,376	27,025	-	2,237,020
At 30 June 2014	-	5,226,000	1,086,273	511,128	649,033	731,293	8,203,727
Charge for the year	-	1,742,000	298,756	236,501	27,025	-	2,304,282
At 30 June 2015	-	6,968,000	1,385,029	747,629	676,058	731,293	10,508,009
<i>Net book values:</i>							
30 June 2015	9,500,000	19,032,000	528,293	501,000	-	-	29,561,293
30 June 2014	9,500,000	20,774,000	804,323	340,751	27,025	-	31,446,099

Revaluation of land and building

The land and buildings of the Society were revalued on 22 June 2012 by Mr Ng 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.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

10. INVESTMENT PROPERTIES

	2015 Rs	2014 Rs
<i>Bare lands:</i>		
Cost:		
At 1 July	14,635,350	3,135,350
Transfer from property, plant and equipment	-	11,500,000
	-----	-----
At 30 June	14,635,350	14,635,350
	=====	=====

Investment properties consist of bare lands situated at Mapou and at La Caverne. Management does not have any immediate plan for the use of these lands, hence, its classification under investment properties. Investment properties are accounted for under the 'cost model' as per IAS 40 Investment Properties. Depreciation is not charged as it consists only of bare land.

11. INTANGIBLE ASSETS

	2015 Rs	2014 Rs
<i>Computer software:</i>		
Cost		
At 30 June	1,200,000	1,200,000
	-----	-----
<i>Amortisation</i>		
At 1 July	1,200,000	1,079,828
Charge for the year	-	120,172
	-----	-----
At 30 June	1,200,000	1,200,000
	-----	-----
<i>Carrying amount</i>		
At 30 June	-	-
	-----	-----
	=====	=====

12. INVENTORIES

	2015 Rs	2014 Rs
Bare land (at cost)	395,806,284	393,467,447
Other gifts/accessories (at cost)	-	231,686
	-----	-----
	395,806,284	393,699,133
	=====	=====
<i>Bare lands:</i>		
At 1 July	393,467,447	386,428,593
Additions	4,389,902	16,783,074
Disposals	(2,051,065)	(9,744,220)
	-----	-----
At 30 June	395,806,284	393,467,447
	=====	=====

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

12. INVENTORIES (CONTINUED)

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

Two plots of land of an extent of **27A 15P** (residential land) and **10A 84P** (agricultural land) have been acquired in Flic en Flac in 2012 and 2013 respectively. These are 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 ended 30 June 2014 amounted to **Rs 14,922,590**. No interest was capitalised during the year ended 30 June 2015 as there is no active project on the bare land. The Society is working on to obtain a Property Development Scheme Certificate from the Board of Investment and has already launched the call for expression of interest for the selection of an investment partner to develop the land at Flic en Flac.

13. LOANS TO MEMBERS

	2015 Rs	2014 Rs
At 1 July	782,938,442	772,159,076
Disbursements	62,448,841	194,898,011
Repayments	(159,559,000)	(184,118,645)
	-----	-----
	685,828,283	782,938,442
Less: Provision for impairment loss (see note below)	(337,000,000)	(337,000,000)
	-----	-----
At 30 June	348,828,283	445,938,442
	=====	=====
<i>Provision for impairment loss:</i>		
At 1 July	337,000,000	37,000,000
Charge for the year	-	300,000,000
	-----	-----
At 30 June	337,000,000	337,000,000
	=====	=====

As stated in Note 3, the Society has not recognised interest on loans which were past due but not yet paid as at 30 June 2015, in line with the Society's accounting policy. 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% p.a. and 18% p.a., depending on the type of loan, on a reducing balance basis.

Loans to members also consist of mortgage loans where 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.

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

14. ACCOUNTS RECEIVABLE

	2015 Rs	2014 Rs
Interest receivable on loans	-	3,144,379
Other receivables and prepayments	89,357	97,000
	<u>89,357</u>	<u>3,241,379</u>
	=====	=====

15. STATED CAPITAL

	2015 Rs	2014 Rs
At 1 July	5,348,144	5,249,136
Shares issued	71,824	183,303
	<u>5,419,968</u>	<u>5,432,439</u>
Shares redeemed	(91,921)	(84,295)
	<u>5,328,047</u>	<u>5,348,144</u>
At 30 June	=====	=====

16. MEMBERS' DEPOSITS

	2015 Rs	2014 Rs
At 1 July	937,033,217	900,991,292
New / renewed deposits	404,741,716	578,412,445
Transfer to renewed deposits	(416,774,551)	(542,370,520)
	<u>925,000,382</u>	<u>937,033,217</u>
Deposits – property development	217,549,846	190,340,334
	<u>1,142,550,228</u>	<u>1,127,373,551</u>
At 30 June	=====	=====

The maturity profile of deposits held at 30 June is as follows:

	2015 Rs	2014 Rs
Payable within 1 year	1,056,602,218	728,931,835
Payable after 1 year	85,948,010	398,441,716
	<u>1,142,550,228</u>	<u>1,127,373,551</u>
	=====	=====

17. RETIREMENT SCHEME

	2015 Rs	2014 Rs
At 1 July	2,673,515	2,946,719
Payment to deceased staff	-	(306,204)
Staff contribution	35,800	33,000
	<u>2,709,315</u>	<u>2,673,515</u>
At 30 June	=====	=====

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

18. SOLIDARITY PLAN

	2015 Rs	2014 Rs
At 1 July	2,087,310	1,988,091
<i>Add:</i>		
Receipts from new members	34,999	137,000
Top up by members	263,617	643,445
Contribution from existing members to deceased members	220,359	655,318
	<u>2,606,285</u>	<u>3,423,854</u>
<i>Less:</i>		
Solidarity plan withdrawn	(27,152)	(18,158)
Contribution from existing members to deceased members	(220,359)	(655,318)
To heirs of deceased members	(222,309)	(663,068)
	<u>2,136,465</u>	<u>2,087,310</u>
At 30 June	=====	=====

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

19. DEFERRED TAX ASSET

Deferred income tax is calculated on all temporary differences under the liability method using a tax rate of 15% (2014: 15%)

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

	2015 Rs	2014 Rs
At 1 July	(3,986,358)	(4,108,897)
Movement during the year (Note 8)	-	122,539
	<u>(3,986,358)</u>	<u>(3,986,358)</u>
At 30 June	=====	=====

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

	At 1 July 2014 Rs	Debited to profit or loss Rs	At 30 June 2015 Rs
<i>Deferred tax asset</i>			
Revaluation reserve	(3,858,937)	-	(3,858,937)
Retirement benefits	(150,000)	-	(150,000)
	<u>(4,008,937)</u>	<u>-</u>	<u>(4,008,937)</u>
<i>Deferred tax liability</i>			
Accelerated capital allowances	22,579	-	22,579
	<u>22,579</u>	<u>-</u>	<u>22,579</u>
Net deferred income tax asset	<u>(3,986,358)</u>	<u>-</u>	<u>(3,986,358)</u>
	=====	=====	=====

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

19. DEFERRED TAX ASSET (CONTINUED)

	At 1 July 2013 Rs	Debited to profit or loss Rs	At 30 June 2014 Rs
<i>Deferred tax asset</i>			
Revaluation reserve	(3,981,476)	122,539	(3,858,937)
Retirement benefits	(150,000)	-	(150,000)
	-----	-----	-----
	(4,131,476)	122,539	(4,008,937)
	-----	-----	-----
	-		
<i>Deferred tax liability</i>			
Accelerated capital allowances	22,579	-	22,579
	-----	-----	-----
Net deferred income tax asset	(4,108,897)	122,539	(3,986,358)
	=====	=====	=====

20. DEPOSITS RECEIVED ON MORCELLEMENT

	2015 Rs	2014 Rs
At 1 July	5,037,150	4,572,091
Received during the year	5,169,354	15,179,559
Transfer upon sales of land & refund of down payment	(3,425,000)	(14,714,500)
	-----	-----
At 30 June	6,781,504	5,037,150
	=====	=====

21. ACCOUNTS PAYABLE

	2015 Rs	2014 Rs
Interest payable on members' deposits	6,857,465	36,751,181
Bonus on shares and rebates on interest	-	2,628,616
Other payables and accruals	3,066,908	2,675,164
	-----	-----
	9,924,373	42,054,961
	=====	=====

VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

22. RELATED PARTY TRANSACTIONS

During the year ended 30 June 2015, the Society had transactions with related parties. The balances at year end and transactions during the year with related parties were as follows:

	2015 Rs	2014 Rs
<i>Receivables:</i>		
Loans advanced to related parties	21,380,223	22,107,480
	=====	=====
<i>Payables:</i>		
Deposits received from related parties	-	10,180,943
	=====	=====

The amounts receivable from related parties arise from loans advanced to them. Most loans are secured following normal procedures whereas some are secured mainly by personal guarantees. The loans bear interest at rates between 6% p.a. and 14% p.a. 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% p.a. and 11% p.a.

<i>Compensation of key management personnel:</i>		
Board members' remuneration and short-term benefits	228,588	227,682
Management's remuneration and short-term benefits	1,021,241	1,670,706
	-----	-----
	1,249,829	1,898,388
	=====	=====

23. EVENTS AFTER THE REPORTING DATE

The Society held its Annual General Meeting on 24th October 2015 where a Salvage Plan was submitted to the members and which was approved by a large majority of members.

The Salvage Plan was prepared based on the following main assumptions:

- Conversion of 20% of all deposits into Redeemable Preference Shares bearing Zero coupon rate.
- A seven year term loan of up to Rs 350 million from a financial institution to fund the Flic en Flac property.
- Application for a Property Development Scheme Certificate.
- Reduction of interest rates on all fixed deposits to 6% per annum.

In December 2015, the Society has repaid Rs 85,948,010 to depositors net of any charge or security on deposit. This represents 15% of the amount deposited, net of any charge or security on deposit.