MAURITIUS HOUSING COMPANY LTD

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2016

Annex 1

	Notes	30 September 2016	30 September 2015	Audited 31 December 2015
		Rs'000	Rs'000	Rs'000
ASSETS				
Cash and cash equivalents		**715,022**	914,726	809,692
Property development		**-**	2,413	2,413
Loans to customers	1	**6,129,274**	5,929,070	5,933,027
Investment property		**104,240**	88,174	104,240
Property and equipment		**501,266**	447,084	505,484
Intangible assset		**35,144**	26,562	26,026
Other assets		**286,517**	213,058	271,000
Total assets		**7,771,463**	7,621,087	7,651,882
LIABILITIES				
PEL & other savings accounts		**1,672,743**	1,625,437	1,647,062
Housing deposits certificates- HDC		**2,022,875**	2,021,261	2,045,528
Borrowings	2	**639,024**	819,825	699,081
Retirement benefit obligations		**135,739**	104,427	135,738
Other liabilities		**88,785**	85,420	52,161
Total liabilities		**4,559,166**	4,656,370	4,579,570
Insurance funds		**76,222**	224,476	76,222
SHAREHOLDERS' EQUITY				
Share capital		**200,000**	200,000	200,000
Revaluation reserves		**489,743**	431,225	489,743
Building insurance reserve		**116,810**	116,810	116,810
Life insurance reserve		**154,642**	-	154,642
Retained earnings		**1,963,738**	1,753,325	1,823,753
Statutory reserve		**200,000**	200,000	200,000
Other reserves		**11,142**	38,881	11,142
Total equity		**3,136,075**	2,740,241	2,996,090
Total equity and liabilities		**7,771,463**	7,621,087	7,651,882

MAURITIUS HOUSING COMPANY LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR PERIOD/YEAR ENDED 30 SEPTEMBER 2016

Annex 2

	9 Months to September 2016	3 Months to September 2016	9 Months to September 2015	3 Months to September 2015	Audited 31 December 2015
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	**384,443**	126,244	382,361	128,886	531,905
Interest expense	**(151,143)**	(48,582)	(170,990)	(62,219)	(219,222)
Interest suspended	**8,497**	3,120	9,873	5,098	10,155
Net interest income	**241,797**	80,782	221,244	71,765	322,838
Fee and commission income	**13,903**	4,638	18,385	5,142	23,630
Rent received	**5,275**	1,811	5,369	1,785	7,153
Policy fees and charges on loan	**3,059**	1,391	3,056	1,198	4,038
Other operating income	**43,863**	14,150	48,102	14,714	54,308
	66,100	21,990	74,912	22,839	89,129
Operating income	**307,897**	102,772	296,156	94,604	411,967
Personnel expenses	**(98,459)**	(34,101)	(100,261)	(33,399)	(143,195)
Depreciation and amortisation	**(10,283)**	(3,555)	(9,875)	(3,523)	(13,765)
Other expenses	**(51,873)**	(16,759)	(45,101)	(14,622)	(61,498)
Non-interest expense	**(160,615)**	(54,415)	(155,237)	(51,544)	(218,458)
Operating profit	**147,282**	48,357	140,919	43,060	193,509
Release of allowance for credit impairment	**32,901**	17,177	24,901	8,918	7,927
Gain/(loss) on sale of foreclosed properties	**(377)**	1,901	(4,517)	(2,350)	(5,899)
Increase in fair value of investment property	**-**	-	-	-	16,066
Provision for other assets	**-**	-	-	-	(12,500)
Profit for the year	**179,806**	67,435	161,303	49,628	199,103
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurements of post employment benefit obligations	**-**	-	-	-	(27,739)
Gain on revaluation of land & buildings	**-**	-	-	-	58,518
Gain on foreclosed properties	**-**	-	-	-	-
Other comprehensive income for the period/year	**-**	-	-	-	30,779
Total comprehensive income for the period/year	**179,806**	67,435	161,303	49,628	229,882
Earnings per share (Rs)	**8.99**	3.37	8.07	2.48	9.96

MAURITIUS HOUSING COMPANY LTD

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 30 SEPTEMBER 2016

Annex 3

	Share capital	Revaluation reserves	Building insurance reserve	Retained earnings	Life Insurance reserve	Statutory reserve	Other reserves	Actuarial reserves	Total
	Rs'000	Rs'000	Rs'000	Rs'000		Rs'000	Rs'000	Rs'000	Rs'000
At 1 January 2015	200,000	431,225	116,810	1,630,924	-	200,000	121,860	(82,979)	2,617,840
Profit for the period	-	-	-	161,303	-	-	-	-	161,303
Dividend	-	-	-	(38,902)	-	-	-	-	(38,902)
At 30 September 2015	200,000	431,225	116,810	1,753,325	-	200,000	121,860	(82,979)	2,740,241
At 1 January 2015									
as previously stated	200,000	431,225	116,810	1,630,924	-	200,000	121,860	(82,979)	2,617,840
impact of additional interest and bonus on PEL accounts	-	-	-	154,642		-	-	-	154,642
impact of HDC bonus	-	-	-	32,628	-	-	-	-	32,628
As restated	200,000	431,225	116,810	1,818,194	-	200,000	121,860	(82,979)	2,805,110
Dividend	-	-	-	(38,902)	-	-	-	-	(38,902)
Profit for the year	-	-	-	199,103	-	-	-	-	199,103
Transfer to insurance reserve	-	-	-	(154,642)	154,642	-	-	-	-
Other comprehensive income	-	58,518	-	-	-	-	-	(27,739)	30,779
Total comprehensive income	-	58,518	-	44,461	154,642	-	-	(27,739)	229,882
At 31 December 2015	200,000	489,743	116,810	1,823,753	154,642	200,000	121,860	(110,718)	2,996,090
At 1 January 2016	**200,000**	**489,743**	**116,810**	**1,823,753**	**154,642**	**200,000**	**121,860**	**(110,718)**	**2,996,090**
Profit for the period	**-**	**-**	**-**	**179,806**	**-**	**-**	**-**	**-**	**179,806**
Dividend	**-**	**-**	**-**	**(39,821)**	**-**	**-**	**-**	**-**	**(39,821)**
At 30 September 2016	**200,000**	**489,743**	**116,810**	**1,963,738**	**154,642**	**200,000**	**121,860**	**(110,718)**	**3,136,075**

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MAURITIUS HOUSING COMPANY LTD

STATEMENT OF CASH FLOWS FOR THE PERIOD/YEAR ENDED 30 SEPTEMBER 2016

Annex 4

	30 September 2016	30 September 2015	Audited 31 December 2015
	Rs'000	Rs'000	Rs'000
Cash flows from operating activities			
Profit for the period/year	**179,806**	161,303	199,103
Adjustments for:			
Allowance for credit impairment	**(32,901)**	(24,901)	(7,927)
Provision for other assets	**-**	-	12,500
Depreciation	**9,493**	8,267	11,621
Amortisation	**790**	1,608	2,144
Loss/(Gain) on sale of foreclosed property	**377**	4,517	5,899
Profit on disposal of property development	**(52)**	(452)	(452)
Increase in fair value of investment property	**-**	-	(16,066)
Interest in suspense	**(8,497)**	(9,873)	(10,155)
Profit on disposal of property and equipment	**(87)**	(3)	(210)
Provision for retirement benefit obligation	**-**	-	3,573
	148,929	140,466	200,030
Change in operating assets and liabilities			
Increase in other assets	**(15,892)**	(30,725)	(69,922)
(Decrease)/increase in other liabilities	**(3,199)**	349	5,992
(Decrease)/increase in accrued interest payable	**(42,293)**	62,647	69,460
Increase in loans to customers	**(154,849)**	(123,508)	(144,157)
Increase/(decrease) in insurance funds	**-**	(3,308)	3,080
Net cash used in operating activities	**(216,233)**	(94,545)	(135,547)
Cash flows from investing activities			
Purchase of property and equipment	**(5,274)**	(5,694)	(9,130)
Purchase of intangible assets/Development cost	**(9,909)**	(25,854)	(25,854)
Proceeds from disposal of Cybervillage apartment	**-**	-	-
Proceeds from disposal of property and equipment	**87**	3	410
Proceeds from disposal of property development	**2,465**	2,900	2,900
Payments of property development	**-**	-	-
Net cash (used in)/generated from investing activities	**(12,631)**	(28,645)	(31,674)
Cash flows from financing activities			
Housing deposits certificates (HDC)	**(11,074)**	456,675	459,131
Plan Epargne Logement Savings (PEL)	**56,396**	84,594	121,217
Repayments of borrowings	**(75,932)**	(155,115)	(209,118)
Dividends paid	**-**	-	(38,902)
Net cash generated from/(used in) financing activities	**(30,610)**	386,154	332,328
Increase/(decrease) in cash and cash equivalents	**(110,545)**	403,430	365,137
Movement in cash and cash equivalents			
Cash and cash equivalents as at 1 January	**800,502**	435,365	435,365
Increase/(decrease) in cash and cash equivalents	**(110,545)**	403,430	365,137
Cash and cash equivalents at 30 June/31 December	**689,957**	838,795	800,502
Cash and cash equivalents			
Cash at bank and in hand	**715,022**	914,726	809,692
Bank overdrafts and uncleared effects	**(25,065)**	(75,931)	(9,190)
	689,957	838,795	800,502

MAURITIUS HOUSING COMPANY LTD

Notes to Accounts

1 LOANS TO CUSTOMERS - SECURED

	30 September 2016	30 September 2015	Audited 31 December 2015
	Rs 000	Rs 000	Rs 000
Fast loans	**3,385**	5,055	4,492
Secured loans	**6,992,051**	6,814,883	6,836,095
Total loan advanced	**6,995,436**	6,819,938	6,840,587
Provision for Bad debts	**-**	(12,500)	-
Provision for credit losses (Note (b))	**(677,323)**	(680,750)	(710,224)
Interest suspended	**(188,839)**	(197,618)	(197,336)
	6,129,274	5,929,070	5,933,027
Analysed as follows:			
Current	**421,973**	422,288	421,973
Non-current	**6,573,463**	6,397,650	6,418,614
	6,995,436	6,819,938	6,840,587

(b) Provision for credit losses

	Specific Provision	Portfolio Provision	Total
	Rs'000	Rs'000	Rs'000
At 1 January 2015	650,037	55,614	705,651
Movement during the period	(26,042)	1,141	(24,901)
At 30 September 2015	623,995	56,755	680,750
At 1 January 2015	662,537	55,614	718,151
Movement during the year	(5,595)	(2,332)	(7,927)
At 31 December 2015	656,942	53,282	710,224
At 1 January 2016	**656,942**	**53,282**	**710,224**
Movement during the period	**(34,909)**	**2,008**	**(32,901)**
At 30 September 2016	**622,033**	**55,290**	**677,323**

2 BORROWINGS

	30 September 2016	30 September 2015	Audited 31 December 2015
	Rs'000	Rs'000	Rs'000
Current			
Bank overdrafts (secured)	**25,065**	75,931	9,190
Loan capital	**9,329**	19,146	9,329
Bank loans	**111,250**	175,000	111,250
	145,644	270,077	129,769
Non-current			
Loan capital	**120,138**	115,047	121,486
Bank loans	**362,080**	423,539	436,664
Loan - Government of Mauritius	**11,162**	11,162	11,162
	493,380	549,748	569,312
Total borrowings	**639,024**	819,825	699,081