



Mauritius Housing Company Ltd

SUMMARY FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2017

SUMMARY OF STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	December 2017 <u>Rs'000</u>	December 2016 <u>Rs'000</u>	December 2015 <u>Rs'000</u> Restated
ASSETS			
Cash at banks and in hand	97,433	180,745	484,692
Treasury deposit	375,000	400,000	325,000
Property development	2,405	2,405	4,818
Loans to customers	6,793,334	6,325,782	5,948,088
Investment property	116,000	104,240	104,240
Property and equipment	491,853	498,638	505,484
Intangible assets	48,534	37,417	26,026
Other assets	302,549	283,930	271,000
Total assets	8,227,108	7,833,157	7,669,348
LIABILITIES			
PEL and other savings accounts	1,744,007	1,696,990	1,647,062
Housing deposits certificates	2,290,327	2,063,065	2,045,528
Borrowings	496,256	581,814	699,081
Retirement benefit obligations	267,558	155,268	135,738
Other liabilities	69,041	50,605	52,161
Total liabilities	4,867,189	4,547,742	4,579,570
Insurance funds	97,100	76,222	76,222
SHAREHOLDERS' EQUITY			
Share capital	200,000	200,000	200,000
Revaluation reserves	489,743	489,743	489,743
Building insurance reserve	116,810	116,810	116,810
Life insurance reserve	154,642	154,642	154,642
Retained earnings	1,982,437	1,926,138	1,730,501
Statutory reserve	200,000	200,000	200,000
Other reserves	119,187	121,860	121,860
Total equity	3,262,819	3,209,193	3,013,556
Total equity and liabilities	8,227,108	7,833,157	7,669,348

SUMMARY OF STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Year ended 31</u> <u>December 2017</u> Rs'000	<u>Year ended 31</u> <u>December 2016</u> Rs'000	<u>Year ended 31</u> <u>December 2015</u> Rs'000 Restated
Interest income	509,149	507,722	531,905
Interest expense	(183,869)	(197,083)	(219,222)
Interest suspended	9,462	15,906	15,666
Net interest income	334,742	326,545	328,349
Fee and commission income	25,016	20,438	23,630
Rent received	7,349	7,052	7,153
Policy fees and charges on loan	5,055	4,413	4,038
Other operating income	40,151	60,117	54,308
	77,571	92,020	89,129
Operating income	412,313	418,565	417,478
Personnel expenses	(167,900)	(146,642)	(143,195)
Depreciation and amortisation	(15,568)	(15,011)	(13,765)
Other expenses	(78,037)	(70,776)	(61,498)
Non-interest expense	(261,505)	(232,429)	(218,458)
Operating profit	150,808	186,136	199,020
Release of allowance for credit impairment	54,799	69,081	43,746
Loss on foreclosed properties	(7,580)	(5,102)	(5,899)
Increase in fair value of investment property	11,760	-	16,066
Provision for other assets	-	-	(12,500)
Profit for the year	209,787	250,115	240,433
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of post employment benefit obligations	(105,078)	(14,657)	(27,739)
Gain on revaluation of land & building	-	-	58,518
Gain on foreclosed properties	(2,673)	-	-
Other comprehensive income for the year	(107,751)	(14,657)	30,779
Total comprehensive income for the year	102,036	235,458	271,212
Earnings per share (Rs) – as reported	10.49	12.51	9.96
Earnings per share (Rs) – as restated	10.49	12.51	12.02

**SUMMARY OF STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31
DECEMBER 2017**

	Share capital	Revaluation reserves	Building insurance reserve	Retained earnings	Life Insurance reserve	Statutory reserve *	Other reserves **	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 January 2015								
- as previously stated	200,000	431,225	116,810	1,630,924	-	200,000	121,860	2,700,819
- impact of adjustment on account of insurance	-	-	-	154,642	-	-	-	154,642
- effect of adjustment on provision	-	-	-	(26,269)	-	-	-	(26,269)
- actuarial reserve	-	-	-	(82,979)	-	-	-	(82,979)
- adjustment to property development	-	-	-	2,405	-	-	-	2,405
- impact of HDC bonus (Note 33 (b))	-	-	-	32,628	-	-	-	32,628
	200,000	431,225	116,810	1,711,351	-	200,000	121,860	2,781,246
Dividend (Note 11)	-	-	-	(38,902)	-	-	-	(38,902)
Profit for the year	-	-	-	240,433	-	-	-	240,433
Transfer to insurance reserve (Note 33 (c))	-	-	-	(154,642)	154,642	-	-	-
Other comprehensive income	-	58,518	-	(27,739)	-	-	-	30,779
Total comprehensive income for the year	-	58,518	-	58,052	154,642	-	-	271,212
At 31 December 2015 - as restated	200,000	489,743	116,810	1,730,501	154,642	200,000	121,860	3,013,556
At 1 January 2016								
- as previously stated	200,000	489,743	116,810	1,713,035	154,642	200,000	121,860	2,996,090
- adjustment to property development	-	-	-	2,405	-	-	-	2,405
- effect of adjustment on provision	-	-	-	15,061	-	-	-	15,061
	200,000	489,743	116,810	1,730,501	154,642	200,000	121,860	3,013,556
Dividend (Note 11)	-	-	-	(39,821)	-	-	-	(39,821)
Profit for the year	-	-	-	250,115	-	-	-	250,115
Other comprehensive income	-	-	-	(14,657)	-	-	-	(14,657)
At 31 December 2016 - as restated	200,000	489,743	116,810	1,926,138	154,642	200,000	121,860	3,209,193
At 1 January 2017	200,000	489,743	116,810	1,926,138	154,642	200,000	121,860	3,209,193
Movement on reserve	-	-	-	2,673	-	-	(2,673)	-
Adjustment made to long term borrowings	-	-	-	(1,060)	-	-	-	(1,060)
Dividend (Note 11)	-	-	-	(50,023)	-	-	-	(50,023)
Profit for the year	-	-	-	209,787	-	-	-	209,787
Other comprehensive income	-	-	-	(105,078)	-	-	-	(105,078)
At 31 December 2017	200,000	489,743	116,810	1,982,437	154,642	200,000	119,187	3,262,819

SUMMARY OF STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Year ended 31 December 2017 Rs'000	Year ended 31 December 2016 Rs'000	Year ended 31 December 2015 Rs'000 Restated
Cash flows from operating activities			
Profit for the year	209,787	250,115	240,433
<i>Adjustments for:</i>			
Allowance for credit impairment	(55,424)	(69,081)	(43,746)
Provision for other assets	-	-	12,500
Depreciation	13,508	12,689	11,621
Amortisation	2,060	2,322	2,144
Loss on sale of foreclosed properties	7,580	5,102	5,899
Profit on disposal of property development	-	(52)	(452)
Increase in fair value of investment property	(11,760)	-	(16,066)
Interest in suspense	(9,462)	(15,906)	(15,666)
Profit on disposal of property and equipment	(4)	(1,464)	(210)
Provision for retirement benefit obligation	7,212	4,873	3,573
	163,497	188,598	200,030
Change in operating assets and liabilities			
(Increase)/decrease in other assets	(26,199)	(18,032)	(69,922)
Decrease/(Increase) in treasury deposit	25,000	(75,000)	25,000
(Decrease)/increase in other liabilities	18,436	(1,556)	5,992
(Decrease)/increase in accrued interest payable	(17,821)	(31,010)	69,460
Increase in loans to customers	(402,666)	(292,707)	(144,157)
Increase/(decrease) in insurance funds	20,878	-	3,080
Net cash (used in)/generated from operating activities	(218,875)	(229,707)	89,483
Cash flows from investing activities			
Purchase of property and equipment	(6,723)	(5,843)	(9,130)
Purchase of intangible assets	(13,177)	(13,713)	(25,854)
Proceeds from disposal of property and equipment	4	1,464	410
Proceeds from disposal of property development	-	2,465	2,900
Net cash (used in)/generated from investing activities	(19,896)	(15,627)	(31,674)
Cash flows from financing activities			
Housing deposits certificates (HDC)	228,271	10,451	459,131
Plan Epargne Logement Savings (PEL)	63,829	88,024	121,217
Repayment of borrowings	(83,611)	(113,948)	(209,118)
Dividends paid	(50,023)	(39,821)	(38,902)
Net cash generated from/(used in) financing activities	(158,466)	(55,294)	332,328
(Decrease)/increase in cash and cash equivalents	(80,305)	(300,628)	390,137
Movement in cash and cash equivalents			
Cash and cash equivalents as at 1 January	174,874	475,502	435,365
(Decrease)/increase in cash and cash equivalents	(80,305)	(300,628)	390,137
Cash and cash equivalents at 31 December	94,569	174,874	825,502
Cash and cash equivalents			
Cash at bank and in hand	97,433	180,745	484,692
Bank overdrafts	(2,864)	(5,871)	(9,190)
	94,569	174,874	475,502

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2017, the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, are derived from the audited financial statements of Mauritius Housing Company Ltd for the year ended 31 December 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards (IFRSs).

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRSs) in the preparation of the audited financial statements of Mauritius Housing Company Ltd. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30 March 2018.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with IFRSs.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised). *Engagements to Report on Summary Financial Statements.*

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders in accordance with Section 34(6)(b)(ii) of the Mauritian Banking Act 2004 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.

Deloitte

Chartered Accountants

30 March 2018

Twaleb Butonkee, FCA

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