



VACOAS POPULAR MULTI PURPOSE COOPERATIVE SOCIETY LTD

ANNUAL REPORT 2012



**CREDIT UNIONS
BUILD
A BETTER
WORLD**



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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President's Statement

Dear Valued Member,

It is my pleasure to present the Annual Report of the Vacoas Popular Multipurpose Co-operative Society (VPMPCS) which highlights our activities and achievements accomplished during the year.

It is our obligation to account for all our activities transparently; as communication is topmost to carry our business and development in a sustainable way.

I avail of this golden opportunity to thank our Former Leaders, Members of the Board of Directors, Management, Staff and Members for what our Society stands today. Our hard work, trust, values, and the love for helping each other has been key to allow us reach this position.

2012 was declared by the United Nations as the International Year of Co-operatives and this helped us, co-operators, to be more visible around the globe. During this memorable period our society took the opportunity to invest in a plot of land at Flic-en-Flac. I would like to thank all our members for the approval of this project and sincerely this would not have been possible without the support and efforts of our members, management and directors.

Our Society continues to grow and we are proud of what has been accomplished during the past financial years. We are determined to achieve our goals and realise the many projects that are in the pipeline.

I appreciate your active participation.

Thank you very much

Rajen Kandasamy
President



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 and congratulate them for the results achieved.



Notice of Meeting

20 January 2013

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: Saturday 23 February 2013

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 25.2.2012.
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.

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 **Wednesday 20th February 2013 at noon by latest.**

T.Hurrynag
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 2 March 2013 at the same time and place.

ALL MEMBERS PRESENT WILL RECEIVE A SPECIAL GIFT.



Corporate Information

Board of Directors

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

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 Devi SEESUNKUR
Stephanie AMOURDON
Sewoosancar ITNAC
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 Advisers

Me Jaykar GUJADHUR

Me Yanilla MOONSHIRAM

Me Roshan RAJROOP

Notary

Me Darmalingum GOORRIAH

Registered Office

Morc. Coop, Bonne Terre,

Solferino,

Vacoas

Registration No. 723

Telephone: 698-4072, 697-9447

Fax: 698-3845

Email: vpmpcs@intnet.mu



Corporate Profile

An insight of the Vacoas Popular MPCS Ltd (VPMPCS)

VPMPCS is a primary co-operative society, registered and regulated by the Ministry of Business, Enterprise and Co-operatives - Co-operatives Department. **VPMPCS** has established itself in the financial services market since its inception. 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 improvement of the socio-economic development of its members through its Credit Union segment. The **VPMPCS** has also diversified its strategy through its Property Development segment. Up to now three 'morcellement' projects have been completed.

Key facts and figures

- Originally registered with 30 members and a share capital of Rs. 860
- Date of initial registration: 18th April 1977
- Society number: 723
- Originally registered as Vacoas Popular Co-operative Credit Union Ltd
- Amended to Vacoas Popular Multi-Purpose Co-operative Society Ltd as from 10th January 1983 as per Special General Meeting dated 31st July 1982
- Affiliated with Association of Asian Confederation of Credit Unions (ACCU) since 2004

Principal Activities

The objects of the Society as laid out by its Rules of Society are:-

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 organize 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.

During the year, those activities have remain unchanged.

Business Segments

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

- I. Credit Union
- II. Property Development



Corporate Reporting

At the end of every financial year the VPMPCS has reviewed its reporting so that its financial statements are more informative. Management has always thrived to ensure that the financial statements presented are in line with standards and accounting policies in place.

As there are no legal requirements to prepare financial statements in accordance with International Financial Reporting Standards (IFRS), Society has always complied with Generally Accepted Accounting Principles (GAAP) while at the same time some principles of IFRS were followed.

For the financial year 2011/2012, the VPMPCS has decided to adopt and comply fully with IFRS when reporting its financial statements. Compliance with IFRS has led to the Society modifying where need be the presentation of its financial statements together with reporting all disclosures. The new accounting standards and interpretations which were adopted did not have a material impact on the financial statements of the Society. Members will value that the VPMPCS has moved a step forward in the presentation of its financial statements which are similar with those of most companies in Mauritius.

It should be noted that any differences in the comparatives from the amounts in the financial statements for the year ended 30 June 2012 are solely the results of reclassifications for comparative purposes.



Corporate Governance

Directorate

In accordance with the Co-operatives Act 2005 and Society's Rules of Society, the VPMPCS is controlled by a Board of Directors. The Board's primary objective is to exercise their powers honestly, in good faith, in the best interests of the Society and for the respective purposes for which such powers are explicitly or implicitly conferred. The Board, together with senior Management, is responsible to members and other stakeholders for the Society's total business performance. The Management of Society's activities is conducted by a Chief Executive Officer, to whom the Board has delegated its powers in that respect. The Board shall consist of not more than nine directors, including the President and the Secretary.

Composition of the Board of Directors

During the financial year 2011/2012, two Boards of Directors held office as stated below:

From 1st July 2011 to 1st March 2012:

Gita-Anjali BHEENICK (Mrs.) - President

Hoonar RAMCHURTER - Vice President

Tarkeeswarsing HURRYNAG - Secretary

Kessor NEWAJ

Safir NAZURALLY

Poubarlanaden APPAVOO

Rajen KANDASAMY

Meera JHUGROO (Mrs.)

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 25th February 2012 were:

Gita-Anjali BHEENICK (Mrs.)

Kessor NEWAJ

Safir NAZURALLY

On 23rd February 2012, Mrs. Meera JHUGROO resigned from the Board of Directors.

From 2nd March 2012 to 30th June 2012:

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

Sub Committees

Sub Committees have been created to assist the Board in the discharge of its duties. These comprise of members of the Board of Directors and in some cases members of the Society. The sub Committees which met during the financial year 2011/2012 were as follows:

Loan Committee

The Committee, which meets weekly, consists of the President and two directors as appointed by the Board. The CEO and Accountant also attend this Committee. This Committee has for task to assess the credit worthiness of potential borrowers.

Project Management Committee

This Committee has been set up with the view to identify, monitor and manage projects, especially in the real estate sector. Six board members and three members of the Society,



together with the CEO and Accountant, sit on this Committee.

Staff Committee

In accordance with the Bizlall Report, the Staff Committee has the responsibility to look after all matters related to industrial relations, discipline, appointment, promotion, etc. This Committee comprises of the President and two directors. The CEO and Accountant shall be in attendance whenever this Committee is held.

Social Committee

This Committee has been set up to look after the social welfare of members. All social events organised by the VPMPCS bear the signature of the Social Committee. 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 2011/2012.

	01.07.2011 - 01.03.2012	02.03.2012 - 30.06.2012
Loan Committee	Gita-Anjali BHEENICK	Rajen KANDASAMY
	Tarkeeswarsing HURRYNAG	Roopeshwar Deo GOOLY
	Kessor NEWAJ	Tarkeeswarsing HURRYNAG
Project Management Committee	Gita-Anjali BHEENICK	Roopeshwar Deo GOOLY
	Roopeshwar Deo GOOLY	Leckrajsing (Ashok) GUNNESS
	Leckrajsing (Ashok) GUNNESS	Tarkeeswarsing HURRYNAG
	Tarkeeswarsing HURRYNAG	Rajen KANDASAMY
	Meera JHUGROO	Louis Gilbert L. LOUISON
	Ashwin Raja TOOLSEEYA	Hoonar RAMCHURTER
	Sadasivum Asoka VENKATASAWMY	Ashwin Raja TOOLSEEYA
		Yavisht TOOLSEEYA
	Sadasivum Asoka VENKATASAWMY	
Social Committee	Poubarlanaden APPAVOO	Roopeshwar Deo GOOLY
	Roopeshwar Deo GOOLY	Leckrajsing (Ashok) GUNNESS
	Leckrajsing (Ashok) GUNNESS	Tarkeeswarsing HURRYNAG
	Tarkeeswarsing HURRYNAG	Marlene Genevieve JOSEPH
	Marlene Genevieve JOSEPH	Rajen KANDASAMY
	Rajen KANDASAMY	Karmaraj Acharyadev NOSIB
	Hemath SEEBOO	Hoonar RAMCHURTER
	Guy Norbert TAMATAVE	Guy Norbert TAMATAVE
	Ashwin Raja TOOLSEEYA	Ashwin Raja TOOLSEEYA
	Sadasivum Asoka VENKATASAWMY	Sadasivum Asoka VENKATASAWMY
Staff Committee	Gita-Anjali BHEENICK	Rajen KANDASAMY
	Meera JHUGROO	Yavisht TOOLSEEYA
	Wong Hok Tsung (Pierre) WONG TEK KONG	Wong Hok Tsung (Pierre) WONG TEK KONG

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



Attendance to Committee meetings

	Board of	Sub Committees			
	Directors	Loan	Project Mgt	Social	Staff
Number of Meetings held	16	52	3	9	0
Poubarlanaden APPAVOO	11	N/A	N/A	0	-
Gita-Anjali BHEENICK**	9	32	0	1	-
Roopeshwar Deo GOOLY*	8	18	3	9	-
Leckrajasing (Ashok) GUNNESS	1	N/A	3	9	-
Tarkeeswarsing HURRYNAG	15	49	3	9	-
Meera JHUGROO***	5	2	0	N/A	-
Rajen KANDASAMY	15	18	3	5	-
Louis Gilbert L. LOUISON	N/A	N/A	2	N/A	-
Safir NAZURALLY**	5	N/A	N/A	N/A	-
Kessor NEWAJ**	7	32	N/A	N/A	-
Karmaraj Acharyadev NOSIB*	5	N/A	0	2	-
Hoonar RAMCHURTER	12	3	2	1	-
Guy Norbert TAMATAVE	N/A	N/A	N/A	8	-
Ashwin Raja TOOLSEEYA	N/A	N/A	3	5	-
Yavisht TOOLSEEYA*	6	N/A	3	N/A	-
Sadasivum Asoka VENKATASAWMY*	8	N/A	3	9	-
Wong Hok Tsung (Pierre) WONG TEK KONG	9	N/A	N/A	N/A	-

*Appointed on 2nd March 2012

** Retired on 1st March 2012

*** Resigned on 23rd February 2012

Loan Committee

Mr. R. Kandasamy and Mr. R.D Gooly replaced Mrs. G.A. Bheenick and Mr. K. Newaj respectively upon their retirement on 1st March 2012.

Mr. H. Ramchurter, being the Vice President, chaired the Loan Committee during the absence of Mrs. G.A. Bheenick, who was on overseas assignment.

Mrs. M. Jhugroo replaced Mr. T. Hurrynag on the Loan Committee during his absence for overseas assignment.



Committee Allowance

Allowance paid by the Society for the year ended 30 June 2012 with comparatives was as follows:

	2012 (Rs.)	2011 (Rs.)
Committee Allowance	226,484	164,680

Auditors

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

	2012 (Rs.)	2011 (Rs.)
Baker Tilly (Mauritius) - External Audit	109,250	NIL
Nathadkhan Associates - External Audit	NIL	86,250
Kamal Raj SADIEN FCCA - Internal Audit	45,000	68,250



Year in Review

The Mauritian Economy and the Financial Services Market in a nutshell

The promise of a recovering economy, be it worldwide or in Mauritius, is yet to be seen. Economies across the world are zigzagging between glimpses of recovery and threats of potential slowdowns. In Mauritius, we have been lucky enough not to face these situations with a more resilient economy. However, there is always a possibility that this advantage does not last. Economic figures suggest that the growth rate for Mauritius will tend to oscillate around 4%.

Competition in the financial services sector is becoming fiercer with every player on the market trying to consolidate its market share. The Society has not been spared by this competition and as ever has tried to reinvent itself to maintain its position.

Philosophy of Vacoas Popular MPCs Ltd

The Vacoas Popular MPCs Ltd is determined to go beyond its 35 years of existence in helping its members to improve their socio-economic condition. In doing so, the Society puts at the disposal of its valued members a variety of loan schemes, which will assist them in their growth. Interest received on these loans remains the main source of income for the Society. However, members will note that the Society is more and more indulged in the real estate sector as this remains an alternative revenue generating segment. Deposits schemes with attractive rate of return are proposed to members to inculcate the thrift and savings culture in them as this will help them grow financially.

Results

During the past years, the Society has generated an always increasing surplus after taxation. For the financial year ending 30 June 2012, surplus after taxation has been almost **3 times** that of the previous year.

It is to be noted that the key sources of income, namely interest on loan and other operating income (mainly composed of profit on sale of land) has witnessed an increase of **9%** and **4%** respectively. In the Statement of Financial Position, members will observe that Total Assets, which was



luring the **Rs 1 Billion mark** at 30 June 2011, has now safely reached that target.

Members will appreciate that they have continually benefitted from a higher return on their investment whilst the Society trying to constantly maintain interest on loans at affordable rates.

During the financial year 2011/2012 and to mark the Society's 35th anniversary, the Board of Directors together with Management approved the complete renovation of its office. Members will appreciate that as from October 2011 they are being served in a modern and appealing environment.

On reaching the close of the financial year under review, the Society managed to secure **27A15P** of land at Flic en Flac. This will be the major project for the Society in the coming years.

Indeed the future portrays that the Society will proceed with the same vigour in its mission towards making its members improve their socio-economic life.

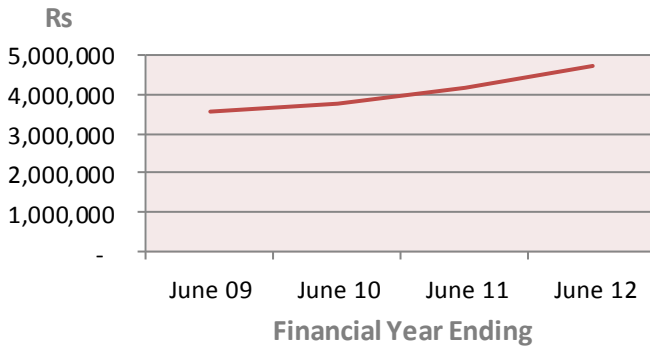


Key Statistics as at 30 June 2012

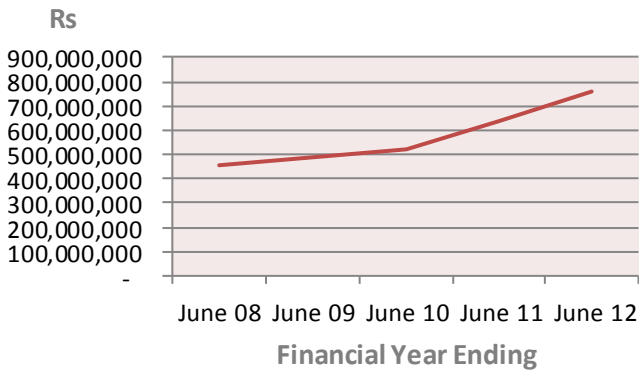
Growth

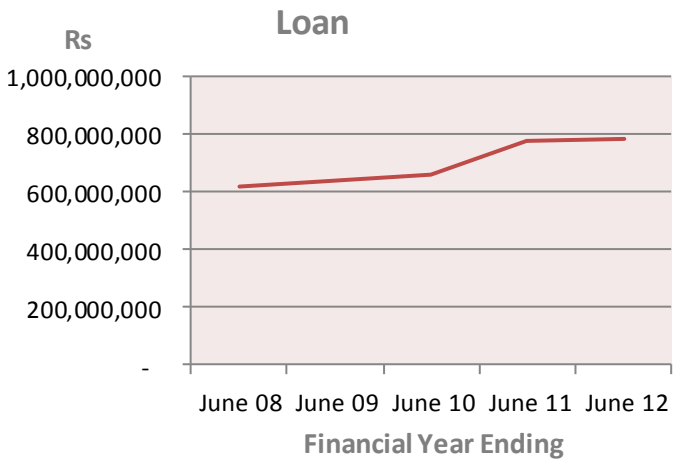
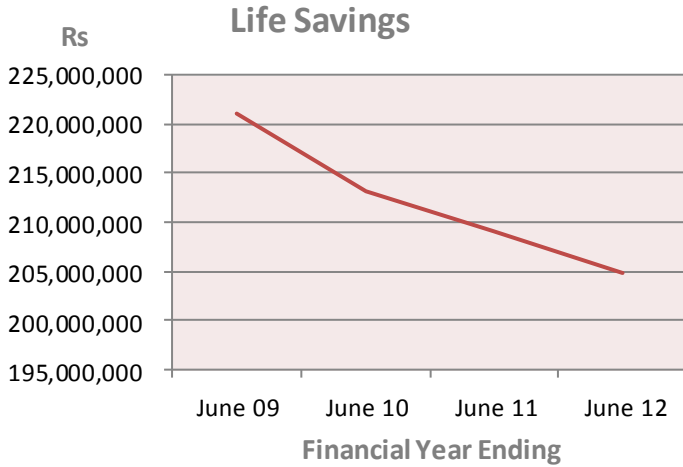
The charts below display the trend in shares, deposits, life savings, loans and surplus after tax over the last five years.

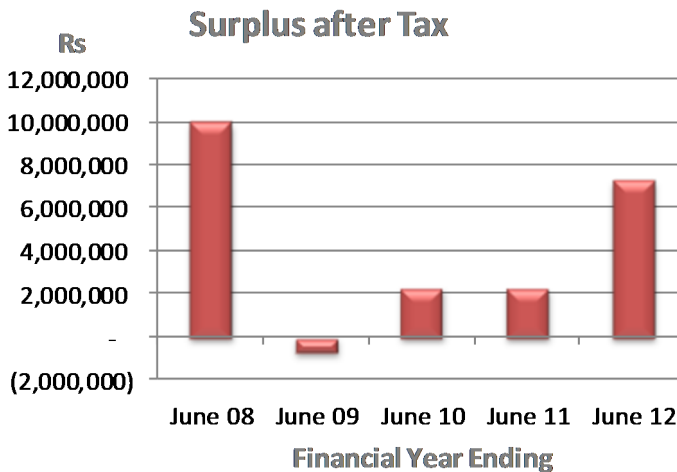
Shares



Deposits

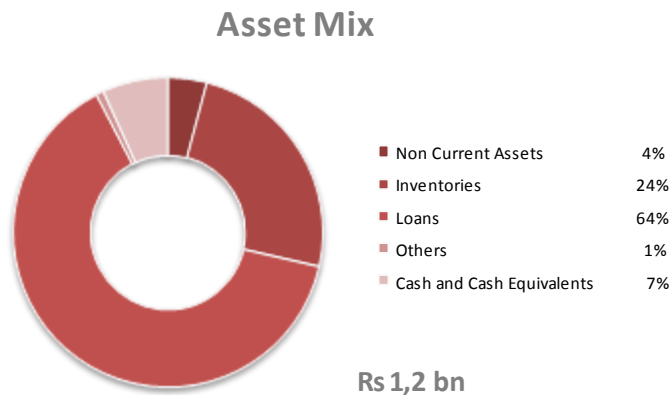






Asset Mix

The following diagram illustrates the percentages which every asset class contributes to the total asset value of the Society.





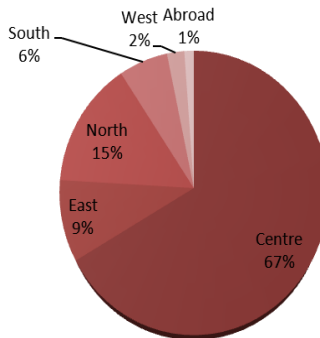
Membership

To be part of the VPMPCS one should be a member. The table below shows the progress in membership for the financial year 2011/2012.

Membership as at 30.06.2012	
No. of shareholders at Start	4754
New Shareholders	278
Shareholding from existing members	16
No. of Closed Account	54
No. of Shareholders at Close	4994

The chart below shows that VPMPCS operates island wide and even has members abroad.

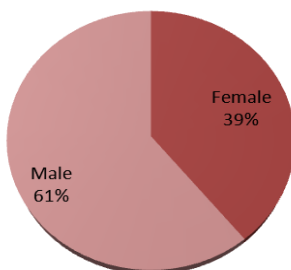
Distribution of Members across Mauritius and Abroad



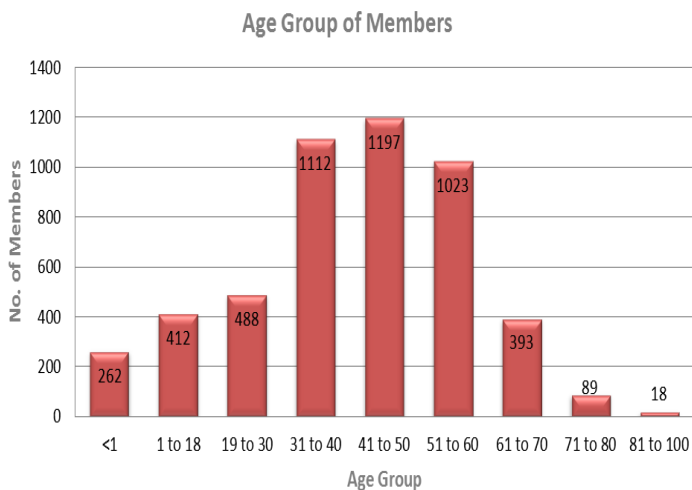


The following pie chart shows the mix between male and female members of the VPMPCS.

Gender Distribution of Members



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





Loan Portfolio

This table shows disbursement of loan made during the period 1st July 2011 to 30th June 2012. This detailed table differentiate between the number of new loans and renewed loans (recash) together with their respective amounts.

Loan Type	Total Loan Disbursed											
	Loan Against Life Savings		Mortgaged Loan		Housing Loan		Hire Purchase Loan		Exam Fees		Multi Purpose Loan	
	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)
New	181	38,912,000	98	89,681,074	14	19,117,071	13	3,430,000	8	73,542	1	12,800
Renewed	265	83,307,786	30	20,564,830	2	6,484,393	1	130,000				
Instalment disbursed during the year in respect of loan applied previously	9	217,624	7	4,971,053	2	430,375	1	21,794				
Total	455	122,437,410	135	115,216,957	18	26,031,839	15	3,581,794	8	73,542	1	12,800

Grand Total (Number) 632

Grand Total (Amount) Rs. 267,354,342

Loan Portfolio has increased by 0.85%.



Purpose Wise

As at 30 June 2012, VPMPCS had 1,831 loanees, who contracted loans for the following purposes.

Purpose	Number of Loans	Amount (Rs.)
Housing	193	96,220,986
Education	169	39,017,024
Purchase of Vehicle	184	46,051,152
Purchase of Land + Notary Fees	123	85,996,560
Repayment of Debts	70	16,784,881
House Renovation	312	61,511,005
Wedding	75	12,875,380
Business	249	283,255,381
Construction	319	75,269,607
Travelling	27	4,343,743
Medical	31	6,930,589
Purchase of Furniture	2	137,690
Purchase of Office Space	6	1,352,813
Purchase of Equipment	18	3,014,068
Investment	7	23,256,455
Purchase of Immovable Property	26	27,756,194
Car Expenses	20	2,404,725
Total	1,831	786,178,253



Loan Maturity

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

Loans	2012	2011
Remaining Term to Maturity		
Less than 1 year	118,288,807	88,428,685
More than 1 year and less than 2 years	36,615,048	21,281,189
More than 2 years and less than 3 years	29,499,218	46,014,743
More than 3 years and less than 4 years	34,722,182	32,866,110
More than 4 years and less than 5 years	52,288,360	42,501,242
More than 5 years and less than 10 years	390,138,684	422,979,034
More than 10 years	124,625,954	125,485,646
	786,178,253	779,556,649



Deposit Portfolio

This table shows the change in deposit over the last year. Deposit Portfolio has increased by 14.5%.

Deposit Type	Credit Union (Rs.)	Property Development (Rs.)	% Change over last year
Life Savings	204,927,679		(1.99)
Savings	47,123,530		7.22
Xmas Savings	595,950		2.50
Cumulative Deposit	15,909,811		8.10
Fixed Deposit	491,841,015	110,071,760	20.05
Deposit Double	96,507,184		29.19

Deposit Maturity

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

Deposits	2012	2011
Remaining Term to Maturity		
Savings & Life Savings	252,051,209	253,030,954
Cumulative Deposit (Maturity between 1 year and 15 years)	15,909,811	14,717,268
Less than 1 year	430,065,177	423,861,252
More than 1 year and less than 2 years	46,525,770	49,167,425
More than 2 years and less than 3 years	129,302,117	27,981,932
More than 3 years and less than 4 years	7,399,962	10,148,043
More than 4 years and less than 5 years	19,472,677	7,079,212
More than 5 years and less than 10 years	64,250,206	56,450,780
More than 10 years	2,000,000	2,000,000
	966,976,929	844,436,866



Solidarity Plan

The Solidarity Plan was introduced in 2004, this plan applies in case of death of any member who has joined the plan.

Its aim is to give financial support to the remaining family members of the deceased member of the solidarity plan.

The table below shows how this plan has evolved during the year 2011/2012

Solidarity Plan as at 30.06.2012	
Members at Start	1899
Members joining the plan	211
Members withdrawing from the plan	24
Deceased Members	3
Members at Close	2083

A total of Rs. 304,205 was paid to heirs of three members from the Solidarity Plan.

Exam Fees Loan

Members, who form part of the Solidarity Plan, are eligible to a loan which allows them to pay exam or university fees.

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. 976,305 to heirs of 6 members.

Product	Number	Amount (Rs.)
Life Savings	4	356,582
Loan	4	619,723
Total		976,305

Replenishment of Fund

A provision of Rs. 5,023,695 has been made to the fund during the year.

	Rs.
Balance at Start	33,187,156
Additional Contribution made by Society during the year	3,000
<i>Appropriation of Profit:-</i>	
To adjust Replenishment for year 08-09	1,000,000
Interest on Investment for year 10-11	322,360
Replenishment of Fund	5,023,695
Total	39,536,211

Morcellement Project

The real estate segment of the VPMPCS is another main income generating unit for the Society.

Sales during the financial year ending 30 June 2012 were as follows:-

Location	No. of Plots Sold
Camp Ithier (Bramsthan)	11
Melrose	32
Total Sold	43



Overall Sales since start of the Project

Location	No. of Plots Sold	No. of Saleable Plots	% Sold
Camp Ithier (Bramsthan)	85	166	51
Melrose	84	103	81
Total Sold	169	269	

Social Activities

It has been part of the VPMPCS tradition to organise a series of social activities for the welfare of its members. These activities promote social bonding among members and allow them to discover or rediscover different places of interest in Mauritius. For the **calendar year 2012**, the following social activities were organised:

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



Notes of AGM 25 February 2012

Notes of the Annual General Meeting of the Vacoas Popular Multi-Purpose Co-operative Society Ltd (VPMPCS) held on Saturday 25th February, 2012 at the seat of the Society at 3.00 p.m.

The members of the VPMPCS were convened for the Annual General Meeting (AGM) on Saturday 25th February, 2012 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 preceding year.
3. Approve minutes of last Annual General Meeting held on 5.3.2011.
4. Matters Arising out of minutes.
5. Adoption of Financial Statements for the year ending 30 June 2011.
6. Approval of estimates for financial year July 2011 – June 2012.
7. Election of three members to sit in the Managing Committee.
8. Fix investment ceiling for property development.
9. Fix the annual fee for External Auditor.
10. To appoint Internal Auditor.
11. A.O.B.

There were 205 members present and the meeting was held as scheduled.

In Attendance: Mrs S Oozeer – Senior Co-operative Officer – Ministry of Co-operatives & C.D

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 deceased members of the Society.

Members present were informed that through a printing error, one paragraph was omitted in minutes of the Annual General Meeting held on 5th March 2011 and requested to add at paragraph 8.0 of Page 15 of the Annual Report 2011 the following:-

“Mr Rajen Kandasamy signified his interest to form part of the Managing Committee for a period of two years. Same was approved upon the



proposal of Mr Chaitanand Jheengun and secondment of Mr Rainathsingh Ramgoolam”

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

The President enumerated and elaborated on the various activities organized during the previous Calendar Year.

The activities were:

Social Activities

- Celebration of Independence and Republic Day.
- Guava picking at Le Pétrin.
- Catamaran Cruise at Tamarin.
- Divali Celebration, Chinese New Year Celebration.
- Catamaran Cruise at Grand Baie.
- Annual Children’s Day.
- Celebration of Christmas.

Meetings held during the year under review

- Board Meeting: 8
- Special Board Meeting: 2
- Project Committee: 1 plus several site visits
- Staff Committee: 3
- Social Committee: 5
- Loan Committee:51

35 Anniversary of the Society

- Cultural Show at Octave Wiehe on 16th October 2011
- Launching of Souvenir Magazine
- Souvenir Gift to members present
- Special 2% Bonus on Life savings i.e 7% paid on 30 June 2011
- Renovation of office spaces



Brainstorming Session

Held on 01.11.2011: 28 participants

Objectives:

- To strengthen the core values of our Society.
- Discuss future strategies and identify actions.
- Focus on Professionalisation of our activities.
- Attract the youth and new talents.
- Develop new products and services.
- Branding of Society.

Outcomes of Brainstorming

Weaknesses/Threats identified

- Lack of staff/organization structure.
- Various Loan Exits.
- Training.
- Society not visible
- To review loan schemes/diversify loan products.
- To review organization structure.
- Branding of Society.
- Vacoas Popular Multi-Purpose GROUP
- New business units (Vacoas Popular Finance, Vacoas Popular Real Estate).

Organisational Structure

- Board's Decision to recruit:
- Customer Care and Tellers: 2 persons recruited
- Compliance Officer* (BOD minutes 20.08.11 and BOD 22.02.12)
- Human Resources* (BOD 22.02.12)
- Restructure/Salary report approved by Board subject to amendment proposed and to be implemented in full through an action plan.

Branding

- Board decision to create an informative website for the Society
- Develop a communication strategy.



Overseas Workshops

- Manager –ACCU CEO Forum – April 2011 (self-financed basis)
- Accountant and Internal Auditor – WOCCU- July 2011 (self-financed basis)
- Manager and President – ACCU President Forum September 2011
- Miss Hoolashi Gooly – Youth Workshop (self-financed basis)

Performance Figures

- Loan Portfolio: 15.4% increase
- Deposit Portfolio: 15.2% increase
- New members: 244
- No. of shareholders: 4754
- Surplus after tax: MUR 2,244,847

3. Approval of minutes of last Annual General Meeting held on 5.3.11

The minutes of the AGM held on 5th March, 2011 were approved by Mr Poubarlanaden Appavoo and seconded by Mr Unnill Kumar Beekarry.

4. 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.

5. Adoption of Financial Statements for the year ending 30 June 2011

The Accountant proceeded with a summary of the Financial Statements for the period ended 30 June 2011. The Accountant also commented on the various items of the financial statements and necessary clarifications were given to queries raised by members.

The Financial Statements for the period ended 30 June 2011 were adopted upon the approval of Mr Hurry Chrestnasing Juggessur and secondment of Mr Gurudev Pertaub.

Distribution of surplus for year ending 30 June, 2011

The distribution of surplus for the year ending 30 June 2011 as recommended by Section 65 of the Cooperative Act was presented as follows by the Accountant.



Appropriation of Surplus for the year ended 30 June 2011		
	Rs.	Rs.
Net Surplus for the year		2,244,847
Appropriations		
To Statutory Reserve (10%)	224,485	
To Solidarity Plan	99,593	
To Life Savings & Loan Protection Fund	1,322,360	
Dividend on Shares @ 6%	226,029	
		(1,872,467)
To Revenue Reserve		372,380

Mr Roopeshwar Deo Gooly proposed that Dividend on Shares be inched up by 1% i.e. 7%

The new Appropriation of Surplus for year ending 30 June, 2011 will be as follows:

Appropriation of Surplus for the year ended 30 June 2011		
	Rs.	Rs.
Net Surplus for the year		2,244,847
Appropriations		
To Statutory Reserve (10%)	224,485	
To Solidarity Plan	99,593	
To Life Savings & Loan Protection Fund	1,322,360	
Dividend on Shares @ 6%	263,700	
		(1,910,138)
To Revenue Reserve		334,709

Same was approved by Mr Linlay Louison and seconded by Mr Luckroo Kasseeah



6. Approval of estimates for financial year July 2011 to June 2012

The estimates for the period July 2011 to June 2012 was included in the Annual Report.

These Estimates were approved by Mr Asoka Sadasivum Venkatasawmy and seconded by Mr Ashok Gunness.

7. Election of four members to sit in the Managing Committee: 3 for a period of three years and 1 member for a period of 2 years.

Members were informed that there were three applications from members to form part of the Managing Committee for a period of three years. The applicants were:

Mr Yavisht Toolseeya

Mr Roopeshwar Deo Gooly and

Mr Jabar Hosany

Mr Jabar Hosany being absent at the meeting, the Assembly decided that his candidature would not be considered to sit on the Managing Committee

Upon the proposal of Mr Ashok Gunness and secondment of Mr Roopeshwar Deo Gooly, Mr Ashoka Venkatasamy was elected to sit on the Board of Directors for a period of 3 years.

Mrs Meera Jhugroo, Executive Member who was elected to serve the Society for a period of three years with effect from 5 March 2011, has stepped down as Executive Member as from 25th February, 2012. Mrs Gita Anjali Bheenick proposed Mr Karmaraj Acharyadev Nosib to sit on the Managing Committee for the period of two years.

The candidates introduced themselves to the Assembly. Mr Y. Toolseeya, Mr A. Venkatasamy and R.D. Gooly were declared elected to sit on the Managing Committee for a period of three years while Mr K.A. Nosib for a period of two years.

Mr Ashok Gunness made a plea to the four elected members to take firm commitment to attend the meetings, see whether all decisions were implemented, show interest in the social activities and ensure follow-up



actions.

8. Fix investment ceiling for property development.

The President informed that the actual ceiling for property development was Rs 60M and invited the members to propose an increase in the ceiling for property development.

She added that last year Society identified a project at Belle Mare for the purchase of land and construction of villas costing around Rs 370 M. The project was turned down due to the poor land structure. However, if we were to go ahead with the project, we would be compelled to call a Special General Meeting as the voted amount of Rs. 60M would not suffice for the said project.

The proposal for an increase in the actual ceiling is required to meet such issues like:

- i. Development of the land at Calodyne (RES)
- ii. Residential Project on the land at Vacoas
- iii. Property Development, that is, the front building (Visitation) of the Society be developed; and
- iv. Purchasing of land offered for sale in various regions.

The Manager invited the floor to propose a reasonable maximum ceiling for investment so that we should not have to go each time to the SGM to have its approval. She drew attention of members that it is time consuming, costly and difficult to have quorum to call for an SGM. We can even miss interesting opportunities.

Mr Gurudev Pertaub was of the opinion that a ceiling of Rs 500 M would be reasonable for the Society to move forward with its various projects provided a feasibility study be carried out for each project.

Mr Sadien (Internal Controller) said that Rs 500m is too high, as we do not have any major project in the pipeline. He asked members to be very cautious about fixing a ceiling.

Mr Arkam Gunness proposed for a maximum ceiling of Rs 100M and if need be we could go for Special General Meeting.



After lengthy discussions, the maximum ceiling of Rs 100M was accepted by the Assembly.

Proposed by Mr Arkam Gunness and seconded by Mr Ashwin Toolseeya.

9. Fix the annual fee for External Auditor/Appointment of External/Internal Auditors

Mr Sadien, the Actual Internal Auditor announced that he will step down as Internal Auditor of the Society as from the beginning of March, 2012 as he has been offered a job on a full-time basis.

Mr Sadien informed that Mr I. Nathadkhan (Nathadkhan Associates) the actual External Auditor of the Society has no objection to replace him as the Internal Auditor.

The Society has received two quotations from two different firms for the appointment of an External Auditor. They were:

<u>Firm</u>	<u>Proposed Fee</u>
Baker Tilly	Rs 95,000 + VAT
Moor Stephen	Rs 130,000 + VAT

Members present went for the lowest bidder, so the firm Baker Tilly was selected as the External Auditor for year 2011 – 2012.

For the smooth running of the Society, Mr Ashok Gunness proposed that Mr Sadien continue with his post as Internal Auditors till the end of the Financial Year (June 2012)

The Assembly agreed that the Firm Baker Tilly be appointed as external auditor for the financial year ending 30 June 2012 and Mr Nathadkhan becomes Internal Auditor as from 1st July, 2012. Proposed by Mr Ashok Gunness and seconded by Mr Ashwin Toolseeya.

10. A.O.B

ACCU President Forum

Mr Ashok Gunness was of the opinion that an active member should be delegated to attend the forthcoming ACCU President Forum. He suggested that Mr Rajen Kandasamy who has helped tremendously in the preparation of the 35th Anniversary held last year, should be



delegated to represent the Society at the Forthcoming Forum.

The President stressed that whether a President was active or non-active, the latter should attend the Forum to prevent conflictual situation.

Mr Arkam Gunness pointed out that in view of the fact that the President was democratically elected, he should attend the Forum. However, he should produce a report circulated to all members at the AGM.

The President added that not only the President should produce such report for circulation but also the CEO or anyone attending the Forum should do the same.

Lunch for Senior Citizens

Mr Hurry Chrestnasing Jugessur pointed out that there were no Lunch for Senior Citizens during the past two years and enquired whether same will be available during 2012. Mrs Purmessur explained that more members are 60+ nowadays and it is becoming difficult for Society to host a lunch in a high standard hotel every year bearing in mind cost implication. We are considering to have it every three years in a high standard hotel as usual. So Society will host a lunch in 2012.

11.0 Vote of thanks and End of Meeting

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

The meeting ended at 4.15 p.m.

Tarkeeswarsing Hurrynag

Secretary



PRESIDENT'S REPORT

The President presents his report together with the audited financial statements of the Vacoas Popular Multipurpose Co-Operative Society Limited (the "Society") for the year ended 30 June 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Society is to carry on activities with a view to promote the economic interests of its members.

RESULTS

The Society's surplus after tax is **Rs 7,327,966** for the year ended 30 June 2012 (2011 – Rs 2,244,847).

The Board of directors has declared a dividend amounting to **Rs 263,700** for the year ended 30 June 2012 (2011 – Rs 201,763).

BOARD MEMBERS

The Board was made up of the following members who held office during the year and up to the date of signing of the financial statements:

Rajen Kandasamy	President
Hoonar Ramchurter	Vice President
Tarkeeswarsing Hurrynag	Secretary
Karmaraj Acharyadev Nosib	Member
Pierre Wong Tek Kong	Member
Roopeshwar Deo Gooly	Member
Yavisht Toolseeya	Member
Sadasivum Asoka Venkatasawmy	Member
Poubarlanaden Appavoo	Member

BOARD'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board members are required to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Society. In preparing those financial statements, the directors are required to:



- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (IFRS) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Co-operatives Act 2005. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board members confirm that they have complied with the above requirements in preparing the financial statements.

**Approved by the Board of members on 27 December 2012
and signed on its behalf by:**

PRESIDENT

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 43 to 72, which comprise the statement of financial position at 30 June 2012 and the statement of comprehensive income, statement of shareholders' fund and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Members' Responsibilities for the Financial Statements

2. As described on page 38-39, 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.

Auditors' 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)

Auditors' 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.

Opinion

7. In our opinion:
 - a) the financial statements on pages 43 to 72:
 - (i) have been prepared in accordance with and comply with International Financial Reporting Standards;



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
VACOAS POPULAR MULTIPURPOSE CO-OPERATIVE SOCIETY
LIMITED (CONT'D)

Report on the Financial Statements (cont'd)

Opinion (cont'd)

- 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 2012 and its financial performance, changes in equity for the year ended on that date; and
 - iv. comply with the Co-operatives Act 2005.
- a) proper accounting records have been kept by the Society as far as it appears from our examination of those records.

Emphasis of matter

8. We draw attention to the fact that we were appointed as auditors of the Society for the first time for the year ended 30 June 2012 and as a result we do not express an opinion on the comparative figures for the year ended 30 June 2011. The financial statements for the year ended 30 June 2011 were audited in accordance with Generally Accepted Accounting Principles and by another auditor who expressed an unqualified opinion thereon on 24 December 2011. Our opinion is not qualified in this respect.

Report on Other Legal and Regulatory Requirements

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

Baker Tilly (Mauritius)

Baker Tilly (Mauritius)

27 December 2012

Aleem Ramankhan

Aleem Ramankhan

Licensed by FRC



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	2012 Rs	2011 Rs
Interest income		
Interest on loan	83,361,493	76,113,905
Bank interest	2,271,231	2,649,724
	<hr/> 85,632,724	<hr/> 78,763,629
Interest expense		
Interest on deposits	(65,754,496)	(65,341,247)
Net interest income	<hr/> 19,878,228	<hr/> 13,422,382
Other operating income (Note 5)	9,160,649	6,577,608
	<hr/> 29,038,877	<hr/> 19,999,990
Operating expenses (Note 6)	(19,147,310)	(16,266,051)
Surplus for the year	<hr/> 9,891,567	<hr/> 3,733,939
Taxation (Note 7)	(2,563,601)	(1,489,092)
Net surplus for the year	<hr/> 7,327,966	<hr/> 2,244,847
Other comprehensive income	-	-
Total comprehensive surplus for the year	<hr/> Rs 7,327,966	<hr/> 2,244,847

The accounting policies on pages 47 to 56 and the notes on pages 57 to 72 form an integral part of these financial statements.



STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2012

	Rs	Rs
ASSETS		
Non-current assets		
Property, plant and equipment (Note 8)	47,139,612	28,656,624
Investment property (Note 9)	3,135,350	3,135,350
Intangibles assets (Note 10)	360,172	600,172
	50,635,134	32,392,146
Current assets		
Inventories (Note 11)	301,051,739	52,176,818
Loans to members (Note 12)	786,178,253	779,556,649
Accounts receivable (Note 13)	10,158,174	11,415,649
Cash and cash equivalents (Note 14)	83,065,931	80,103,311
	1,180,454,097	923,252,427
Total assets	Rs 1,231,089,231	955,644,573
EQUITY AND LIABILITIES		
Capital and reserves attributable to the Society's equity holders		
Members' share capital (Note 15)	4,696,060	4,399,843
Statutory reserve	20,226,896	20,002,411
Revaluation reserve	27,650,629	13,224,058
General reserve	268,528	268,528
Life savings & loan guarantee fund	39,536,211	33,187,156
Revenue reserve	10,797,122	4,271,841
Total equity	103,175,446	75,353,837
LIABILITIES		
Non-current liabilities		
Members' deposit (Note 16)	966,976,929	844,436,864
Retirement scheme (Note 17)	2,914,019	889,919
Solidarity plan (Note 18)	1,998,340	1,755,058
Deferred tax liability (Note 19)	63,270	-
	971,951,558	847,081,841
Current liabilities		
Deposit on morcellement (Note 20)	2,519,000	2,349,000
Payable (Note 21)	151,490,691	30,685,211
Taxation (Note 7)	1,951,536	174,684
	155,961,227	33,208,895
Total liabilities	1,127,913,785	880,290,736
Total equity and liabilities	Rs 1,231,089,231	955,644,573

Approved by the Board of Directors on 27 December 2012
and signed on its behalf by:

Rajen Kandasamy
President

Kamla Guinness-Purmessur (Mrs)
Chief Executive Officer

Leckraj J Guinness ACCA
Accountant

The accounting policies on pages 47 to 56 and the notes on pages 57 to 72 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	Members' share capital	Statutory reserve	Revaluation reserve	General reserve	Life savings and loan guarantee fund	Revenue reserve	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 01 July 2010	3,983,480	19,769,477	13,562,809	268,528	27,785,095	2,685,941	68,055,330
Additions	474,987	-	-	-	5,015,530	-	5,490,517
Withdrawals	(58,624)	-	-	-	-	-	(58,624)
Transfer to retirement scheme	-	-	(338,751)	-	-	(100,000)	(100,000)
Transfer	-	-	-	-	386,531	338,751	-
Transfer to life saving	-	-	-	-	-	(386,531)	-
Transfer to statutory reserves	-	232,934	-	-	-	(232,934)	-
Transfer to solidarity plan	-	-	-	-	-	(100,869)	(100,869)
Profit for the year	-	-	-	-	-	2,244,847	2,244,847
Dividend	-	-	-	-	-	(177,364)	(177,364)
At 30 June 2011	4,399,843	20,002,411	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)	-	-	-	-	-	(287,168)
Transfer	-	-	(1,107,453)	-	-	1,107,453	-
Transfer to life saving and protection fund	-	-	-	-	-	(1,322,360)	-
Transfer to statutory reserves	-	224,485	-	-	1,322,360	(224,485)	-
Revaluation gain	-	-	15,534,024	-	-	(99,593)	15,534,024
Transfer to solidarity plan	-	-	-	-	-	7,327,966	(99,593)
Profit for the year	-	-	-	-	-	(263,700)	7,327,966
Dividend	256,882	-	-	-	-	-	(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

The accounting policies on pages 47 to 56 and the notes on pages 57 to 72 form an integral part of these financial statements.





STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	Rs	Rs
Cash flows from operating activities		
Profit before income tax	9,891,567	3,733,939
<i>Adjustment for:</i>		
Depreciation and amortisation	2,505,277	1,334,934
Interest income	(85,632,724)	(78,763,629)
Interest expense	65,754,496	65,341,247
Life savings and loan protection fund	5,023,695	4,991,530
Provision for credit losses	1,500,000	1,500,000
Provision for retirement scheme	2,000,000	-
Operating profit/(loss) before working capital changes	<u>1,042,311</u>	<u>(1,861,977)</u>
Changes in operating assets and liabilities		
(Increase)/decrease in inventories	(247,382,028)	7,440,579
Increase in loans to members	(6,621,604)	(120,258,662)
Increase in other assets	(255,722)	(673,145)
Increase in deposit from members	12,468,305	111,259,042
Increase in other liabilities	119,251,442	1,898,973
Interest income	86,346,434	78,706,283
Interest expense	(65,359,667)	(61,612,690)
Income tax paid	(723,479)	(1,889,343)
Net cash (used in)/generated from operating activities	<u>(101,234,009)</u>	<u>13,009,060</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,414,756)	(379,457)
Net cash used in investing activities	<u>(4,414,756)</u>	<u>(379,457)</u>
Cash flows from financing activities		
Net cash proceeds from issuing shares	32,517	244,729
Increase in deposit from members	110,071,760	-
Interest expense	(1,492,891)	-
Net cash from financing activities	<u>108,611,386</u>	<u>244,729</u>
Net increase in cash and cash equivalents	2,962,620	12,874,333
Opening cash and cash equivalents	80,103,311	67,228,978
Closing cash and cash equivalents	Rs <u>83,065,931</u>	<u>80,103,311</u>

The accounting policies on pages 47 to 56 and the notes on pages 57 to 72 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2012**

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 low cost loans to its members. The membership of the Society which is opened to all Mauritians on the island, stood at **4,994** at 30 June 2012. Details of the Society are:

Name of Society	: Vacoas Popular Multipurpose Co-operative Society Limited
Registered number	: 723
Operational Area	: Upper Plaines Wilhems
Regional Co-operative Centre	: Henrietta
Year	: 2011/2012

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.

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.



NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2012**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of preparation (cont'd)

(a) New standards, amendments and interpretations issued but not effective for the financial year beginning 01 July 2011 and not early adopted.

Standards/ Amendments/ Interpretations	Contents	Applicable for financial years beginning on/after
IFRS 7	Financial instrument: Disclosures on derecognition	01 July 2011
IFRS 1	First time adoption	01 July 2011
IAS 12	Income taxes	01 January 2012
IAS 1	Financial statement presentation	01 July 2012
IAS 19	Employee benefits	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
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.



NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2012**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment (cont'd)

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	15%
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 income and expenditure account 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 2012**

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.

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



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets (cont'd)

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 their cost.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 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

Financial assets

(b) 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



NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2012**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

receivable, loans to members and cash and cash equivalents in the statement of financial position.

(c) 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.

(d) 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.

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;



NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2012**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets (cont'd)

- 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.

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



NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2012**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets (cont'd)

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

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, provisions for impairment losses and provisions for retirement benefits.

Deferred income tax assets are recognised only to the extent that it is



NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30 JUNE 2012**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Current and deferred income tax (cont'd)

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.

Income tax

The Society is subject to income tax at the rate of 15% on its chargeable income and accordingly a provision for the tax liability has been made in the financial statements.

Retirement scheme

Retirement schemes, which are self administered and partly funded, are accrued based on an independent salary review report. Retirement benefits are paid to employees who retire at the end of their service.

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 dividends are approved by the Society's members.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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.

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 the Board of Directors.

- 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.

- Liquidity risk

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



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

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.

At 30 June 2012	Current Rs	Non-current Rs	Total Rs
Trade and other payables	151,490,691	-	151,490,691
Borrowing - Deposit	-	966,976,929	966,976,929
	-----	-----	-----
Rs	151,490,691	966,976,929	1,118,467,620
	=====	=====	=====
At 30 June 2011			
Trade and other payables	30,685,211	-	30,685,211
Borrowings – Deposit	-	844,436,864	844,436,864
Bank overdraft	1,426,745	-	1,426,745
	-----	-----	-----
Rs	32,111,956	844,436,864	876,548,820
	=====	=====	=====



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

3. FINANCIAL RISK MANAGEMENT (CONT'D)

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.

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 2012 and 2011 were as follows:

	2012 Rs	2011 Rs
Total debt	966,976,929	845,863,609
Less: cash and bank balances	(83,065,931)	(81,530,056)
Net debt	883,910,998	764,333,553
Total equity	103,175,446	75,353,837
Total capital	Rs 987,086,444	839,687,390
Gearing ratio	89.5%	91%



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 (b) Categories of financial instruments

	2012	2011
	Rs	Rs

Financial Assets

Loans and receivables

Loans advanced to members	786,178,253	779,556,649
Trade and other receivables	10,158,176	11,415,649
Cash and bank balances	83,065,931	81,530,056
	-----	-----
Rs	879,402,360	872,502,354
	=====	=====

Financial Liabilities

Deposits from members	966,976,929	844,436,864
Trade and other payables	151,887,142	21,685,211
Bank overdraft	-	1,426,745
	-----	-----
Rs	1,118,864,071	867,548,820
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

In preparing the financial statements, management makes estimates and judgements that affect the reported amounts of assets and liabilities within the next financial year. Where estimates or judgements are made, they are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Going concern

The Society's management has made an assessment of the Society's ability to continue as a going concern and is satisfied that the Society has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Society's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

5. OTHER OPERATING INCOME

	2012 Rs	2011 Rs
Rental income	540,000	540,000
Profit on sale of land	6,990,376	4,403,790
Early disbursement fees	585,424	553,373
Processing fees	635,981	685,506
Entrance fees	139,000	122,000
Others	269,868	272,939
	-----	-----
Rs	9,160,649	6,577,608
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

6. OPERATING EXPENSES

	2012	2011
	Rs	Rs
Salaries and related costs (See note below)	6,382,093	3,505,068
AGM expenses	138,756	87,007
Depreciation and amortisation	2,505,277	1,334,934
Life savings and loan protection fund expenses	5,955,790	6,000,000
Provision for credit losses	1,500,000	1,500,000
Building security alarm services	127,580	4,800
Car expenses	116,570	88,536
Committee allowances	226,484	164,680
Computer maintenance and repairs	96,725	329,332
Education and training	81,080	215,391
Insurance	62,579	237,566
External audit fees	109,250	86,250
Internal audit fees	45,000	68,250
Legal and professional fees	371,369	90,000
Software annual maintenance	240,000	90,000
Motor vehicles insurance	-	47,490
Municipality rates	25,057	69,172
Postage	54,937	89,966
Stationery	125,782	86,732
Bank charges	46,092	39,430
Utility expenses	274,045	269,542
Advertising	-	1,082,582
Building maintenance	553,740	405,445
Corporate events anniversary	-	333,241
Community development activities	45,882	-
Others	63,223	40,637
	-----	-----
Rs	19,147,310	16,266,051
	=====	=====

Salaries and related costs:

Wages and salaries	3,692,201	2,924,335
Provision for retirement benefits	2,000,000	-
Other related cost, NPF	169,660	127,654
Travel and passage benefit	243,553	225,048
Other allowances	276,679	228,031
	-----	-----
Rs	6,382,093	3,505,068
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

7. TAXATION

Income tax

The Company is liable to income tax at **15.00%** (2011 – 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.

	2012	2011
	Rs	Rs
<i>Charge:</i>		
Current tax charge	2,307,997	1,442,505
Deferred tax charge (Note 19)	63,270	-
CSR	192,334	46,587
	-----	-----
Rs	2,563,601	1,489,092
	=====	=====
<i>Liability:</i>		
At 01 July	174,684	574,935
Charge for the year	2,307,997	1,442,505
Paid during the year	(723,479)	(1,889,343)
CSR	192,334	46,587
	-----	-----
At 30 June	Rs 1,951,536	174,684
	=====	=====

Reconciliation between effective income tax and applicable income tax:

A reconciliation between the effective income tax of **Rs 2,563,601** (2011 – Rs 1,489,092) and the applicable income tax of **Rs 1,483,735** (2011 – Rs 560,091) follows:

	2012	2011
	Rs	Rs
Surplus before tax	Rs 9,891,567	3,733,939
	=====	=====
Income tax @ 15%	1,483,735	560,091
Non-deductible expenses	615,000	749,446
Others	464,866	179,555
	-----	-----
Rs	2,563,601	1,489,092
	=====	=====



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold land Rs	Building Rs	Fixtures and fittings Rs	Computers Rs	Motor vehicles Rs	Total Rs
<i>Cost or valuation:</i>						
At 01 July 2010	16,000,000	16,000,000	1,013,923	801,985	731,293	34,547,201
Additions	-	-	-	79,028	-	79,028
At 30 June 2011	16,000,000	16,000,000	1,013,923	881,013	731,293	34,626,229
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	1,473,887	731,293	50,906,566

Depreciation:

At 01 July 2010	-	3,200,000	369,923	801,985	502,763	4,874,671
Charge for the year	-	800,000	80,500	31,611	182,823	1,094,934
At 30 June 2011	-	4,000,000	450,423	833,596	685,586	5,969,605
Revaluation adjustment	-	1,742,000	259,777	217,793	45,707	2,265,277
Charge for the year	-	(4,000,000)	-	-	-	(4,000,000)
Disposal/scrapped	-	-	(208,923)	(259,005)	-	(467,928)
At 30 June 2012	-	1,742,000	501,277	792,384	731,293	3,766,954

Net book value

Rs	21,000,000	24,258,000	1,200,109	681,503	-	47,139,612
30 June 2012	=====	=====	=====	=====	=====	=====
Rs	16,000,000	12,000,000	563,500	47,417	45,707	28,656,624
30 June 2011	=====	=====	=====	=====	=====	=====

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 2012

9. INVESTMENT PROPERTY

	2012	2011
	Rs	Rs
<i>Bare lands:</i>		
Cost:		
At 30 June	Rs 3,135,350	3,135,350
	=====	=====

Note:

Investment property consists of a bare land situated at Calodyne. Management is still undecided on the future use of this land. Hence its classification under investment property.

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

10. INTANGIBLE ASSETS

	2012	2011
	Rs	Rs
<i>Computer software</i>		
Cost		
At 01 July	1,200,000	899,571
Additions	-	300,429
	-----	-----
At 30 June	1,200,000	1,200,000
	-----	-----
Amortisation		
At 01 July	599,828	359,828
Charge for the year	240,000	240,000
	-----	-----
At 30 June	839,828	599,828
	-----	-----
Carrying amount		
At 30 June	Rs 360,172	600,172
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

11. INVENTORIES

	2012	2011
	Rs	Rs
Bare land (see note below) (at cost)	299,969,157	51,094,237
Other gifts/accessories (see note below) (at cost)	1,082,582	1,082,581
	-----	-----
Rs	301,051,739	52,176,818
	=====	=====
<i>Bare lands:</i>		
At 01 July	51,094,237	59,617,397
Additions during the year (see note below)	262,527,891	-
Disposals	(13,652,971)	(8,523,160)
	-----	-----
At 30 June	Rs 299,969,157	51,094,237
	=====	=====

Bare lands consist of 2 sites namely at Melrose and Camp Ithier. These have been 'parcelled' and sold to members. Additions during the year relate to **27A15P** acquired in Flic en Flac and which is planned to be parceled as well in the near future.

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 2012

12. LOANS TO MEMBERS

	2012	2011
	Rs.	Rs.
At 01 July	779,556,649	659,297,987
Disbursements	267,354,342	320,166,341
Repayments	(260,732,738)	(199,907,679)
	-----	-----
At 30 June	Rs 786,178,253	779,556,649
	=====	=====

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 9% 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 2012

13. ACCOUNTS RECEIVABLES

	2012	2011
	Rs	Rs
Interest receivable on loans	9,842,454	10,556,164
Other receivable and prepayments	315,720	859,485
	-----	-----
Rs	10,158,174	11,415,649
	=====	=====

14. CASH AND CASH EQUIVALENTS

Cash, cash equivalents and bank overdraft include the following for the purposes of the statement of cash flows:

	2012	2011
	Rs	Rs
Cash and bank balances	83,065,931	81,530,056
Bank overdrafts	-	(1,426,745)
	-----	-----
Rs	83,065,931	80,103,311
	=====	=====

Net balance

- (a) Cash at bank earns interest at floating rates based on daily bank deposits rates.
- (b) The fair value of cash is **Rs 83,065,931** (2011 – Rs 81,530,056).



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

15. STATED CAPITAL

	2012	2011
	Rs	Rs
At 01 July	4,399,843	3,983,480
Shares issued	326,503	273,224
Dividend	256,882	201,763
	-----	-----
	4,983,228	4,458,467
Shares redeemed	(287,168)	(58,624)
	-----	-----
At 30 June	Rs 4,696,060	4,399,843
	=====	=====

16. MEMBERS' DEPOSIT

	2012	2011
	Rs	Rs
At 01 July	844,436,864	733,177,822
New deposits	678,405,031	757,207,416
Refunds	(665,936,726)	(645,948,373)
	-----	-----
	856,905,169	844,436,864
Deposits – property developments	110,071,760	-
	-----	-----
At 30 June	Rs 966,976,929	844,436,864
	=====	=====

17. RETIREMENT SCHEME

	2012	2011
	Rs	Rs
At 01 July	889,919	774,219
Provision for the year	2,000,000	100,000
Payment to staff	-	5,600
Staff contribution	24,100	21,300
	-----	-----
At 30 June	Rs 2,914,019	889,919
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

18. SOLIDARITY PLAN

	2012	2011
	Rs	Rs
At 01 July	1,755,058	1,651,534
<i>Add:</i>		
Receipts from new members	218,000	182,000
Top up by members	287,287	295,598
Contribution from existing members to deceased members	301,205	347,851
	-----	-----
	2,561,550	2,476,983
<i>Less:</i>		
Solidarity plan withdrawn	(22,210)	(21,953)
Contribution from existing members to deceased members	(301,205)	(347,851)
To heirs of deceased members	(239,795)	(352,121)
	-----	-----
At 30 June	Rs 1,998,340	1,755,058
	=====	=====

19. DEFERRED TAX LIABILITY

	2012	2011
	Rs	Rs
At 01 July	-	-
Movement during the year	63,270	-
	-----	-----
At 30 June	Rs 63,270	-
	=====	=====

The balance is made up of accelerated depreciation.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

20. DEPOSITS ON MORCELLEMENT

	2012	2011
	Rs	Rs
At 01 July	2,349,000	1,070,500
Received during the year	12,299,600	6,144,849
Transfer on sales of property	(12,129,600)	(4,866,349)
	-----	-----
At 30 June	Rs 2,519,000	2,349,000
	=====	=====

21. PAYABLES

	2012	2011
	Rs	Rs
Interest payable on members' deposits	18,071,138	16,576,485
Provision for credit losses	10,500,000	9,000,000
Bonus on shares and rebates on interest	2,628,466	2,621,648
Staff bonus	600,000	450,000
Other payables and accruals	119,691,086	2,037,078
	-----	-----
	Rs 151,490,691	30,685,211
	=====	=====

22. RELATED PARTY TRANSACTIONS

During the year ended 30 June 2012, the Society had transactions with related parties. The balances at year end and transactions during the year with related parties were as follows:

	2012	2011
	Rs	Rs
<i>Receivables:</i>		
Loans advanced to related parties	24,812,125	24,794,384
	=====	=====
<i>Payables:</i>		
Deposits received from related parties	7,909,512	8,351,277
	=====	=====



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

22. RELATED PARTY TRANSACTIONS (CONT'D)

The receivables from related parties arise from loans advanced to them. The loans are secured in nature and bear interest. 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

	Rs	Rs
Management's remuneration and short term benefits	1,573,267	1,380,699
	=====	=====

There were no benefits other than those disclosed above.

23. CONTINGENCIES

At the reporting date, the Society had no contingent liabilities (2011 – Nil).

24. CAPITAL COMMITMENTS

At the reporting date, the Society had no capital commitments (2011 – Nil).

25. CURRENCY

The financial statements are presented in Mauritian rupees.



SEGMENTAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Credit Union	Property Development	2012	2011
	Rs	Rs	Rs	Rs
Interest income				
Interest on loan	83,361,493	-	83,361,493	76,113,905
Bank interest	1,997,548	273,683	2,271,231	2,649,724
	-----	-----	-----	-----
	85,359,041	273,683	85,632,724	78,763,629
	-----	-----	-----	-----
Interest expense				
Interest on deposits	(65,754,496)	-	(65,754,496)	(65,341,247)
	-----	-----	-----	-----
Net interest income	19,604,545	273,683	19,878,228	13,422,382
	-----	-----	-----	-----
Other operating Income (Note 5)	9,160,074	575	9,160,649	6,577,608
	-----	-----	-----	-----
	28,764,619	274,258	29,038,877	19,999,990
	-----	-----	-----	-----
Operating expenses (Note 6)	(19,126,210)	(21,100)	(19,147,310)	(16,266,051)
	-----	-----	-----	-----
Surplus for the year	9,638,409	253,158	9,891,567	3,733,939
	-----	-----	-----	-----
Taxation (Note 7)	(2,563,601)	-	(2,563,601)	(1,489,092)
	-----	-----	-----	-----
Net surplus for the year	Rs 7,074,808	253,158	7,327,966	2,244,847
	=====	=====	=====	=====



SEGMENTAL STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2012

	Credit Union	Property Develop- ment	2012	2011
	Rs	Rs	Rs	Rs
ASSETS				
Non-current assets				
Property, plant and equipment (Note 8)	47,139,612	-	47,139,612	28,656,624
Investment property (Note 9)	3,135,350	-	3,135,350	3,135,350
Intangibles assets (Note 10)	360,172	-	360,172	600,172
	50,635,134	-	50,635,134	32,392,146
Current assets				
Inventories (Note 11)	38,523,848	262,527,891	301,051,739	52,176,818
Loans to members (Note 12)	786,178,253	-	786,178,253	779,556,649
Accounts receivable (Note 13)	10,158,174	-	10,158,174	11,415,649
Cash and cash equivalents (Note 14)	53,252,080	29,813,851	83,065,931	80,103,311
	888,112,355	292,341,742	1,180,454,097	923,252,427
Total assets	Rs 938,747,489	292,341,742	1,231,089,231	955,644,573
EQUITY AND LIABILITIES				
Capital and reserves attributable to the Society's equity holders				
Members' share capital (Note 15)	4,696,060	-	4,696,060	4,399,843
Statutory reserve	20,226,896	-	20,226,896	20,002,411
Revaluation reserve	27,650,629	-	27,650,629	13,224,058
General reserve	268,528	-	268,528	268,528
Shares & loan guarantee fund	39,536,211	-	39,536,211	33,187,156
Revenue reserve	10,543,964	253,158	10,797,122	4,271,841
Total equity	102,922,288	253,158	103,175,446	75,353,837
LIABILITIES				
Non-current liabilities				
Members' deposit (Note 16)	778,928,169	188,048,760	966,976,929	844,436,864
Retirement scheme (Note 17)	2,914,019	-	2,914,019	889,919
Solidarity plan (Note 18)	1,998,340	-	1,998,340	1,755,058
Deferred tax (Note 19)	63,270	-	63,270	-
	783,903,798	188,048,760	971,952,558	847,081,841
Current liabilities				
Deposit on morcellement (Note 20)	2,519,000	-	2,519,000	2,349,000
Accounts payable (Note 21)	47,450,867	104,039,824	151,490,691	30,685,211
Taxation (Note 7)	1,951,536	-	1,951,536	174,684
	51,921,401	104,039,824	155,961,225	33,208,895
Total liabilities	835,825,203	292,088,584	1,127,913,787	880,290,736
Total equity and liabilities	Rs 938,747,489	292,341,742	1,231,089,231	955,644,573



STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	Rs	Rs
Opening cash and bank balances	80,103,311	67,228,978
Receipts		
Loan repayment	260,732,738	199,907,679
Interest on loan	84,075,203	76,056,559
Shares in	583,385	474,987
Life savings and Loan Protection Fund	3,000	24,000
Deposits received	866,753,111	757,362,119
Morcellement downpayment received	170,000	1,278,500
Bank interest	2,271,231	2,649,724
Other operating income	2,015,273	2,173,818
Sales	21,859,002	13,792,746
	1,238,462,943	1,053,720,132
Payments		
Purchase of inventories, property, plant and equipment	147,965,672	379,457
Purchase of Corporate gifts	-	2,165,164
Loan disbursed	267,354,342	320,166,341
Shares withdrawn	287,168	58,624
Deposit withdrawn	665,984,174	645,948,373
Interest expense	65,752,734	61,612,690
Bank charges	46,092	39,430
Morcellement expenses	1,215,655	865,796
Life Savings and Loan Protection Fund Expenses	697,062	1,008,470
Staff cost	4,208,833	3,516,970
Utility bills	274,572	263,108
Professional cost	577,750	245,250
Rates and insurance	128,982	206,062
Taxation	723,479	1,944,650
Advance payment to contractor	7,500	799,485
	1,235,500,323	1,040,845,799
Closing cash and bank balances	Rs 83,065,931	80,103,311

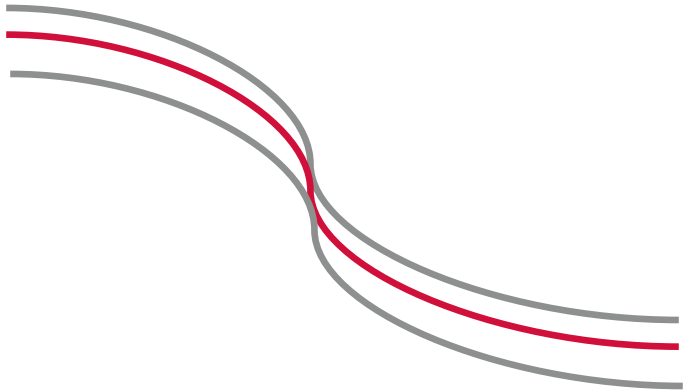
**VACOAS POPULAR MULTI PURPOSE CO-OPERATIVE SOCIETY LTD**

ESTIMATE PERIOD July 2012-June 2013

	Rs.		Rs.
Entrance Fee	125,000	AGM	150,000
Interest on Loan	79,000,000	Committee Expenses	300,000
Interest from Bank	1,600,000	Bank Charges	50,000
Rent	540,000	CEB	200,000
Other income	1,200,000	CWA	6,000
Profit on Sale of Land	3,500,000	Community Dvpt Activities	350,000
		Depreciation	2,600,000
		Car Expenses	180,000
		Education & Training	350,000
		General Expenses	50,000
		Interest on deposit	67,000,000
		Telecom	115,000
		Postage	120,000
		Printing & Stationery	120,000
		Publicity	500,000
		Rates - Municipality	30,000
		Refreshment	5,000
		Repairs & Maintenance (Building & Office Equipment)	250,000
		Auditor's fee - External	109,250
		Auditor's fee - Internal	120,000
		Staff Costs	4,650,000
		Provision for Taxation	300,000
		VPMPCS Life Savings & Loan Protection Fund	6,000,000
		Insurance (Fire & Allied Perils)	300,000
		Professional fees (Attorney's Fee, Lawyer's Fee, Software Maintenance)	500,000
		Surplus after taxation	1,609,750
	85,965,000		85,965,000

Forecast Capital Expenditure

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



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