

2015 ANNUAL REPORT

Dear Shareholder,

Your Board of Directors is pleased to present the Annual Report of
Cim Financial Services Ltd for the year ended 30 September 2015.
This report was approved by the Board on 9 December 2015.

A handwritten signature in white ink, appearing to read 'Tim Taylor', with a stylized flourish below it.

Timothy Taylor
Chairman

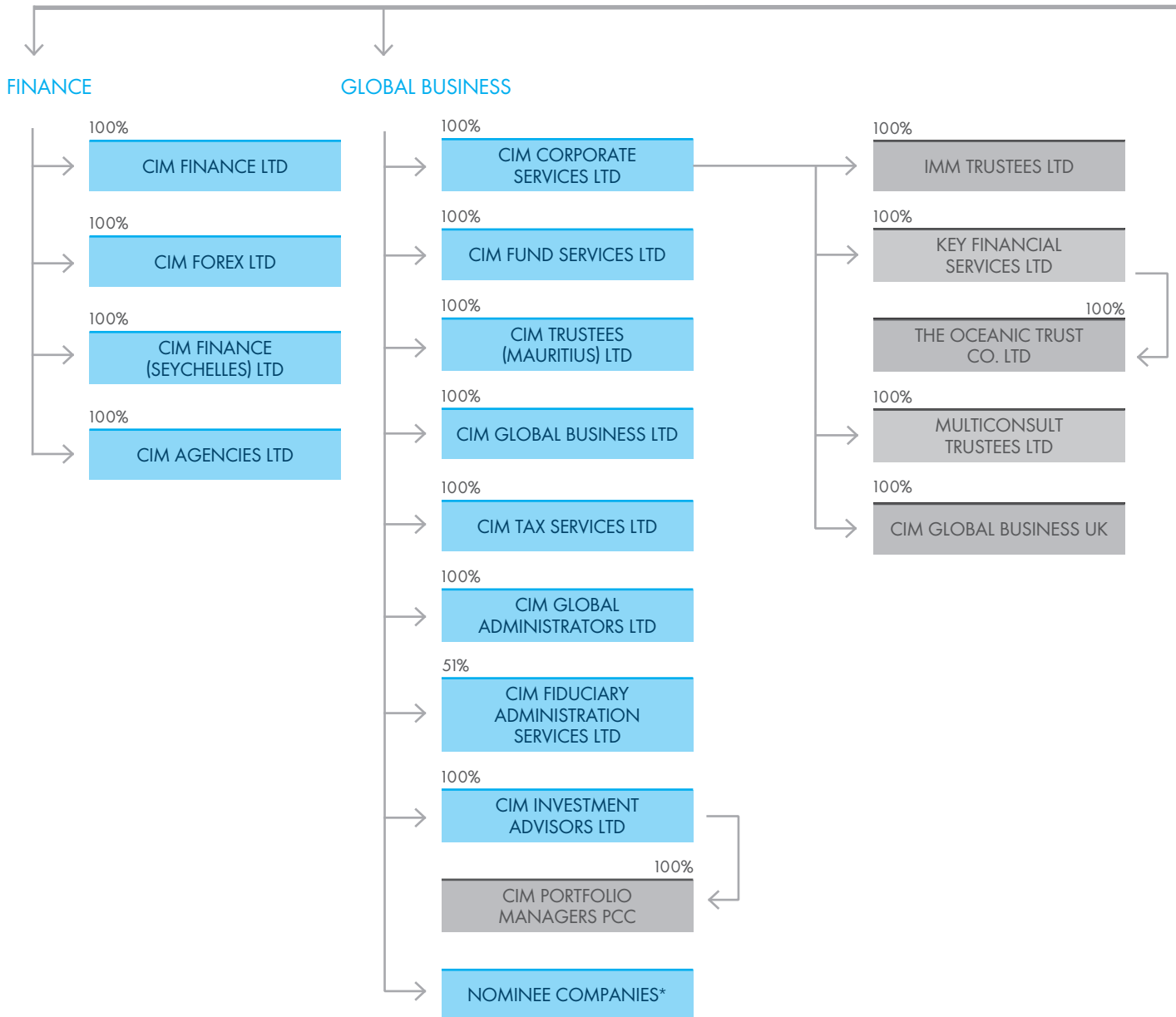
A handwritten signature in white ink, appearing to read 'Paul Leech', with a long, vertical flourish extending downwards.

Paul Leech
Director & Group Chief Executive

TABLE OF CONTENTS

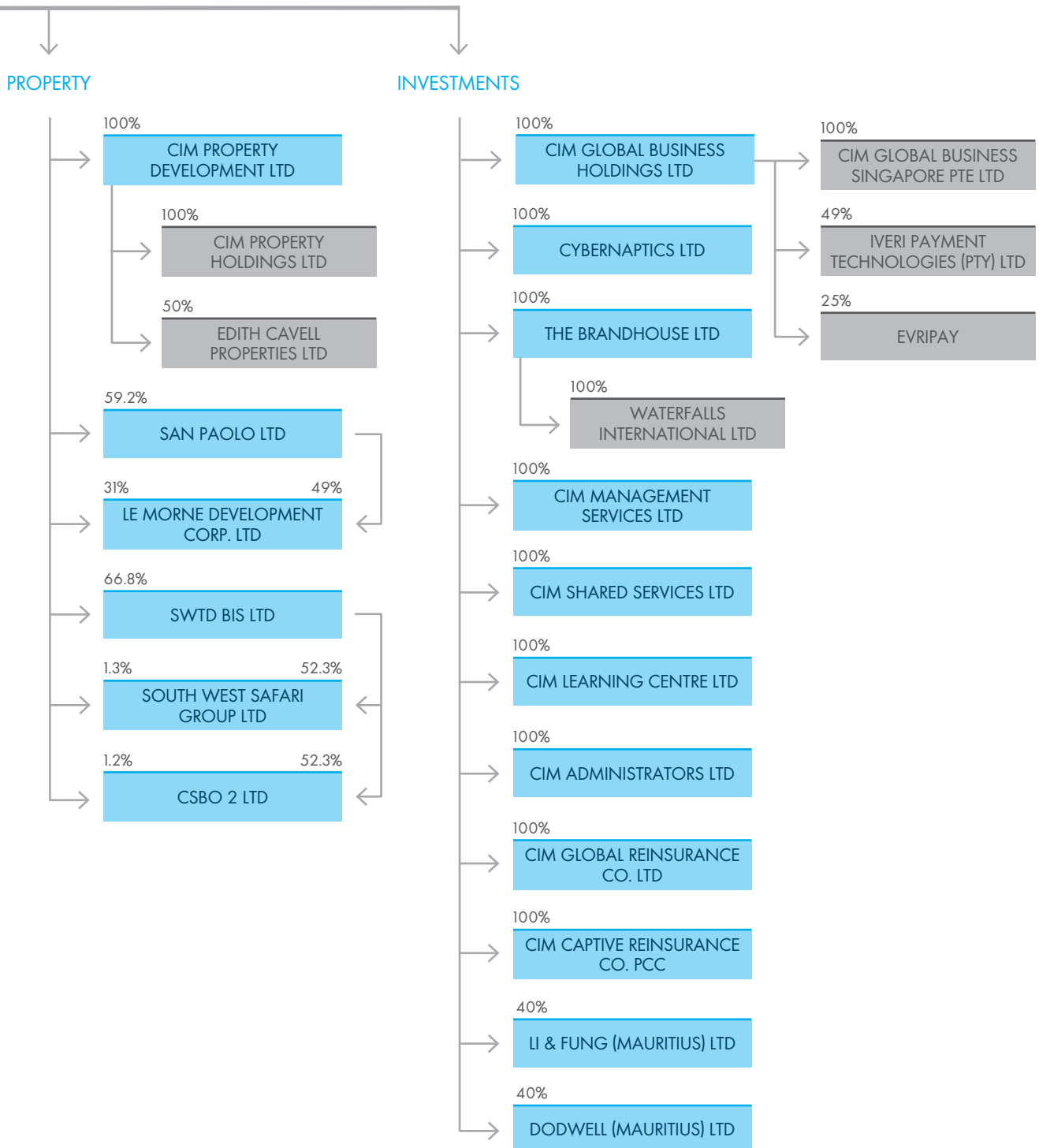
02	Group Structure
04	Financial Highlights
08	Chairman's Message
10	Directors' Profiles
14	Senior Executives' Profiles
18	CEO's Review
24	Corporate Governance Report
32	Human Resource
36	Corporate Social Responsibility
40	Internal Control and Risk Management
45	Other Statutory Disclosures
46	Directors' Report
47	Secretary's Certificate
48	Statement of Compliance
52	Independent Auditors' Report
54	Financial Statements
126	Directors of Subsidiary Companies

GROUP STRUCTURE



* Refer to pages 88 to 94 for Investment in Subsidiary Companies

CIM FINANCIAL SERVICES LTD



FINANCIAL HIGHLIGHTS

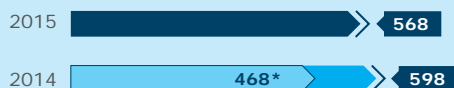
GROUP REVENUE (Rs m)



NET ASSET VALUE PER SHARE (Rs)



GROUP PROFIT AFTER TAX (PAT) (Rs m)

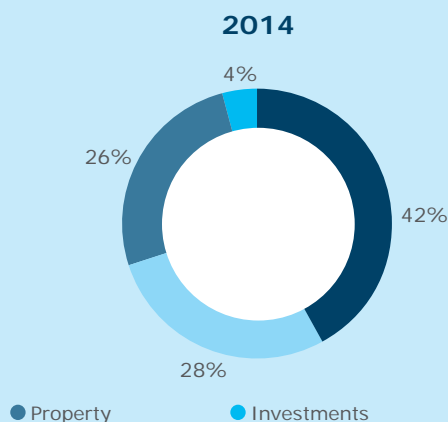
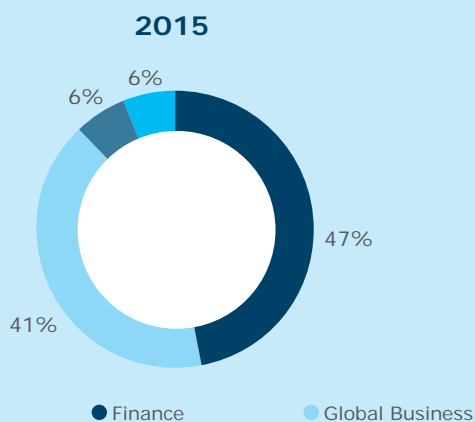


* PAT before gains on revaluation of Investment Properties

TOTAL ASSETS (Rs m)



CONTRIBUTION TO GROUP PROFIT



RETURN ON EQUITY*
20.3%

EARNINGS PER SHARE
Rs 0.84

DIVIDEND PER SHARE
Rs 0.31

* On profit attributable to owners of the parent and based on average equity attributable to owners of the parent.

CONSOLIDATED VALUE ADDED STATEMENT

2015

Value Added Statement

Revenue	4,104
Bought-in materials & services	<u>(2,274)</u>
Total value added	<u>1,830</u>

Reinvested
27% - Rs 491M

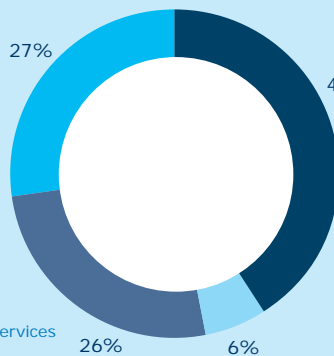
Depreciation & amortisation
7% - Rs 134M

Retained profit
20% - Rs 357M

Providers of Capital
26% - Rs 482M

Dividends paid to:
Shareholders of Cim Financial Services

11% - Rs 211M
Banks & other lenders
15% - Rs 271M



Employees

Wages, salaries, bonuses,
pensions & other benefits
41% - Rs 746M

Government

Income Tax
6% - Rs 111M

2014

Value Added Statement

Revenue	3,502
Bought-in materials & services	<u>(1,772)</u>
Total value added	<u>1,730</u>

Reinvested
31% - Rs 532M

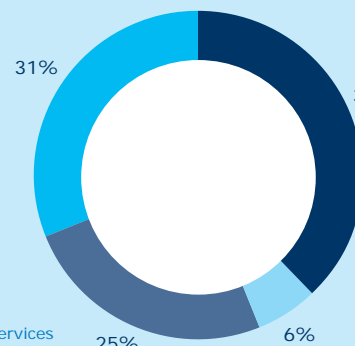
Depreciation & amortisation
7% - Rs 110M

Retained profit
24% - Rs 422M

Providers of Capital
25% - Rs 438M

Dividends paid to:
Shareholders of Cim Financial Services

10% - Rs 177M
Banks & other lenders
15% - Rs 261M



Employees

Wages, salaries, bonuses,
pensions & other benefits
38% - Rs 663M

Government

Income tax
6% - Rs 97M





Cim Finance is a non-bank financial institution regulated by both the Bank of Mauritius and the Financial Services Commission.

CHAIRMAN'S MESSAGE



The Board has approved a set of geographical and product diversification initiatives in response to the changes that are taking place in the Global Business sector.



Timothy Taylor
Chairman

On behalf of the Board, it is my pleasure to present to you the Annual Report and Financial Statements of Cim Group for the year 2015.

While continuing to expand in 2014, the global economy is still in a post-crisis adjustment period. Global growth in 2014 was lower than initially expected at 3.4%. Momentum in advanced economies picked up whilst emerging markets and developing economies experienced a slowdown. Global growth is projected to be 3.5% in 2015 with a probable boost from declining oil prices. Likely geopolitical tensions may continue to pose threats, with the risk of disruptive asset values remaining a concern.

In Mauritius, 3.5% growth is predicted in an eventful year marked by a change in Government following the December 2014 General Elections, the aftermath of the BAI crisis and the uncertainties surrounding the future of the

Mauritius-India Double Taxation Avoidance Agreement.

Cim Group performed well in the year under review in spite of the challenges. Our consolidated revenue stood at Rs 4,104m and profit after tax (before gains on revaluation of investment properties) increased by 21% to Rs 568m. Cim Finance is operating in a highly competitive environment with aggressive lending by banks in a liquid market and a 700 basis points reduction in hire purchase interest rates. Our Global Business arm had a good year, boosted by the strength of the US Dollar, whilst the Property cluster also fared well and posted both top line and bottom line growth (after adjusting for gains on revaluation of investment properties).

To secure and sustain our technological edge while embracing new revenue streams, we have completed the take-over of a leading ICT-related services and telecommunications infrastructure support provider in January. This transaction was followed by the acquisition of a significant stake in a South Africa-based electronic payment solutions company in June. Such initiatives are intended to support our Group's expansion in the local market and beyond, along the same line as the implementation of multiple technological enhancements across all our business lines.

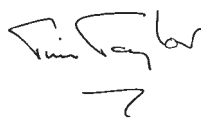
In September, the Board declared a final dividend of Rs 0.20 per ordinary share. Together with the interim dividend of Rs 0.11, the annual per-share dividend totalled Rs 0.31, a 19% increase compared to 2014.

The year ahead promises to be another year of challenges for the sectors in which we operate. Cim Finance has progressed with their plans to diversify the product range and also our customer base. As regards Global Business, the Board has approved a set of geographical and product diversification initiatives in response to the changes that are taking place in the sector.

I would like to take this opportunity to thank Paul Leech and his team for their continued hard work, professionalism and commitment throughout the year.

My sincere gratitude also goes to my fellow Directors for their contributions and support during the past year.

In closing, I wish to thank our shareholders and valued customers for their unflinching loyalty and trust that inspire us to take Cim Group to greater heights.



Timothy Taylor
Chairman



Cim Finance has progressed with their plans to diversify the product range and also our customer base.

DIRECTORS' PROFILES

1. TIMOTHY TAYLOR NON-EXECUTIVE DIRECTOR AND CHAIRMAN

Timothy Taylor holds a BA (Hons) in Industrial Economics from Nottingham University. He worked in the United Kingdom until 1972 when he returned to Mauritius and joined Rogers & Co. He became Chief Executive of Rogers in 1999, retiring in December 2006. He was then Non-Executive Chairman of Rogers from 2007 to October 2012.

He is the Chairman of Scott & Co, one of Mauritius' oldest commercial concerns. He is a former Chairman of the National Committee on Corporate Governance and a former President of the Mauritius Chamber of Commerce and Industry. He is Honorary Consul of Norway in Mauritius. He has always had an interest in environmental and conservation issues and has been a member of the Council of the Mauritian Wildlife Foundation since 2006 and President since 2009.

Directorship in other listed companies: none.



2. LOUIS AMEDEE DARGA INDEPENDENT DIRECTOR

Louis Amédée Darga is a Fellow of the Royal Society of Arts (FRSA). He is the Chairperson of the Mauritius Africa Business Club, and is also the Managing Partner of StraConsult, a management and economic development consulting firm. He was until December 2014 the Chairperson of Enterprise Mauritius. He is a Honorary Fellow of the Institute of Engineers in Mauritius as well as a Fellow of the Mauritius Institute of Directors. He is a former member of parliament in Mauritius, and a former Minister.

He also served as Mayor of the town of Curepipe. He is a trustee of the Southern and Eastern African Trade and Information Network (SEATINI), a member of the African Association of Political Science since 1977 and a former executive member of the organisation. He served from 2005 to 2011 as a Member of the Bureau of the Committee on Human Development and Civil Society of the U.N Economic Commission for Africa.

Directorship in other listed companies: Alteo Limited.



3. MARCEL DESCROIZILLES INDEPENDENT DIRECTOR

Marcel Descroizilles is a Fellow of the Institute of Chartered Accountants in England and Wales. Between 1976 and 1996, he was Finance Manager of a number of Shell Group companies. From 1996, he was Managing Director of Esso Mauritius, until his retirement in December 2005. Marcel is also a Director of a number of companies in the offshore sector. Marcel is the Chairman of the Group's Risk Management and Audit Committee.

Directorship in other listed companies: none.

4. OLIVIER JAUFFRET INDEPENDENT DIRECTOR

Olivier Jauffret graduated in 1991 from the University of Aix-en-Provence. He holds a DESS (Magistère in business, tax law and accounting), a DJCE (Diplôme de juriste conseil d'entreprise) and a postgraduate law degree (LL.M) from University College London.

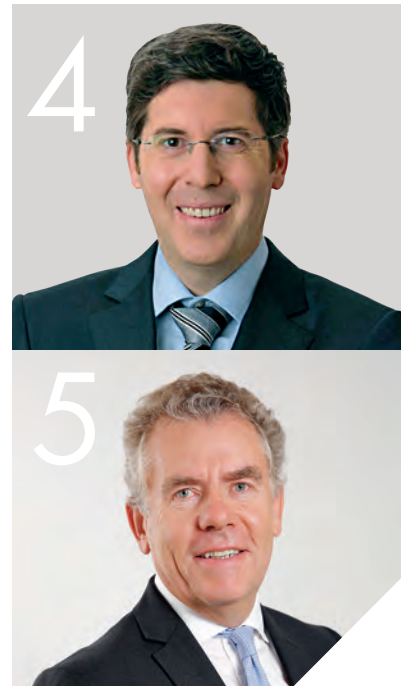
He was admitted to the Paris Bar and is a partner and the head of the banking team in the Paris office of a leading international New York law firm. He previously spent over 18 years at a UK "Magic Circle" law firm of which he became a partner in 2002 and was also the head of the banking practice. He is a fully versatile banking lawyer with over 20 years' experience advising creditors and debtors (funds and corporate) across the whole spectrum of products on the bank debt markets with a particular focus on leveraged buyout and debt restructuring.

Directorship in other listed companies: none.

5. PAUL LEECH EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE

Paul Leech holds a BA (Hons) in Geography from the University of Birmingham. He had a 33-year international banking career with the HSBC Group during which he held senior positions in Asia, the Middle East, Europe and Africa. He gained wide experience in consumer, mid-market and wholesale banking in both OECD economies and Emerging Markets. He left HSBC in 2010 as Head of International Asia Pacific in which post he was responsible for the regional management of 11 Asian countries. He is also a Board member of Global Finance Mauritius since June 2014.

Directorship in other listed companies: none.



DIRECTORS' PROFILES

6. JEAN PIERRE LIM KONG EXECUTIVE DIRECTOR AND CHIEF FINANCE EXECUTIVE

Jean Pierre Lim Kong is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a BSc (Hons) in Mathematics and Management Studies from King's College London. Prior to joining the Cim Group, Jean Pierre worked for KPMG's audit practice in London for six years. He then worked in the business advisory departments of KPMG and DCDM Consulting in Mauritius before joining Innodis as General Manager for Finance and Administration from 2000 to 2005.

Jean Pierre joined the Cim Group in September 2005 as Managing Director of Cim Finance and Cim Leasing and subsequently became the Cim Group's Chief Finance Executive in June 2008. He is a board member of the Mauritius Institute of Directors since October 2013.

Directorship in other listed companies: none.



7. DAVID SOMEN INDEPENDENT DIRECTOR

David Somen holds a Law Degree from Oxford University and an MBA from Harvard Business School. He is the Co-Founder and Executive Deputy Chairman of AccessKenya Group Limited, Kenya's leading Internet Service Provider, and is also the founder and Managing Director of Virtual IT Limited, a UK IT services business. Prior to founding AccessKenya and Virtual IT, David was the Co-Founder and CEO of the LCR Telecom Group, which was sold to NASDAQ listed PRIMUS Telecommunications in 2000.

David also has several years' work experience in London and Hong Kong for McKinsey & Co. David is currently the Chairman of the Group's Corporate Governance Committee.

Directorship in other listed companies: none.



8. COLIN TAYLOR NON-EXECUTIVE DIRECTOR

Colin Taylor holds a BSc (Hons) in Engineering with Business Studies and an MSc in Management. He is presently Chief Executive of Taylor Smith Investment and the Honorary Consul of Sweden in Mauritius. He is also a member of the Board of the Mauritius Chamber of Commerce and Industry.

Directorship in other listed companies: New Mauritius Hotels Ltd.



9. MATTHEW TAYLOR

NON-EXECUTIVE DIRECTOR

Matthew Taylor holds a BSc (Hons) in Retail Management from the University of Surrey. He joined Rogers in 2000 as Project Manager in the Planning and Development Department. He was the Executive Director Retail of Scott & Co from 2007 to January 2013 and is currently the firm's CEO.

Directorship in other listed companies: none.

10. PHILIP TAYLOR

NON-EXECUTIVE DIRECTOR

Philip Taylor graduated from the University of Surrey in 1989 after reading Hotel Management. After completing an MBA in England in 1994, Philip moved back with the Rogers Group in Mauritius, and headed the Rogers Group's diversified international development. In 2004, Philip left Rogers to set up his own businesses with a focus on the Indian Ocean Islands and Africa.

His involvements over the past few years have been diverse, with a focus on the region's hospitality and tourism industry. He currently heads the developments of a fast growing hospitality technology service "start-up" by the name of www.hospitality-plus.travel. Philip is the Honorary Consul of Finland in Mauritius.

Directorship in other listed companies: none.



SENIOR EXECUTIVES' PROFILES

1. PAUL LEECH GROUP CHIEF EXECUTIVE

Paul Leech holds a BA (Hons) in Geography from the University of Birmingham. He had a 33-year international banking career with the HSBC Group during which he held senior positions in Asia, the Middle East, Europe and Africa. He gained wide experience in consumer, mid-market and wholesale banking in both OECD economies and Emerging Markets. He left HSBC in 2010 as Head of International Asia Pacific in which post he was responsible for the regional management of 11 Asian countries. He is also a Board member of Global Finance Mauritius since June 2014.



2. RENU AUDIT GROUP LEGAL COUNSEL

Renu Audit joined the Cim Group in September 2008 following her nine years of service in the Mauritius Financial Services Commission where she inter alia headed its Legal and Enforcement Department and represented the regulator in senior level delegations and various national committees. Legally qualified in India, Mauritius and the UK, she has developed not only extensive knowledge of the supervisory and legal framework in the financial services sector but also a lot of practical know-how of doing business in Mauritius and dealing with the Government and its agencies.



3. CYRIL CHUNG KAI TO MANAGING DIRECTOR, CIM FINANCE

Cyril Chung Kai To is a Fellow of the Association of Chartered Certified Accountants (UK). Prior to joining the Cim Group, Cyril has been involved in auditing for fourteen years. He has worked successively for Arthur Andersen in Paris and DCDM in Mauritius as Audit Manager, before moving to Waterfalls Trading as Administrative Manager in 1992. He joined Cim Finance in 1993 as Manager and subsequently took office as General Manager in 2006 and Managing Director in June 2008.



4. **GYANESHWARNATH (GARY) GOWREA** MANAGING DIRECTOR, CIM TAX SERVICES

Gary Gowrea is a Fellow of the Association of Chartered Certified Accountants (UK), International Tax Affiliate of the Chartered Institute of Taxation (UK) and Fellow of the Mauritius Institute of Directors. Gary is also a Member of the Society of Trust and Estate Practitioners (UK) and the International Fiscal Association.

He completed his M.Sc. in Accounting from De Monfort University in Leicester, UK. He holds an Advanced Diploma in International Taxation. He has more than fifteen years' experience in international tax and advises on tax structures set up by multinational corporations, fund managers and high networth individuals.

Gary is also a member of the Taxation Committee of Global Finance Mauritius and sits on various committees dealing with fiscal matters as well as double taxation avoidance agreements. He has been a speaker at several local and international conferences. He is currently the vice chairperson of the International Fiscal Association (Mauritius Branch).

5. **EDAN LATZELSBERGER** MANAGING DIRECTOR, PROFESSIONAL SERVICES OUTSOURCING

Edan Latzelsberger is a qualified lawyer who holds a B.Com and LLB (summa cum laude) from the University of Natal, South Africa and an MBA from BPP Business School, London. After qualifying as a lawyer, Edan worked for Investec Private Bank in Durban, South Africa before moving to the UK in 2008.

He worked for Legal & General in London for seven years in a variety of roles across both the insurance and retail savings businesses. He initially joined the Legal & General Group as an in-house lawyer, and progressed into more commercially focused strategy and business development positions. His last role at Legal & General, prior to joining the Cim Group, was as Head of Commercial of Cofunds, the UK's largest digital investment platform.

Edan heads Cim's Professional Services Outsourcing unit and also assists in the development of the Group's strategy.



SENIOR EXECUTIVES' PROFILES

6. JEAN PIERRE LIM KONG CHIEF FINANCE EXECUTIVE

Jean Pierre Lim Kong is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a BSc (Hons) in Mathematics and Management Studies from King's College London. Prior to joining the Cim Group, Jean Pierre worked for KPMG's audit practice in London for six years. He then worked in the business advisory departments of KPMG and DCDM Consulting in Mauritius before joining Innodis as General Manager for Finance and Administration from 2000 to 2005.

Jean Pierre joined the Cim Group in September 2005 as Managing Director of Cim Finance and Cim Leasing and subsequently became the Cim Group's Chief Finance Executive in June 2008. He is a board member of the Mauritius Institute of Directors since October 2013.

7. AMBRISH MAHARAHAJE HEAD OF CORPORATE AFFAIRS

Ambrish Maharajah is an Associate of the Institute of Chartered Secretary and Administrators (UK) and holds a BSc in Management from the University of Mauritius.

Prior to joining the Cim Group, Ambrish worked at the Mauritius Institute of Directors as Executive Secretary and at Rogers and Company Limited as Corporate Manager, Legal Compliance.

Ambrish heads Cim Group's Corporate Affairs function which comprises of Communications & Investor Relations and Company Secretarial services.

8. VIV PADAYATCHY CHIEF INFORMATION OFFICER

Viv Padayatchy holds a BSc (joint hons) in Chemistry and Computer Science from the University of Reading (UK). He also holds a PhD in Computational Chemistry from the same university. Before joining the Cim Group, as Chief Information Officer, Viv was the founder and managing director of an IT company, Cybernaptics Ltd which was acquired by the Group in December 2014. Prior to starting Cybernaptics, Viv was the Executive Director Operations and Information Technology at the Mauritius Freeport Development Company Ltd.

Previously, Viv was working in Hong Kong in the field of Information Technology. He was also a founding member and former Chairman of the African Network Information Centre (AfriNIC), the Internet Registry for Africa.



9. VANESHA PAREEMAMUN GROUP HEAD OF HUMAN RESOURCE

Vanessa Pareemamun holds a BSc Econ. in Economics and Management from the University of Wales College of Cardiff, UK. She also has an MBA with specialisation in Human Resource from the University of Mauritius. She joined the Cim Group in 2008 as Head of Human Resource of Cim Finance and subsequently became Group Head of Human Resource in August 2013. Prior to joining the Cim Group, Vanessa worked as an economist for 10 years at the Ministry of Finance and Economic Development. She then worked as Manager Human Resource at the Business Parks of Mauritius and the Mauritius Housing Company Ltd.

10. GRAHAM SHEWARD MANAGING DIRECTOR, CIM GLOBAL BUSINESS

Graham Sheward has over 30 years of financial services experience gained initially in the UK, Jersey, Guernsey and Isle of Man. Prior to joining the Cim Group, Graham was Country Director, International Banking, Barclays Bank (Mauritius Limited), where he was responsible for a diverse client portfolio including Global Corporates, Intermediaries and HNW Private Clients.

His previous roles include Head of the NatWest Expatriate Service in the Isle of Man, Head of Retail Savings and Investments for Zurich Financial Services, and Managing Director of Close Brothers Group Offshore Banking Division.

Graham holds the Diploma in Company Direction from the Institute of Directors and has held multiple Board directorships and regulator-approved positions. He has served as a member of several industry bodies, including the Mauritius Bankers' Association International Sub-Committee, Global Finance Mauritius and the Financial Services Promotion Committee.

11. SHEILA UJOODHA CHIEF AUDIT EXECUTIVE

Sheila Ujoodha holds a BSc (Hons) in Accounting. She is a Fellow of the Association of Chartered Certified Accountants (FCCA). Her memberships extend to the Chartered Institute of Internal Auditors in the UK, Mauritius Institute of Professional Accountants and Mauritius Institute of Directors. She joined British American Tobacco (Mauritius) as the Internal Audit Manager in 2001. In March 2005, she was employed as General Manager of the Risk & Audit Department of Rogers and was subsequently appointed as Chief Risk & Audit Executive in 2007. Sheila joined the Cim Group in the same capacity in October 2012.



CEO'S REVIEW



We see well-planned investments in Africa as an opportunity to diversify our Group revenue streams and for our Finance businesses to tap into more attractive demographics at higher yields.



Paul Leech
Group Chief Executive

Group Performance

We can look back on FY15 with some satisfaction. In terms of the Profit and Loss account, we improved revenue by 17% to Rs 4.1 billion and posted a Group PAT of Rs 568m for the year, an increase of 21% over last year's PAT before gains on revaluation of investment properties. In an economy that is growing at only 3.5% p.a. this feels like an encouraging performance.

These results must also be put into the context of a year in which our two major businesses learned of adverse regulatory and sector developments. The first, introduced in the Budget in April, mandated a significant drop in the interest rate cap levied on new Hire Purchase (HP) contracts, from 19% to 12%. The second involved news of a renegotiation of the terms of the Double Taxation Agreement (DTA) between Mauritius and India. This latter issue is an anticipated event as currently little official communication has been issued. The devil with DTA renegotiation is always in the detail and we, as well as our Global Business customers, await further clarification.

The management team spends time and energy on working with regulators and within industry bodies but it is fair to say that the timing and nature of both these changes caught our Group and every other player in the sector by a degree of surprise. Ultimately, we are disappointed that, prior to these



Rs **568**m

announcements, there was minimal dialogue between sector operators and those who make the rules. That said, we are confident that we are well positioned in both our short term and more strategic responses to these changes. I expand on this in the segmental review section below.

The other major theme playing out for Mauritian businesses is the African opportunity. We see interesting potential in various countries and sectors and I am pleased to report that we have made our first investment in Africa with the purchase of a significant stake in iVeri Payment Technologies. We are also busy looking at other opportunities where we can create shareholder value by expanding our Global Business international reach in Africa and by broadening geographically our successful consumer finance and leasing models. Overall, we see well-planned investments in Africa as an opportunity to diversify our Group revenue streams and for our Finance businesses to tap into more attractive demographics at higher yields. I hope that we will be able to report positively on these developments in the next 12 months.

Underpinning our ambition of making Cim “a firm where we would be proud for our children and other family members to work”, the Group launched several initiatives to improve employee engagement.

We launched CimpleLife, an exclusive and new lifestyle benefit programme developed specially for our employees. We wanted to bring world-class lifestyle benefits to our employees to assist them in organising their personal activities. We also launched the Cim Welfare

Fund to provide financial support to employees and their families facing exceptional circumstances or hardship. The Cim Scholarship Programme was initiated to provide an opportunity for our employees’ children to pursue their tertiary studies.

It is increasingly important for us to understand the full range of our people’s capabilities, skills and perspectives. We believe that by effectively managing all our people’s talents we will be more innovative and serve our customers better. This is why we have geared our learning and development strategy towards the enhancement of the personal and technical skills of our employees.

Segment Review

Finance

Cim Finance is a non-bank financial institution regulated by both the Bank of Mauritius and the Financial Services Commission. Cim Finance and related entities offer financial and insurance solutions to a wide range of corporates, SMEs and individual customers.

As already mentioned, the reduction announced in the April Budget that lowered the maximum HP interest rate was something of a regulatory surprise for us. Aside from perhaps being an outwardly populist measure, there is little other merit that would seem to support the change. It simply means that HP has become a less attractive method of Point-of-Sale (POS) financing for Cim Finance. Typical credit card APRs in the local market currently stand at double the new HP capped rate. This in our view, now leads to a mis-pricing of risk on HP contracts at the lower end of the mass market sector.



We have made our first investment in Africa with the purchase of a significant stake in iVeri Payment Technologies.



72

COUNTERS
CIM FINANCE

CEO'S REVIEW

Cim Finance has worked with our 600+ dealer network to continue to provide competitive POS financing to their retail customers. Our ability to use our well-known brand, excellent credit database, and increasing economies of scale has allowed us to grow our Consumer Finance receivables by 11% in FY15 and to bring on board a major new retail client in Mammouth Mauritius Ltd. With the addition of this new dealer we now have a substantial network of 72 in-store counters across the island.

Interest margins have been eroded but the impact has been mitigated in part through increased volumes and fee income. Our plans will look to reduce the operating cost of the POS dealer channel via more automation and to use our increased physical coverage to sell more lending and insurance products to our existing 180,000 retail client base. Overall, we remain positive in our ability to provide shareholders with acceptable returns in our consumer finance business.



We are looking to expand our Singapore office to attract more South Asia based clients and to expand our reach into Southern Africa.

Revenue of the Finance cluster has increased by 11% to Rs 1,201m whilst PAT grew by 6% to Rs 266m. This is below last year's PAT growth rate owing mainly to margin compression from the capped rate change in April but we are pleased to report that fee income saw a growth of 28% and now accounts for approximately 45% of all revenue at Cim Finance.

In terms of our balance sheet management, we continue to be able to fund our lending business at competitive rates owing to our good credit rating and the continued liquidity prevalent in the local market.

Global Business

Cim's Global Business provides Fund, Corporate, Trust Administration services and outsourcing solutions to corporate and institutional clients from our offices in Singapore and Mauritius.

The Global Business sector internationally continues to face headwinds in respect of tax driven corporate planning but to date our Global Businesses have not experienced any material reversal in the flow of investments. Our clients remain watchful of developments around such issues as the OECD's BEPS initiative but our sense is that Mauritius will still retain an important role as a jurisdiction that can offer advantages to clients looking to sensibly protect investment flows in the region.

I referred above to the renegotiation of the Mauritius-India DTA and commented last year that our intention is to migrate the firm away from reliance on tax driven deal flows. Progress is being made on developing our outsourcing solutions which aim to provide

clients with services at a markedly cheaper cost than their in-house or external providers located in more expensive financial centres. In May, we hired a new Head of our Professional Services Outsourcing division to lead this initiative and will shortly be adding to this team to drive mandate wins. We are optimistic that this will provide the Group with new and sustainable revenue streams and will support our diversification strategy.

We brought in a new Managing Director for our Global Business in January. His focus has not only been on driving revenue growth but also improving the business through strengthening the management team, improving the Compliance and Risk Management framework and re-engineering several business processes. Results are encouraging with the Global Business cluster recording a good performance on the back of increased USD revenues, a continued focus on cost controls and the beneficial impact of a strong dollar on our rupee numbers. PAT of the Global Business cluster increased 39% to Rs 231m. The revenue increase of 16% is driven predominantly by new business from existing clients and referrals from existing clients; a testament to the quality of service on offer.

Technology remains an important ingredient in retaining and attracting new clients and this year we had a successful integration of the eFront platform through Cybernaptics. We will continue to invest in 'best in class' technology to provide a compelling proposition to new clients.

Despite our enviable, international client base, Cim Global has not punched above its weight outside

of Mauritius to date. To address this we are looking to expand our Singapore office to attract more South Asia based clients and to expand our reach into Southern Africa through new appointments to our Business Development and Sales and Marketing teams. Our new hires brought on this year are already showing that good executives with relevant international experience can successfully win new attractive mandates.

Property & Investments

We made two acquisitions this year. In January, we acquired Cybernaptics, a Mauritius based IT service provider that supplies both hardware and software solutions to local corporates. This acquisition supports our internal efforts to enhance our Group technology platform and improve IT Security. The new skills acquired will also be an important factor in helping to win outsourcing mandates from overseas. In June, the Group also acquired 49% of iVeri Payment Technologies, a pan-African electronic payment solutions provider based in Johannesburg. The company has been developing electronic payment technology since 1998 for a range of African based banks. iVeri also markets a remote banking terminal solution suited to emerging markets where a 'bricks and mortar' model would not be feasible. This investment will support plans to expand the Group by both line of business and geographically into Africa.

The Brandhouse has had another solid year posting revenue of Rs 2.1 billion and a PAT of 32m. Results this year benefited in part from the demise of a large local retail

competitor, Courts, which spent much of the year struggling under Administration. The Brandhouse business has been operating under an outsourced management agreement for the last three years and the Board has decided that it is an appropriate time to dispose of that investment which is not considered to be a core part of a financial services group. The Brandhouse will remain an important client of our Finance business but we believe that a disposal better aligns to our strengths of being a financing partner to retailers rather than as an owner.

Our Property business recorded solid growth in revenue up 14% to Rs 114m. PAT for this cluster was Rs 35m, an increase of 36% over last year (excluding gains on revaluation of properties). We have continued with our asset enhancement programme and this year invested an additional Rs 25m in properties located at Riche Terre Park and St Georges Street, Port Louis. As a result, rentable space has been increased by 5,100 square feet with higher yields. We now own over 350,000 square feet of lettable space across a good mix of well-located commercial and industrial units.

Our focus will be on optimising our property portfolio and on developing those assets with good development potential. This may involve future disposal of non-core properties and low yielding land assets to fund the attractive development sites.

CSR

The Group's CSR initiatives are channelled through the Cim Social Development Trust. We continue to focus our activities on core themes of Financial Literacy and Education,

Environmental Sustainability and Social Engagement. Cim supported 28 NGOs and disbursed Rs 7.8m in projects during the year. We believe that it is our responsibility to have a positive impact in the community and to encourage our employees to participate in Group initiated CSR initiatives.

Conclusion

Financially, we have had a good year despite the challenges encountered. This is testament to several strengths; we have diversified revenues in the Group, we have the ability to extract good returns from sectors that we know well, staff who work hard at understanding these sectors and customers who continue to give us repeat business.

We are looking to stretch ourselves next year both geographically and by range of services. As we expand we will be guided by trying to offer our customers good value for what they pay for and to reward our shareholders for the capital that they have invested in the Group.



Paul Leech
Group Chief Executive

**PAT OF THE
GLOBAL BUSINESS CLUSTER
INCREASED**

39%

TO RS 231M





Cim's Global Business provides fund, corporate, trust administration services and outsourcing solutions to corporate and institutional clients.

CORPORATE GOVERNANCE REPORT

1. GOVERNANCE STRUCTURE

Cim Financial Services Ltd ("CFSL" or the "Company") is classified as a public interest entity under the Financial Reporting Act and as a Listed Company; it is required to adopt good governance practices. In accordance with the provisions of the National Code of Corporate Governance for Mauritius (the "Code"), the Board has set up two committees to assist in the execution of its responsibilities, a Corporate Governance Committee (CGC) and a Risk Management and Audit Committee (RMAC).

The CGC oversees all governance issues relating to the business activities of the Company and all its subsidiaries.

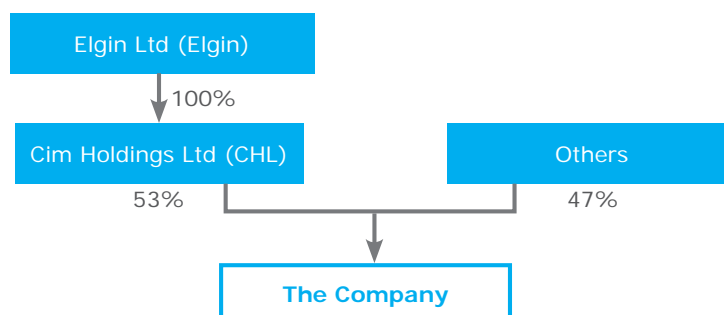
The RMAC oversees the business activities of the Company and its subsidiaries. However, due to the specificity of the global business and credit management sectors, and in keeping with regulatory requirements, dedicated risk management and audit committees have been put in place at the level of each of these sectors.

When necessary, other committees are set up by the Board on an ad hoc basis to consider specific matters.

2. SHAREHOLDERS

2.1 HOLDING STRUCTURE AND COMMON DIRECTORS

As at 30 September 2015, the ultimate holding structure of the Company was as follows:



The common directors at each level as at 30 September 2015 were as follows:

	CFSL	CHL	Elgin
DARGA, Amédée	✓	-	-
DESCROIZILLES, Marcel	✓	-	-
JAUFFRET, Olivier	✓	-	-
LEECH, Paul	✓	-	-
LIM KONG, Jean Pierre	✓	-	-
SOMEN, David	✓	-	-
TAYLOR, Colin	✓	✓	✓
TAYLOR, Matthew	✓	✓	✓
TAYLOR, Philip	✓	✓	✓
TAYLOR, Timothy	✓	✓	✓

There is no shareholders' agreement at the level of the Company which affects its governance.

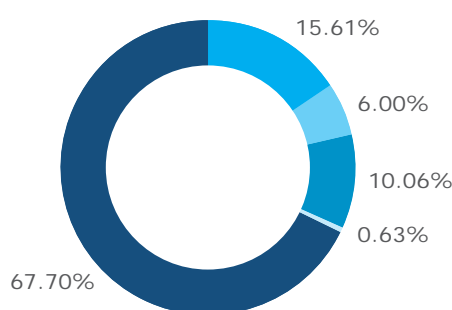
The Company adopted a constitution on 24 August 2012. The constitution provides that the shares of the Company are freely transferable.

2.2 SHARE OWNERSHIP

As at 30 September 2015, there were 3,733 shareholders with CHL being the only substantial shareholder of the Company, holding 53% of the stated capital. CHL is wholly owned by Elgin.

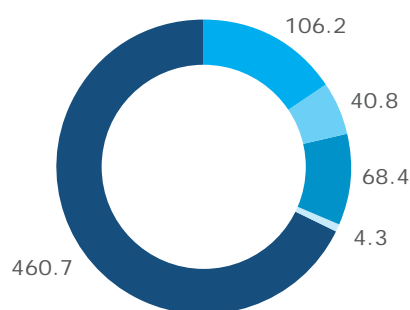
A breakdown of the categories of shareholders and share ownership is set out below:

Shareholders by category (%)



- Individuals
- Insurance & Assurance companies
- Pension & provident funds
- Investment & Trust Companies
- Other corporate bodies

Share Ownership (millions)



- Individuals
- Insurance & Assurance companies
- Pension & provident funds
- Investment & Trust Companies
- Other corporate bodies

Number of Shares	Number of Shareholders	Number of Shares Owned	% of Total Issued Shares
1 - 500	3,217	23,940,620	3.52
50,001 - 250,000	317	36,040,445	5.30
250,001 - 500,000	55	20,124,838	2.96
Over 500,000	83	600,416,407	88.23
Total	3,672*	680,522,310	100.00

* The above number of shareholders is indicative only due to the consolidation of multiple portfolios for reporting purposes. The total number of active shareholders as at 30 September 2015 was 3,733.

CORPORATE GOVERNANCE REPORT

2.3 SHAREHOLDER PUBLICATIONS AND EVENTS

The Company communicates with its shareholders through its Annual Report, which is also accessible on the Cim website (www.cim.mu), the publication of unaudited quarterly results, dividend declarations and its yearly annual meeting of shareholders.

The key events and shareholder publications are set out below.

December	Preliminary results and release of Annual Report
February	Annual Meeting of Shareholders and 1 st quarter results
March	Interim dividends (declared)
April	Interim dividends (paid)
May	2 nd quarter results
August	3 rd quarter results
September	Final dividends (declared)
October	Final dividends (paid)

2.4 DIVIDEND POLICY

Payment of dividends is subject to a solvency test under the Companies Act 2001 and to the profitability of the Company, cash flow, working capital, foreseeable investments and capital expenditure requirements.

For the year under review, the Company paid an interim dividend of Re 0.11 per share and a final dividend of Re 0.20 per share.

2.5 SHARE PRICE INFORMATION

The shares of the Company are listed on the official list of the Stock Exchange of Mauritius. The share price at the opening of the period was Rs 8.76 and the price at the end of the period was Rs 8.26. The dividend per share amounted to Rs 0.31 (2014: Rs 0.26) whilst the dividend yield amounted to 3.6% (2014: 3.1%).

Messrs Paul Leech (Group CEO) and Jean Pierre Lim Kong (Chief Finance Executive), and eight non-executive directors, four of whom meet the criteria of the Code for classification as independent directors.

The functions and responsibilities of the Chairman and CEO are separate.

The CEO is contractually responsible for:

- developing and recommending the long-term vision and strategy of the Company;
- generating shareholder value;
- maintaining positive, reciprocal relations with relevant stakeholders;
- creating an appropriate HR framework to identify the right resources, training them, helping them excel in performance and maintaining a positive team spirit;
- formulating and monitoring the Company's budgets and financial matters; and
- establishing an optimum internal control and risk management framework to safeguard the assets of the Company.

The current directors have a broad range of skills, expertise and experience ranging from accounting, commercial and financial to international business and legal.

3. THE BOARD

3.1 BOARD MEMBERSHIP

During the year under review, the Company was headed by a unitary board, comprised of ten members under the chairmanship of Mr Timothy Taylor. The Chairman does not have any executive responsibilities.

There were two executive directors, namely

Nominations of candidates for appointment as directors of the Company are approved by the Company's Corporate Governance Committee, acting in its capacity as Nomination Committee, and recommended to the Board of the Company.

In accordance with the Code, each director is proposed for re-election at the Annual Meeting of Shareholders.

The names of the directors of the Company and their profiles, categories and directorships in other listed companies are set out on pages 10 to 13.

3.2 BOARD CHARTER

The Board has not adopted a Board Charter as it is of the view that the responsibilities of the directors should not be confined to such a charter.

3.3 BOARD MEETINGS AND CONDUCT

The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate.

The Chairman and the CEO, in collaboration with the Company Secretary, agree meeting agendas to ensure adequate coverage of key issues during the year. Board packs are usually sent to directors in advance. Directors are expected to attend each Board meeting and each meeting of the committees of which they are members, unless there are exceptional circumstances that prevent them from so doing.

For the year under review, the Board met nine times and the table on page 28 shows the attendance of directors at meetings held between 1 October 2014 and 30 September 2015.

Board time during the year was mainly allocated to the following:

- Directors' recommendation for appointment and re-election at the Annual Meeting of Shareholders;
- Consideration and approval of the Company's Annual Report;
- Review of the Company's and strategic business units' performance against budgets;
- Approval of Group unaudited quarterly results for publication;
- Consideration and approval of an interim and a final dividend declaration;
- Receipt of quarterly reports from the Chairmen of the RMAC and CGC;
- Approval of the external audit fees recommended by the RMAC;
- Consideration and approval of investment and divestment proposals; and
- Approval of the Group's Budget for 2015-16.

"One of the key elements emerging from last year's Board evaluation exercise was the need for the Board to devote more time to discussing strategic issues. We therefore decided to hold two full-day Board meetings over the year exclusively dedicated to discussing strategic issues. We looked at several investment opportunities both locally and in the region and are confident that we are on the right track to sustain the growth of the Company."

Tim Taylor, Chairman of the Board.

3.4 BOARD ACCESS TO INFORMATION AND ADVICE

An induction pack, including an induction presentation of the Company's businesses, was provided to newly elected directors.

All directors have access to the Company Secretary to discuss issues or to obtain information on specific areas or items to be considered at Board meetings or any other area they consider appropriate.

Furthermore, directors have access to the Company's records and the right to request independent professional advice at the Company's expense.

The Board and/or its Committees also have the authority to secure the attendance at meetings of third parties with relevant experience and expertise as and when required.

CORPORATE GOVERNANCE REPORT

	Attendance			Interests		Remuneration
	Board meetings	CGC	RMAC	Direct	Indirect	MUR
TAYLOR, Timothy	9/9	n/a	n/a	0.4108	15.20	850,000
DARGA, Amédée	5/9	n/a	6/7	0.0013	nil	615,000
DESCROIZILLES, Marcel	8/9	n/a	6/7	0.0286	nil	990,000
JAUFFRET, Olivier	9/9	4/4	n/a	nil	nil	670,000
LEECH, Paul	9/9	4/4	n/a	0.0169	nil	27,667,952
LIM KONG, Jean Pierre	9/9	n/a	n/a	0.0001	nil	8,051,821
SOMEN, David	9/9	4/4	n/a	nil	nil	1,010,000
TAYLOR, Colin	9/9	4/4	n/a	nil	2.99	660,000
TAYLOR, Matthew	8/9	2/4	n/a	0.0059	nil	600,000
TAYLOR, Philip	8/9	n/a	7/7	nil	2.99	690,000

3.5 BOARD PERFORMANCE REVIEW

A peer-to-peer evaluation of the Board was carried out after the end of the financial year. The exercise will be an opportunity to assess whether the Board needs any additional skills and expertise to improve its performance.

3.6 INTERESTS OF DIRECTORS

All directors, including the Chairman, declare their direct and indirect interests in the shares of the Company. They also follow the Model Code for Securities Transactions as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules whenever they deal in the shares of the Company.

For the year under review, the following directors dealt in the shares of the Company:

Name of directors	Number of shares acquired / (disposed)
Marcel Descroizilles	170,000
Paul Leech	91,000
Amédée Darga	9,100
Colin Taylor	(26,325)

3.7 INDEMNITIES AND INSURANCE

The Company subscribes to a directors' and officers' liability insurance policy. The policy provides cover

for the risks arising out of acts or omissions of the directors and officers of the Company. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

4. BOARD COMMITTEES

4.1 CORPORATE GOVERNANCE COMMITTEE (CGC)

Chairman – David Somen

Members – Olivier Jauffret, Paul Leech, Colin Taylor and Matthew Taylor

The CGC is comprised of two independent directors, two non-executive directors and one executive director, namely the Group CEO. It also serves as the Remuneration and Nomination Committees.

The CGC met five times during the year under review and the table on page 28 sets out the attendance of members at such meetings.

The CGC's terms of reference have been reviewed and are aligned with the Code.

The main responsibilities of the CGC as per its terms of reference include:

- making recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate principles and practices;

- ensuring that the disclosure requirements with regard to corporate governance, whether in the annual or other reports, are in accordance with the principles of the applicable Code of Corporate Governance;
- making recommendations to the Board on all new Board appointments;
- formally reviewing the balance and effectiveness of the Board;
- developing a policy on executive remuneration and fixing the remuneration and benefit packages of individual directors within agreed terms of reference and, at the same time, avoiding potential conflicts of interest;
- in relation to the remuneration of non-executive directors, to avoid any perception of self-interest, making recommendations to the full Board for its consideration; and
- reviewing and recommending to the Board the Remuneration policy of the Cim Group.

*"During the year under review, the CGC spent a significant amount of time on the review of the remuneration structure of the main clusters of the Group which culminated in the implementation of an enhanced remuneration structure. The Committee also reviewed a Share Trade Policy which was subsequently approved by the Board. This policy defines the windows during which share trades are permitted and the procedure to be observed prior to trading in shares. In a bid to improve the effectiveness, a peer-to-peer evaluation of directors was carried out after the end of the financial year and the results of such exercise will be reported in next year corporate governance report." **David Somen, Chairman, CGC.***

4.2 RISK MANAGEMENT AND AUDIT COMMITTEE (RMAC)

Chairman – Marcel Descroizilles

Members – Philip Taylor and Amédée Darga

In attendance – Sheila Ujoodha (Chief Audit Executive) and Jean Pierre Lim Kong (Chief Finance Executive)

The RMAC is composed of two independent directors and one non-executive director.

The RMAC's terms of reference are in accordance with provisions of the Code and were approved by the Board on 12 February 2013.

The Committee met seven times during the year under review. The table on page 28 sets out the attendance of members at such meetings.

The main responsibilities of the RMAC as per its terms of reference include:

(a) Ensuring that:

- all risks pertaining to business operations and activities are reviewed and managed to an acceptable level;
- all internal accounting, administrative and risk control procedures are designed to provide assurance that assets are safeguarded; and
- transactions are executed and recorded in accordance with Company policy.

(b) Reviewing:

- important accounting issues;
- changes in legislation that will give rise to changes in practice;
- compliance with regard to specific disclosures in the financial statements; and
- quarterly, preliminary and annual and any other financial reports.

"The RMAC had regular meetings to review the quarterly abridged financial statements of the Group prior to their publication. We can also report that there has not been any material change in the accounting policies of the Group. In its capacity as the risk management committee of the Group, the RMAC received updates on the Group business risk register. Two important initiatives were conducted in the risk management sphere namely an IT Security for Cim Finance and Cim Global as well as a review of the compliance framework of Cim Global. Both of these initiatives have provided us with key insights to align our risk management practices in these areas with best practice."
Marcel Descroizilles, Chairman, RMAC.

CORPORATE GOVERNANCE REPORT

5. STATEMENT OF REMUNERATION PHILOSOPHY

Executive directors are not remunerated for serving on the Board of the Company or its committees. Their remuneration packages as employees of the Company, including performance bonuses, are in accordance with market rates.

The remuneration of non-executive directors consists of a mix of attendance and retainer fees. During the year under review, such fees were reviewed as follows:

- (a) the fixed and attendance fees of the members of the Corporate Governance Committee were aligned with that of the members of the Risk Management and Audit Committee;
- (b) the attendance fees of the Chairmen of Committees were aligned with that of the Chairman of the Board;
- (c) the remuneration of the non-resident directors was aligned on the same basis as that of the resident directors; and

- (d) the monthly retainer fee paid to the Chairman of the Board was increased.

The remuneration paid to executive and non-executive directors and/or committee members is set out in the table to be found on page 28.

6. INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

The Group's internal control and risk management framework and the key risks as well as the steps taken to manage these risks are detailed on pages 40 to 44.

7. HUMAN RESOURCES

The human resource initiatives of the Group are set out on pages 32 to 35.

8. PROFILES OF SENIOR EXECUTIVE TEAM

The profiles of the senior executive team can be found on pages 14 to 17.

9. STATEMENTS OF INTEREST OF THE SENIOR EXECUTIVE TEAM (EXCLUDING DIRECTORS)

The table below sets out the direct and indirect interests of senior officers (excluding directors) as at 30 September 2015, as required by the Securities Act 2005.

Surname	Name	Direct %	Indirect %
Audit	Renu	0.0001	nil
Chung Kai To	Cyril	0.0005	nil
Dewoo Pydiah	Premila	0.0001	nil
Gowrea	Gyaneshwarnath	0.0001	nil
Liong Kee	Lim Tat Voon	0.0051	nil
Low Kwan Sang	Steeve	0.0001	nil
Sannassee Pareemamun	Pamela Vanesha	0.0001	nil
Maharahaje	Tioumitra Panday Woogra	0.0022	nil
Shahabally	Rooksana Bibi	0.0004	nil
Sheward	Graham	0.0040	nil
Soorajee	Melinda	0.0001	nil

Surname	Name	Direct %	Indirect %
Ujoodha	Sheila	0.0001	nil
Wong Yin Sang	Clovis Sui Fung	0.0095	nil
Padayatchy	Vivegananda	nil	nil
Latzelsberger	Edan	nil	nil

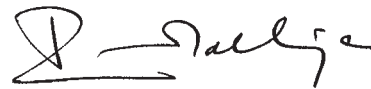
10. OTHER MATTERS

10.1 RELATED PARTY TRANSACTIONS

Please refer to page 122 of the Annual Report.

10.2 MANAGEMENT AGREEMENTS

The Company has management contracts with Lochiel Ltd for the management of the Company's immovable properties and with Taylor Smith & Sons Ltd for the management of The Brandhouse Ltd (ex J.M. Goupille and Company Ltd).



Tioumitra Maharahaje
For Cim Administrators Ltd

Company Secretary

9 December 2015

10.3 DONATIONS

The Company did not make any political donations during the year in review.

10.4 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Cim Social Development Trust (the "Trust") was established on 4 April 2013 under the laws of Mauritius pursuant to the Trust Act 2001 and accredited by the Mauritius National Corporate Social Responsibility (NCSR) Committee on 16 May 2013. The Trust receives annual statutory contributions from all entities within the Group for the purposes of corporate social responsibility ("CSR").

The Group's CSR activities which reflect our commitment to creating sustainable value for the social, environmental and economic well-being of society are set out on pages 36 to 39.

HUMAN RESOURCE

FOR FY15, OUR HR INITIATIVES FOCUSED ON:

- (a) Upskilling through Learning and Development Programmes;
- (b) Promoting Safety, Health and Wellness;
- (c) Celebrating Diversity;
- (d) Increasing Employee Engagement; and
- (e) Employee Recognition Programmes.

LEARNING AND DEVELOPMENT

The learning and development strategy of Cim Group is geared towards enhancing the personal and technical abilities of employees to ensure they are well equipped with the required skills to deliver effectively on their performance objectives and competencies.

The Group partnered with specialist providers to deliver in-house training courses on topics such as Anti-Money Laundering & Counter-Terrorist Financing and continued with the Cim Buddy Programme. With the implementation of Microsoft Office 365 across the different Business Units, all employees were introduced to the new platform. In addition, the services of the British Council were enlisted to enhance the English Linguistic Skills of the Business Support staff.

At Business Units' level, Cim Finance Ltd introduced 'La Relation Client par téléphone dans le secteur financier' to improve the

customer experience. Refresher courses on ISO 9001:2008, Anti-Money Laundering and Combating the Financing of Terrorism, Safety and Health Awareness and Product Knowledge were also conducted.

Cim Global Business held several internal programmes to help employees enrich their knowledge and technical skills, including:

- Legal and Compliance and Tax training such as legal updates on Fund, Amalgamation, Secretary Powers, Governance & Liabilities, ACR Templates, Transfer Agency, FATCA & Advanced Taxation; and
- IFRS training and updates.

During this financial year, 25 employees have been registered as internal trainers with the Mauritius Qualifications Authority with a view to developing in-house capability. To hone their trainer skills, they attended the Step-by-Step and Train the Trainer courses.



**EMPLOYEES MQA
REGISTERED AS INTERNAL
TRAINERS**



Celebrating International Women's Day.



Cim Group employees marked the Blood Donation Day by donating their blood to save lives.



Breast cancer awareness talks to sensitise employees.

PROMOTING SAFETY, HEALTH AND WELLNESS

Creating a work environment that focuses on employee safety and health, wellness and well-being is a key engagement driver for the Group. In line with Cim's policy, the annual Safety refresher course was given to all employees to promote workplace safety and a refresher course was conducted for First Aiders, Fire Wardens and Fire Fighters.

The Group reaffirmed its commitment towards the wellness and health of its employees through weekly sports activities such as football, badminton, Zumba and yoga sessions. They were also invited to participate in the annual general health check as well as eye and breast cancer screening. Talks were organised on the Fight against Breast Cancer with the NGO, Link To Life and on general wellness with a healthy diet.

Cim Group also celebrates a number of international occasions. As such for the World Health Day, a sale of organic vegetables was organised, whilst for the Blood Donation Day, employees were invited to give their blood. For the International Women's Day, the Group supported "We Are One" initiatives and the NGO, La Caz Zen. To raise awareness of men's health issues, employees were invited to participate in the Movember event.

125

**FEMALE EMPLOYEES
SCREENED IN A BREAST CANCER
SCREENING CAMPAIGN**

153

**HELPED
PATIENTS THROUGH
BLOOD DONATIONS**



150

BONE HEALTH CHECKS

HUMAN RESOURCE



Celebrating diversity at Cim.

CELEBRATING DIVERSITY

Each year, Cim Group promotes diversity through the celebration of Diwali, the Chinese Spring Festival, the National Day, Easter and Eid ul-Fitr. The offices and reception areas of the different buildings are specially decorated for these occasions and employees are invited to dress in traditional outfits. Lunch and/or cakes and sweets are offered to employees and animations such as the Chinese dragon dance for the Spring Festival are also organised.

EMPLOYEE ENGAGEMENT AND BENEFITS

In the Group's pursuit to improve employee engagement, PLP Africa was appointed to work on a revamped benefit offering and fully integrated Employee Value Proposition. The main objective was to integrate and manage customised solutions to provide good health and better quality of life.

In this respect, the Group launched on 11 March 2015 CimpleLife, a one-stop shop where employees can better organise their personal activities and have access to discounts and deals on a variety of products and services. Available online or by phone, CimpleLife brings a range of wellness ideas and programmes. After 6 months, more than 80% of employees have used these services, which play an increasingly important role in their lives.

Moreover, the employee benefits launched last year are still enjoying success with employees. A number of applications have been approved under the Cim Welfare Fund, which was launched to provide financial support to employees and their families facing exceptional circumstances or hardship. Funds advanced can be used to meet medical or education costs.



Suhayla Suneram and Ashna Hurpaul were selected to pursue their undergraduate courses under the Cim Scholarship Scheme.

The Group also launched the Cim Scholarship Programme in June 2015 to provide an opportunity for employees' children to pursue their studies so that they can aspire to a brighter future by working for the company. It also reflects the ambition of making Cim Group "A firm where we would be proud for our children and other family members to work". Each year, the Group is committed to sponsor 2 employees' children provided that they meet the selection criteria. For this financial year, the daughters of two employees were selected to pursue their undergraduate courses.

In the spirit of creating a group culture and approach, Cim has

been organising activities such as Cim New Year Celebration and Cim Fun Day. The purpose is to strengthen the sense of belonging to the Group, create synergies between the different companies and encourage employees to have fun together.

EMPLOYEE RECOGNITION PROGRAMMES

At Cim Global Business, employees demonstrating Service Excellence, Professionalism and Commitment to the company are rewarded during the Bull Award Ceremony held on a quarterly basis. A quarterly Happy Hour gathering is also intended to thank the personnel for their hard work.

A process enhancement competition was organised in July within the Cards Department at Cim Finance. The aim was to encourage the staff to come up with innovative ideas to improve the internal processes. Some key quick wins were identified and have already been implemented, such as creating a Learning Corner.



CimpleLife, a one-stop shop for employees.

CORPORATE SOCIAL RESPONSIBILITY

Cim Group's Corporate Social Responsibility (CSR) activities are channelled through the Cim Social Development Trust (the "Trust"). Established in 2013, the Trust is a dedicated vehicle responsible for the coordination and sustainability of the Group's CSR initiatives. It receives annual statutory contributions from all entities within Cim and ensures that the Group's CSR initiatives are in favour of community development. Following the abolition of the CSR guidelines by the Finance Act 2015, the programme has continued according to Cim Group's own terms of reference.

OUR FOCUS AREAS



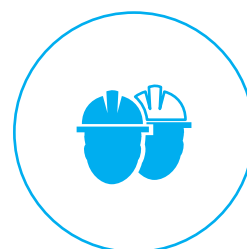
FINANCIAL LITERACY AND EDUCATION

INVESTING IN PROGRAMMES TO PREPARE CHILDREN, TEENAGERS AND ADULTS FOR ECONOMIC SELF-RELIANCE.



ENVIRONMENTAL SUSTAINABILITY

INVESTING IN THE PROTECTION AND REHABILITATION OF OUR ENVIRONMENT.



SOCIAL ENGAGEMENT

MAKING A POSITIVE IMPACT IN THE COMMUNITIES WE SERVE.

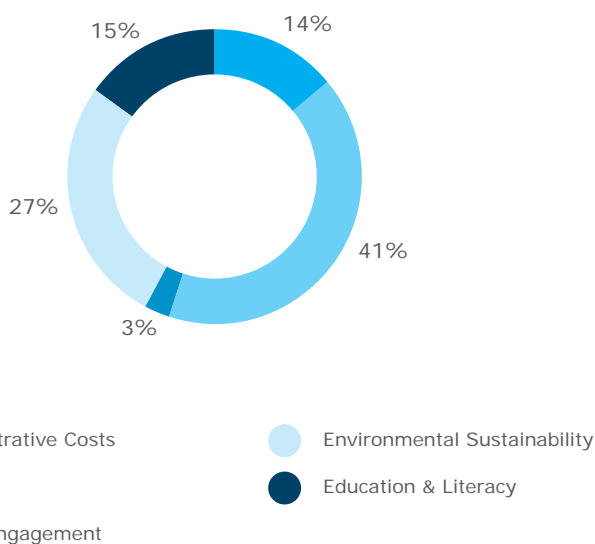
OUR CONTRIBUTION

For the financial year under review, the Trust has received Rs 11.1m. After deduction of administrative expenses, Rs 7.8m were allocated to 28 NGOs and projects in line with the Trust's areas of intervention.

5,366
BENEFICIARIES

28
NGOs SUPPORTED

CSR Contributions 2014/2015



* 'Others' represents the % carried forward for the next financial year.

FINANCIAL LITERACY AND EDUCATION

722

CHILDREN

Breakfast Support Programme

50

CHILDREN

in Rodrigues

1,872

CHILDREN

Financial Literacy Initiatives



Cim Youth Day: The Group encouraged college students to develop their entrepreneurship skills.



We believe that financial literacy and education are key foundations in the life of an individual. In an ever-changing world, being financially educated contributes to making one more confident while enhancing one's ability to make smart decisions and achieve one's personal and financial goals.

As a result, we have developed and invested in financial literacy programmes to provide students, young and mature adults with tools and resources to be prepared for economic self-reliance. Listed below the projects supported by the Trust in this area of intervention:

- **Adolescent Non-Formal Education Network (ANFEN):** Breakfast Programme for underweight adolescents (following a medical screening) and other needy children.
- **Association pour les Emprunteurs Abusés (APEA):** Financial Literacy Awareness Campaign especially targeting vulnerable individuals in NGOs and underprivileged areas.
- **Children Foundation:** Renovation works at the Foundation's premises and acquisition of computers for the 55 children in care.
- **Good Hope:** Providing books and school materials for the children.
- **Junior Achievement Mascareignes (JAM):** Educating youth and young adults on how to manage their money in a responsible way through the JA Managing Your Money Smartly programme.
- **Cim Youth Day:** 100 students (15-18 years old) from different colleges were invited to participate in the Cim Youth Day. The main objectives of this Fun Day were to give them an insight into the different aspects of working life, encourage them to develop innovative concepts and solutions to a given problem, help them understand the spirit of entrepreneurship through the principle of learning by doing as well as develop their interpersonal and communication skills.

CIM YOUTH DAY:

100 STUDENTS

33 COLLEGES

CORPORATE SOCIAL RESPONSIBILITY

- **Lakaz Zen:** Funding the NGO's monthly expenses to bring educational and psychological support to 50 children.
- **Maison Familiale Rurale (MFR) de Rodrigues:** Providing academic and professional training sessions as well as Life Skills Training to 50 youngsters.
- **Oasis de Paix:** Construction of an access way from the school to the workshop located at the far end of the school, fencing of the playground to allow the children to play in a safe environment and launch of a compost bin project.
- **SOS Poverty:** Educational and Economic Empowerment Programmes for 30 children in Vallée Pitot and the surroundings.
- **Staff Engagement:** To mark the World Book Day, Cim Group employees were encouraged to participate in a book donation activity. They generously donated more than 400 books which were offered to the Children Foundation and SOS Poverty. The main objectives of this initiative were to boost the interest of youngsters in reading and encourage employees to partake in various community projects.

ENVIRONMENT SUSTAINABILITY

Cim Group believes in encouraging the younger generation to engage in environmental issues. Environmental sustainability is about making responsible decisions that will reduce the negative impacts on the environment.

We have participated in two initiatives which are listed below:

- **Mauritian Wildlife Foundation:** Support to the Captive Breeding Programme at the Gerald Durrell Endemic Wildlife Sanctuary with the objectives of protecting and rehabilitating rare species.
- **SIDS Youth AIMS Hub:** Sponsorship of the Young Ocean Champion Award 2015, a national competition organised to raise awareness about the causes and symptoms of marine debris.

SOCIAL ENGAGEMENT

We consider it our responsibility to make a positive impact in the communities we serve. We assist NGOs with a focus on vulnerable communities, especially children, adolescents and women. We also believe that promoting sports is indispensable for the integral development of our society and support initiatives uplifting the social values of sports activities.

Over the year, we have assisted the following NGO initiatives and projects:

- **Alzheimer Association:** Meeting the running costs of the centre, which caters for 16 beneficiaries.
- **Association Kinouete:** Rehabilitation and Reintegration Programme for former women inmates.
- **Association de Parents d'Enfants Inadaptés de l'Île Maurice (APEIM):** Provision of toilet facilities for disabled children in accordance with the standards of the Ministry of Education.
- **Caritas:** Life Skills Management Programme designed for vulnerable women to prepare themselves to manage their personal, professional and family life.
- **Centre d'Éducation et de Développement pour les Enfants Mauriciens (CEDEM):** Physiotherapy sessions to enhance care services to disabled children.
- **Cim Football Fun Day:** Organising a recreational day with children from the NGOs, Open Mind, La Porte du Bonheur and Zenfants Innocents, including an introduction to the game of football under the guidance of professional players from the Association Sportive de Quatre Bornes team.
- **Etoile d'Espérance:** Funds provided helped the NGO to sustain the rental of the rehabilitation centre in Quatre Bornes and continue to provide assistance to free women from alcohol's grip.
- **Global Rainbow Foundation:** Physiotherapy and occupational therapy services to children suffering from cerebral palsy.
- **Link to Life:** Support to the NGO's Breast Cancer Awareness and Screening Campaign in vulnerable areas.
- **Muscular Dystrophy Association:** Donation of five wheelchairs to improve the quality of life of children suffering from muscular dystrophy as well as funds to organise recreational activities.
- **Open Mind:** Life Skills Programme for children suffering from psychological disorders.
- **Pedostop Campaign:** Sponsorship of the project 'Rouler Non-Stop Pour Pedostop', an awareness campaign to sensitise the public on the issue of sexually abused children.
- **Ranger Foundation Trust:** Waterproofing of the centre for disabled children to provide them with a safer and more secure environment.



We donated 5 wheelchairs to children suffering from Muscular Dystrophy.

- **Rève et Espoir:** Sponsorship of their Music Therapy as well as Craft and Sports Programmes for children and young adults with mental and physical disabilities.
- **SOS Femmes:** Funds provided helped the NGO operate a shelter on a 24/7 basis for victims of domestic violence and their children.
- **SSR National Cricket Grounds Trust:** Maintenance cost of the cricket grounds in Belle Vue Harel.
- **Ti Rayons Soleil:** Offering a hamper of basic groceries to 30 vulnerable women and sharing lunch with them to mark the International Women's Day. They also followed the Managing Your Money Smartly programme.

WECIM – WOMEN EMPOWERMENT AT CIM

More than ever before, business leaders are stepping forward

to advance women's economic empowerment. Cim believes empowering and inspiring female employees and ensuring women comprise a share of the leadership team will lead to greater efficiency, retention and broad market benefits.

WECim (Women Empowerment at Cim), a Cim Group initiative, was launched in May 2015 and aims at women empowerment not only as human rights, but also because they are a pathway to achieving sustainable development at Cim Group.

We have started with seven focus group discussions with management and staff from different BUs and at different levels in the corporate ladder were held. Their opinions and ideas were sought on two principles namely "Enhance corporate leadership through gender initiatives" and "Promote an atmosphere of well-being across the Group". The participation rate was 93% and a



Football initiation for some 100 of 3 NGOs with the Association Sportive de Quatre Bornes.



Celebrating Christmas with children supported by Will Fly.

satisfaction survey score of 88% was achieved.

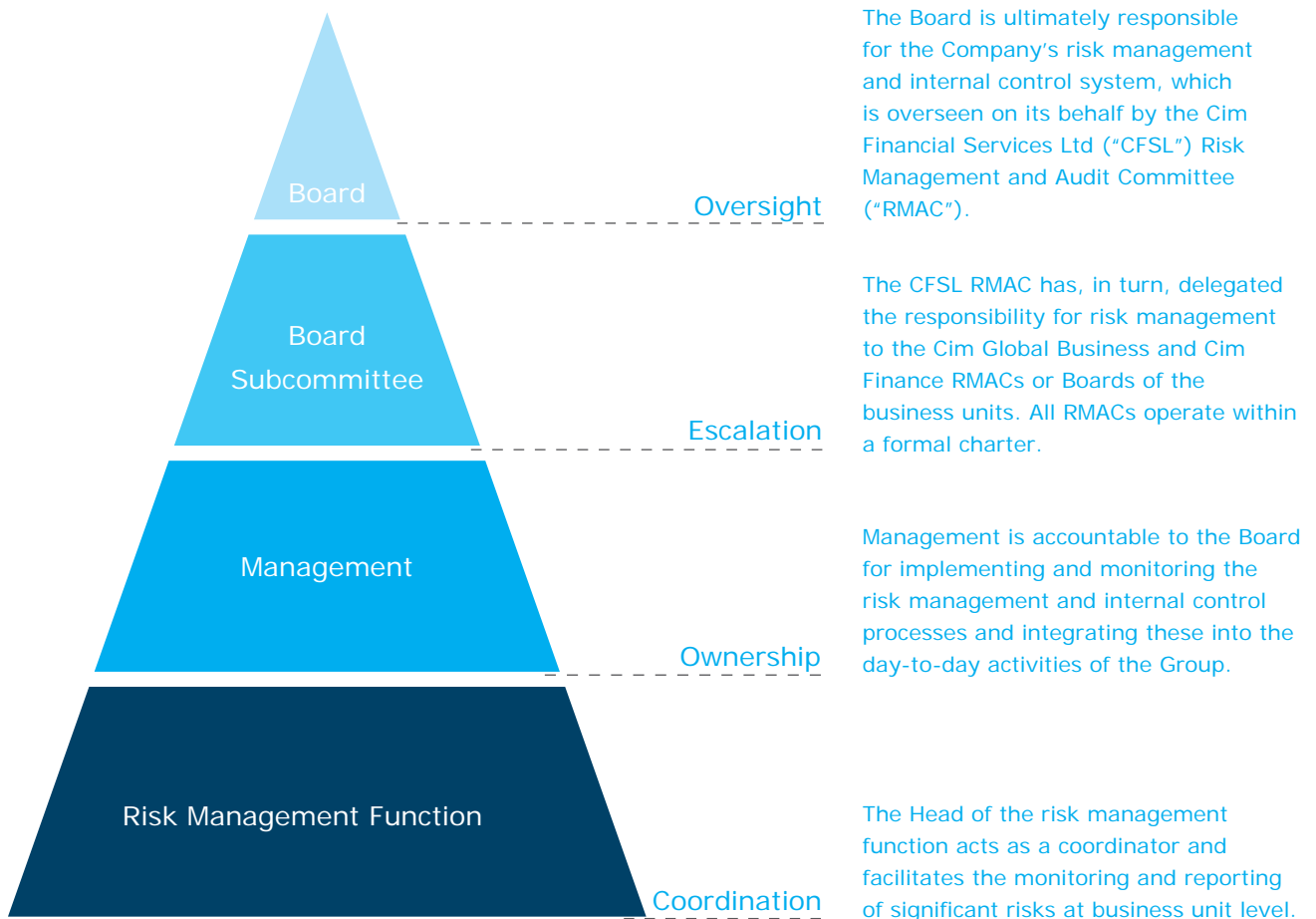
This initiative goes beyond treating women as beneficiaries, but a rather true economic agent and also involving male employees in the process. Suggestions around the two principles were collated. Implementation measures will be taken in the next financial year.

We consider it our responsibility to make a positive impact in the communities we serve. We assist NGOs with a focus on vulnerable communities, especially children, adolescents and women. We also believe that promoting sports is indispensable for the integral development of our society and support initiatives uplifting the social values of sports activities.

INTERNAL CONTROL AND RISK MANAGEMENT

Effective risk identification and risk management are essential to the on-going success of the Group given the breadth and depth of the Cim Group's business activities, customer segments, regulatory requirements and the competitive landscape. A holistic approach to the identification, assessment, management and reporting of risks, aligned with the ISO 31000:2009 standard is in place within the Group.

The current risk governance structure is shown below. It has been designed to enable business units make informed decisions about the level of risk that Cim wants to take and reasonably ensure that the assets and reputation of the Group are protected.



The Board has overall responsibility for the whole internal control and risk management system. The Risk Management and Audit Committee ("RMAC") is a subcommittee established to assist the Cim Financial Services Ltd (CFSL) Board in fulfilling its responsibilities.

Management is responsible for risk identification and monitoring progress of actions to treat those risks. Risk registers are used to document all the assessment and decisions made in respect of identified risks. The Business Risk Register ("BRR") is reviewed with risk owners and tabled at regular intervals at respective management committee ("Manco") and executive committee ("Exco") meetings. The top risks of the Group are considered at the RMAC and Board meetings of the respective business units (BUs) as well as the CFSL's RMAC and Board meetings.

The risk management process is coordinated by the Risk Management (RM) function. The governance structure has been designed to facilitate the reporting and escalation of key risks from BU Management teams to respective BU RMACs/Boards, the CFSL RMAC and the Board of Directors (the Board), and to cascade approved risk management reviews and decisions to BUs.

LINES OF DEFENCE

The Group risk management framework separates the business's risk management responsibilities into 'three lines of defence':

First line of defence	Second line of defence	Third line of defence
Management controls	Compliance Risk management Information security	Internal audit
Owns the risk and the design and execution of the organisation's controls to respond to those risks	Supports management by bringing expertise, process excellence and management monitoring alongside the first line to ensure that risk is effectively managed	Provides assurance and advisory support to the first and second lines' efforts consistent with the expectations of the Board of Directors and senior management
Control design and implementation	Monitoring and oversight	Independent assurance

INTERNAL CONTROL AND COMPLIANCE

Responsibility for internal control and accountability are shared across all Group companies, with ultimate responsibility resting with the Board. Each business unit maintains controls and procedures appropriate to its operations and regulatory environment, while conforming to Group policies.

The core businesses of the Group (Cim Finance and Cim Global Business) and other regulated businesses (Cim Forex) are supported by dedicated compliance teams which provide on-going support to Management to ensure that relevant policies, procedures, laws and regulations are adhered to at all times.

Cim Group has an established, formal process of internal control, documented in the Cim Group Finance Manual and other policies and procedures, that:

- aims to identify and evaluate risks and how they are to be managed;
- includes International Financial Reporting Standards (IFRS) requirements and International Accounting Standards (IAS);
- facilitates effective and efficient business operations, the development of robust and reliable reporting; and
- complies with the local regulatory framework and the requirements of the Listing Authorities.

Compliance by Cim Group with policies and procedures is mandatory and in exceptional cases, a departure request should be submitted in line with the procedures outlined.

INTERNAL CONTROL AND RISK MANAGEMENT

INTERNAL AUDIT

The Audit and Risk Assurance Department of Cim Group is responsible for providing an objective and independent evaluation of the effectiveness of internal control, risk management and governance processes.

The internal audit function's mandate and annual audit coverage plans are approved by the 3 RMACs and the Board of the BUs. The frequency and scope of audit coverage are determined from the ongoing assessment of risk and stakeholder expectations. All engagements are performed in accordance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing (Standards), which are operationalised through Cim audit methodology and procedures.

The Audit and Risk Assurance Department has unfettered access to the Group's documents, records, properties and employees, including access to the 3 RMACs.

Findings are communicated to senior management with remediation plans against agreed completion dates. The agreed action plan is monitored through a progress implementation report including reasons for exceptions (where applicable) which is tabled regularly at the 3 RMACs.

The Chief Audit Executive is responsible for reporting and following up on the findings of internal audit work to the 3 RMACs on a regular basis.

As part of an ongoing commitment to providing the highest quality internal audit services, and to help understand how the department is managing the auditees' expectations, the latter are asked to complete a brief satisfaction survey relating to their audit. Feedback questionnaires completed after each audit assignment continue to show upward trends.

The department has stepped up from the traditional assurance role to a trusted advisory level of service. The consulting assignments are viewed by management as an added value exercise which aims to maximise benefits from the Group's operations. The requests for such assignments have increased as compared to last year and an equivalent number of assignments is forecast for next year.

The Audit and Risk Assurance Department identifies and provides training and development opportunities for its employees to ensure that their technical knowledge and skills set remain current and relevant. An up-skilling with regard to emerging technology-related business risks and information security risks is an inevitable requirement in the forthcoming future.

WHISTLE-BLOWING AND CRISIS MANAGEMENT

The Group whistle-blowing policy is an essential component of the internal control environment. The effectiveness of this policy has been reviewed during the year and an updated version, more specifically the "Reporting Structure" section, will be produced.

Cim Group is aware that its operations are not immune from crisis. The Crisis Management Plan (CMP) has been finalised during the year. Crisis Management Team (CMT) members can access the plan online or can consult their hard copies.

During the year, simulation exercises and desktop exercises were carried out and these have proved effective in:

- Improving team members, awareness of the CMP;
- Training members of CMTs to practise in their roles; and
- Identifying gaps, errors and opportunities for improvement in the CMP.

CIM RISK JOURNEY

We continue to drive improvements to our risk management process and the quality of risk information generated, whilst at the same time maintaining a simple and practical approach.

FY14/15 Achievements

1. Evolving risks

Our Group risk profile has evolved over the course of last year, responding to the dynamic environment within which we operate and our strategy to become a local and international player. One new risk is being monitored, namely Information Technology, which encompasses the Information Security risk.

2. Building expertise

To increase the risk talent pool in the Group, a new Head of Risk Management has been recruited in Cim Global Business; each of the two main BUs now has a Head of Risk Management.

3. Monitoring

The ongoing status and progress of action plans against each key risk as documented in the BRR of our main BUs are reviewed by the Exco at Group level.

4. Enhancing the process

A Risk Forum where key risks are reported and analysed has been set up in Cim Global Business. For Cim Finance, discussion of key risks occurs in the Asset and Liability Committee, the Credit Approval Committee and the Debtors Monitoring Committee.

FY15/16 Focus areas

1. Risk appetite

The Board recognises the importance of including the Risk Appetite concept in risk discussions across all levels of the Group. The Risk Appetite will be ratified by the Board.

2. Strengthening the risk culture

Further training and education across the Group including Board members will be carried out to promote a more risk-aware environment.

3. Innovative risk practices

A bottom-up approach of risk management is being encouraged to empower staff to think and act proactively in the risk management process.

4. Audit of risk management process

Regular internal audits will be conducted to assess the effectiveness of the risk management processes and implementation of mitigating actions.

INTERNAL CONTROL AND RISK MANAGEMENT

KEY RISKS

The following table describes Cim's key risks and the mitigating factors in place to manage those risks.

Current key risks	Mitigating factors
<p>Concentration risk</p> <p>The Group's revenue is largely derived from two major business lines and may be impacted by adverse changes in its business environment.</p>	<ul style="list-style-type: none"> • Cim Global Business is actively working to reduce its dependency on tax treaty-related work through an on-going diversification strategy and regularly monitors external influences via industry committees. • Cim Finance has provided ancillary services to its customers and is reviewing its operational processes.
<p>Regulatory and compliance risk</p> <p>The Group operates in a complex and dynamic regulatory environment which requires strict adherence to new or existing laws, regulations, rules, internal policies and procedures.</p>	<ul style="list-style-type: none"> • Legal and regulatory developments are monitored on a continuous basis to ensure that the Group is well prepared for both local and global changes. • Advice is sought from our in-house legal and compliance teams and/or externally as and when required. • The Group maintains an insurance programme against potential legal liabilities. This is reviewed annually. • Active involvement in industry committees to monitor external influences.
<p>Legal and Reputational risk</p> <p>The Group is exposed to legal and reputational risks which could impact on its ability to grow its client base and future income streams.</p>	<ul style="list-style-type: none"> • Adherence to stringent client acceptance and due diligence procedures. • Staff training on compliance and anti-money laundering procedures. • Regular reviews and reinforcement of policies, procedures and controls with input from the compliance and internal audit functions.
<p>Information Technology risk</p> <p>The Group is increasingly reliant on Information Technology and has to maintain the highest level of data integrity and system security.</p>	<ul style="list-style-type: none"> • Investment in preventive technology e.g. implementation of a three-year group wide IT security improvement programme with the advisory support of PricewaterhouseCoopers. • Multi-layered controls are in place to protect the Group's information and technical infrastructure. These include back up procedures, disaster recovery plans, malware detection, virus protection and penetration testing. • Staff awareness sessions have been held to highlight the importance of maintaining a high level of information security.
<p>Financial risk</p> <p>The Group has to ensure that it is able to meet its contractual or contingent financial obligations as they arise.</p>	<ul style="list-style-type: none"> • The Group's exposures are monitored through an Asset and Liability Committee. • The Group's cash position, available facilities and forecast cash flows are monitored by the treasury function. • Foreign exposures are also tracked on a regular basis across the Group.
<p>Credit risk</p> <p>The Group is exposed to the risk of loss resulting from a counterparty being unable to meet its contractual obligations to the Group in respect of loans or other financial transactions.</p>	<ul style="list-style-type: none"> • Strict adherence to credit approval procedures, which include credit checks performed through the Mauritius Credit Information Bureau, where relevant. • Credit exposures are tracked by a Debtors Monitoring Committee. • The Group reviews its credit policies and procedures on a regular basis. • The Group maintains a balanced and diversified portfolio of clients to limit any significant concentration of credit exposure. • Cim Finance continuously promotes the Credit Protection Plan.

OTHER STATUTORY DISCLOSURES

Directors' remuneration and benefits

Directors of Cim Financial Services

2	Executive
8	Non Executive

Directors of Subsidiary Companies

20	Executive	(23 in 2014)
11	Non Executive	(16 in 2014)

2015 Rs m	2014 Rs m
35.7	26.9
5.3	4.7
64.3	67.3
2.2	1.6

Donations

Donations (charitable)
Donations (political)

GROUP		COMPANY	
2015 Rs m	2014 Rs m	2015 Rs m	2014 Rs m
12.5	12.9	-	-
-	-	-	-

Auditors' fees

Audit fees paid to:

BDO
Other firms

Fees paid for other services provided by:

BDO
Other firms

GROUP		COMPANY	
2015 Rs m	2014 Rs m	2015 Rs m	2014 Rs m
2.4	2.4	0.3	0.3
1.5	1.5	-	-
0.5	0.6	0.2	0.2
0.7	0.3	0.7	0.3

Detailed description and nature of non audit services

The non-audit fees paid to BDO & Co. relate to mainly to quarterly review of consolidated figures per quarters and internal control services as per Bank of Mauritius.

DIRECTORS' REPORT

(A) FINANCIAL STATEMENTS

The directors of Cim Financial Services Ltd (the 'Company') are responsible for the integrity of the audited financial statements of the Group and the Company and the objectivity of the other information presented in these statements.

The Board confirms that, in preparing the audited financial statements, it has:

- (i) selected suitable accounting policies and applied them consistently;
- (ii) made judgements and estimates that are reasonable and prudent;
- (iii) stated whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- (iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company;
- (v) safeguarded the assets of the Company by maintaining internal accounting and administrative control systems and procedures; and
- (vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

(B) GOING CONCERN STATEMENT

On the basis of current projections, we are confident that the Group and the Company have adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements be adopted.

(C) INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the system of Internal Control and Risk Management for the Company and its subsidiaries. The Group is committed to maintaining continuously a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group.

The Board believes that the Group's systems of internal control and risk management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

(D) DONATIONS

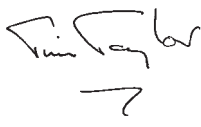
The Company did not make any political contributions in this financial year. For details on the charitable donations made by the Company, please refer to page 45.

(E) GOVERNANCE

The Board strives to apply the principles of good governance within the Company and its subsidiaries.

(F) AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Group and the Company which appear on pages 54 to 125 were approved by the Board on 9 December 2015 and are signed on their behalf by:



Timothy Taylor

Chairman

9 December 2015



Paul Leech

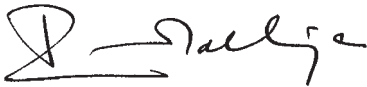
Director & Group CEO

9 December 2015

SECRETARY'S CERTIFICATE

UNDER SECTION 166(D) OF THE COMPANIES ACT 2001

In my capacity as Company Secretary of Cim Financial Services Ltd (the 'Company'), I hereby confirm that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended 30 September 2015, all such returns as are required of the Company under the Companies Act 2001.



Tioumitra Maharahaje
For Cim Administrators Ltd

Company Secretary

9 December 2015

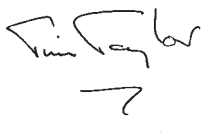
STATEMENT OF COMPLIANCE

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT)

NAME OF PIE: CIM FINANCIAL SERVICES LTD (THE 'COMPANY')

REPORTING PERIOD: FINANCIAL YEAR 2014-2015

We, the Directors of **Cim Financial Services Ltd** ('PIE') confirm that to the best of our knowledge that the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance.



Timothy Taylor

Chairman

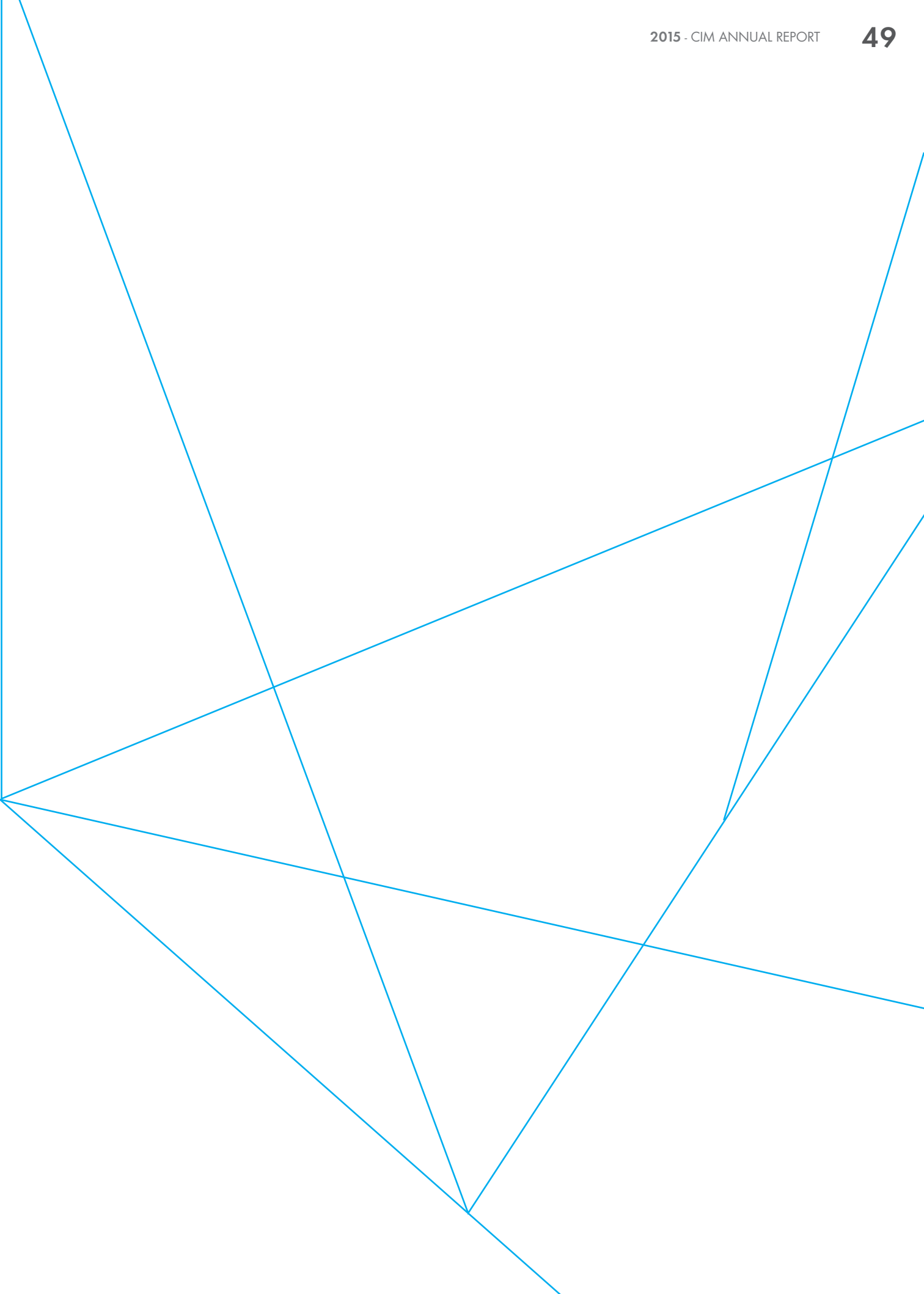
9 December 2015



Paul Leech

Director & Group CEO

9 December 2015







The Group also has
a portfolio of property
and investment assets.

CIM FINANCIAL SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of Cim Financial Services Limited (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the group financial statements of Cim Financial Services Limited and its subsidiaries (the "Group") and the Company's separate financial statements on pages 54 to 125 which comprise the Statements of Financial Position at 30 September 2015, Statements of Profit or Loss, Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company'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 Company's internal control. 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.

CIM FINANCIAL SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements (Cont'd)

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

Opinion

In our opinion, the financial statements on pages 54 to 125 give a true and fair view of the financial position of the Group and of the Company at 30 September 2015, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements*Companies Act 2001*

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and dealings in the ordinary course of business.

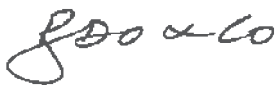
We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the Annual Report and whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the Annual Report is consistent with the requirements of the Code.



BDO & CO
Chartered Accountants

9 December 2015

Port Louis,
Mauritius.



Ameenah Ramdin, FCCA, ACA
Licensed by FRC

CIM FINANCIAL SERVICES LTD

STATEMENTS OF PROFIT OR LOSS

YEAR ENDED 30 SEPTEMBER 2015

	NOTES	GROUP		COMPANY	
		Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
Revenue	5	4,103.8	3,501.7	644.3	406.3
Profit from operations	6	942.2	817.3	611.6	394.7
Finance costs	8	(271.5)	(261.4)	(84.2)	(80.7)
Gain on revaluation of investment properties	12	-	114.2	-	3.1
Share of results of associates	15	4.0	3.1	-	-
Share of result of joint venture					
- attributable to gain on revaluation of investment properties	16	-	18.8	-	-
- net operating profit	16	3.5	3.2	-	-
		3.5	22.0	-	-
Profit before taxation		678.2	695.2	527.4	317.1
Taxation	9	(110.5)	(96.7)	-	(0.5)
Profit for the year		567.7	598.5	527.4	316.6
Attributable to:					
Owners of the parent		574.9	604.3	527.4	316.6
Non controlling interests		(7.2)	(5.8)	-	-
		567.7	598.5	527.4	316.6
Earnings per share	30	Rs. 0.84	0.89	0.77	0.47

The explanatory notes on pages 60 to 125 form an integral part of these financial statements.

Auditors' report on pages 52 and 53.

CIM FINANCIAL SERVICES LTD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 SEPTEMBER 2015

	NOTES	GROUP		COMPANY	
		Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
Profit for the year		567.7	598.5	527.4	316.6
Other comprehensive income	10				
<i>Items that will not be reclassified to Profit or Loss:</i>					
Gain on revaluation of land and buildings		-	176.9	-	-
Remeasurement of defined benefit obligations		(5.7)	(3.4)	-	-
<i>Items that may be reclassified subsequently to Profit or Loss:</i>					
Exchange difference on translation of foreign entities		7.7	2.2	-	-
Movement in reserves of associates	15	(0.3)	-	-	-
Losses arising on cash flow hedges		(2.1)	(0.7)	(2.1)	(0.7)
Other comprehensive income for the year, net of tax		(0.4)	175.0	(2.1)	(0.7)
Total comprehensive income for the year		567.3	773.5	525.3	315.9
Attributable to:					
Owners of the parent		574.5	685.9	525.3	315.9
Non controlling interests		(7.2)	87.6	-	-
		567.3	773.5	525.3	315.9

The explanatory notes on pages 60 to 125 form an integral part of these financial statements.

Auditors' report on pages 52 and 53.

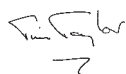
CIM FINANCIAL SERVICES LTD

STATEMENTS OF FINANCIAL POSITION

30 SEPTEMBER 2015

		GROUP		COMPANY	
		Sep-15	Sep-14	Sep-15	Sep-14
NOTES		Rs m	Rs m	Rs m	Rs m
ASSETS					
Non current assets					
Property, plant and equipment	11	1,491.7	1,423.9	-	-
Investment properties	12	533.7	556.1	30.8	30.8
Intangible assets	13	646.4	661.6	0.3	-
Investment in subsidiary companies	14	-	-	1,902.1	1,831.3
Investments in associates	15	92.0	26.5	16.2	16.2
Investment in joint venture	16	95.2	91.7	-	-
Investments in financial assets	17	385.2	753.2	232.2	309.7
Non current receivables	18	121.5	81.8	755.4	540.0
Net investment in leases and other credit agreements	19	2,130.6	1,913.0	-	-
Retirement benefit assets	27	10.1	9.6	-	-
		5,506.4	5,517.4	2,937.0	2,728.0
Current assets					
Inventories	20	422.4	338.2	-	-
Net investment in leases and other credit agreements	19	2,285.1	1,993.5	-	-
Consumable biological assets	21	1.8	1.5	-	-
Trade and other receivables	22	1,302.7	1,165.8	934.3	710.7
Investments in financial assets	17	290.0	-	-	-
Bank balances and cash	23	953.9	608.6	24.6	2.8
		5,255.9	4,107.6	958.9	713.5
		10,762.3	9,625.0	3,895.9	3,441.5
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	24	680.5	680.5	680.5	680.5
Retained earnings		2,018.5	1,693.6	1,346.2	1,029.8
Other reserves		318.6	280.0	(5.6)	(3.5)
Equity attributable to owners of the parent		3,017.6	2,654.1	2,021.1	1,706.8
Non controlling interests		391.0	398.2	-	-
Total equity		3,408.6	3,052.3	2,021.1	1,706.8
Non current liabilities					
Borrowings	25	2,490.7	2,113.5	1,138.2	920.1
Deferred taxation	26	7.0	3.2	0.5	0.5
Retirement benefit obligations	27	107.4	90.0	-	-
		2,605.1	2,206.7	1,138.7	920.6
Current liabilities					
Borrowings	25	2,992.4	3,083.3	486.4	570.0
Trade and other payables	28	1,582.1	1,142.0	113.6	135.2
Dividend payable	29	136.1	108.9	136.1	108.9
Current tax liabilities		38.0	31.8	-	-
		4,748.6	4,366.0	736.1	814.1
		7,353.7	6,572.7	1,874.8	1,734.7
		10,762.3	9,625.0	3,895.9	3,441.5

These financial statements have been approved for issue by the Board of Directors on 9 December 2015.



Timothy Taylor
Chairman



Paul Leech
Director & Group CEO

The explanatory notes on pages 60 to 125 form an integral part of these financial statements.

Auditors' report on pages 52 and 53.

STATEMENTS OF CHANGES IN EQUITY

30 SEPTEMBER 2015

Stated capital	Capital reserves	Revaluation reserves	Other reserves	Retained earnings	Actuarial losses	Attributable to owners of the parent	Non controlling interests	Total equity
Rs m	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m
680.5	209.0	82.5	(0.9)	1,693.6	(10.6)	2,654.1	398.2	3,052.3
-	-	-	-	574.9	-	574.9	(7.2)	567.7
-	-	-	5.3	-	(5.7)	(0.4)	-	(0.4)
-	-	-	5.3	574.9	(5.7)	574.5	(7.2)	567.3
-	-	-	-	(211.0)	-	(211.0)	-	(211.0)
-	39.0	-	-	(39.0)	-	-	-	-
-	39.0	-	-	(250.0)	-	(211.0)	-	(211.0)
680.5	248.0	82.5	4.4	2,018.5	(16.3)	3,017.6	391.0	3,408.6

NOTES

GROUP

At 1 October 2014

Profit/(loss) for the year

Other comprehensive income for the year

10

Total comprehensive income for the year

Dividends

Transfers

29

Total transactions with owners of parent

At 30 September 2015

Stated capital	Capital reserves	Revaluation reserves	Other reserves	Retained earnings	Actuarial losses	Attributable to owners of the parent	Non controlling interests	Total equity
Rs m	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m
680.5	171.4	(1.0)	(2.4)	1,307.9	(7.2)	2,149.2	314.4	2,463.6
-	-	-	-	604.3	-	604.3	(5.8)	598.5
-	-	83.5	1.5	-	(3.4)	81.6	93.4	175.0
-	-	83.5	1.5	604.3	(3.4)	685.9	87.6	773.5
-	-	-	-	(176.9)	-	(176.9)	-	(176.9)
-	37.6	-	-	(37.6)	-	-	-	-
-	-	-	-	(4.1)	-	(4.1)	(3.8)	(7.9)
-	37.6	-	-	(218.6)	-	(181.0)	(3.8)	(184.8)
680.5	209.0	82.5	(0.9)	1,693.6	(10.6)	2,654.1	398.2	3,052.3

At 1 October 2013 (as restated)

Profit/(loss) for the year

Other comprehensive income for the year

10

Total comprehensive income for the year

Dividends

Transfers

29

Changes in ownership interest in

subsidiaries

Total transactions with owners of parent

At 30 September 2014

The explanatory notes on pages 60 to 125 form an integral part of these financial statements.

Auditors' report on pages 52 and 53.

CIM FINANCIAL SERVICES LTD

STATEMENTS OF CHANGES IN EQUITY

30 SEPTEMBER 2015

COMPANY

At 1 October 2014

Profit for the year

Other comprehensive income

Dividends

At 30 September 2015

At 1 October 2013

Profit for the year

Other comprehensive income

Dividends

At 30 September 2014

NOTES

	Stated capital Rs m	Hedging reserves Rs m	Retained earnings Rs m	Total equity Rs m
	680.5	(3.5)	1,029.8	1,706.8
	-	-	527.4	527.4
10	-	(2.1)	-	(2.1)
29	-	-	(211.0)	(211.0)
	680.5	(5.6)	1,346.2	2,021.1
	680.5	(2.8)	890.1	1,567.8
	-	-	316.6	316.6
10	-	(0.7)	-	(0.7)
29	-	-	(176.9)	(176.9)
	680.5	(3.5)	1,029.8	1,706.8

The explanatory notes on pages 60 to 125 form an integral part of these financial statements.

Auditors' report on pages 52 and 53.

CIM FINANCIAL SERVICES LTD

STATEMENTS OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from/(absorbed in) operations	31	629.5	280.7	(9.9)	83.1
Interest paid		(271.5)	(261.4)	(84.6)	(76.8)
Interest received		157.2	168.2	67.6	69.9
Income tax paid		(101.1)	(88.6)	-	-
Net cash flow generated from/(used in) operating activities		414.1	98.9	(26.9)	76.2

CASH FLOWS FROM INVESTING ACTIVITIES

Dividends received		27.8	-	570.5	340.5
Purchase of financial assets		-	(308.0)	-	(300.0)
Proceeds from sale of financial assets		74.0	13.3	74.0	-
Purchase of property, plant and equipment		(145.8)	(189.2)	-	-
Proceeds from sale of property, plant and equipment		8.2	14.9	-	-
Purchase of intangible assets		(9.9)	(20.2)	-	-
Purchase of investment properties		(9.2)	(0.2)	-	-
Loans granted		-	-	(607.0)	(176.6)
Loans recovered		-	-	240.8	120.0
Disposal of subsidiary, net of cash disposed		-	(0.2)	-	-
Acquisition of subsidiary, net of cash acquired	32	(4.9)	(3.2)	(7.8)	(3.2)
Investment in subsidiaries	14	-	-	(63.0)	-
Acquisition of associates	15	(63.1)	-	-	-
Net cash flow (used in)/generated from investing activities		(122.9)	(492.8)	207.5	(19.3)

CASH FLOW FROM FINANCING ACTIVITIES

Net (repayments of)/proceeds from borrowings		(222.0)	633.3	126.2	(8.3)
Net funds from deposits		358.5	10.4	-	-
Dividends paid to shareholders of Company		(183.8)	(149.7)	(183.8)	(149.7)
Net cash (used in)/generated from financing activities		(47.3)	494.0	(57.6)	(158.0)
Net increase/(decrease) in cash and cash equivalents		243.9	100.1	123.0	(101.1)
Cash and cash equivalents - opening		374.6	274.5	150.0	251.1
Cash and cash equivalents - closing	23	618.5	374.6	273.0	150.0

The explanatory notes on pages 60 to 125 form an integral part of these financial statements.

Auditors' report on pages 52 and 53.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

1. GENERAL INFORMATION

Cim Financial Services Ltd is a limited liability company incorporated on 15 July 2005 and domiciled in Mauritius. The principal activity of the Company is the holding of investments. As at 30 September 2015, its holding company is Cim Holdings Ltd and its registered address is Taylor Smith House, Old Quay D Road, Port Louis. The Company's place of business is at 33, Edith Cavell Street, Port-Louis. These financial statements have been prepared for the year ended 30 September 2015.

2. SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the "Group") and the separate financial statements of the parent company (the "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest million (Rs m), except when otherwise indicated. These policies have been consistently applied to all the years presented, unless otherwise stated and where necessary, comparative figures have been amended to conform with changes in presentation in the current year.

The financial statements are prepared under the historical cost convention except that:

- land and buildings are carried at revalued amounts;
- investment properties are stated at fair value;
- investments held-for-trading and available-for-sale financial assets are stated at fair value;
- held-to-maturity financial assets are carried at amortised cost; and
- consumable biological assets are stated at fair value.

Amendments to published Standards and Interpretations effective in the reporting period

Amendments to IAS 32, 'Offsetting Financial Assets and Financial Liabilities', clarify the requirements relating to the offset of financial assets and financial liabilities. The amendment is not expected to have any impact on the Group's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27, 'Investment Entities', define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through Profit or Loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. As the Company is not an investment entity, the standard has no impact on the Group's financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what obligating event gives rise to pay a levy and when should a liability be recognised. The Group is not subject to levies so the interpretation has no impact on the Group's financial statements.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (cont'd)*****Amendments to published Standards and Interpretations effective in the reporting period (cont'd)***

Amendments to IAS 36, 'Recoverable amount disclosures for non-financial assets', remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated. The amendment has no impact on the Group's financial statements.

Amendments to IAS 39, 'Novation of derivatives and continuation of hedge accounting', provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendment has no impact on the Group's financial statements.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary.

Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employees' working lives. The amendment has no impact on the Group's financial statements.

Annual Improvements 2010-2012 Cycle

IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Group's financial statements.

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration are measured at fair value at each reporting date, with changes in value recognised in Profit or Loss. The amendment has no impact on the Group's financial statements.

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Group's financial statements.

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Group's financial statements.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (cont'd)*****Amendments to published Standards and Interpretations effective in the reporting period (cont'd)*****Annual Improvements 2010-2012 Cycle (cont'd)**

IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Group's financial statements.

IAS 24, 'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Group's financial statements.

Annual Improvements 2011-2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Group's financial statements, since the Group is an existing IFRS preparer.

IFRS 3, 'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Group's financial statements.

IFRS 13, 'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Group's financial statements.

IAS 40, 'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2015 or later periods, but which the Group has not early adopted.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (cont'd)*****Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)***

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from Contract with Customers

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

Equity Method in Separate Financial Statements (Amendments to IAS 27)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Annual Improvements to IFRSs 2012-2014 Cycle

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Disclosure Initiative (Amendments to IAS 1)

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Investments in subsidiaries***Separate financial statements of the investor***

In the separate financial statements of the investor, investments in subsidiary companies are carried at cost.

The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non controlling interest in the acquiree at fair value or at the non controlling interest's proportionate share of the acquiree's net assets.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Investments in subsidiaries (cont'd)***Consolidated financial statements (cont'd)*

The excess of the consideration transferred, the amount of any non controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in Profit or Loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non controlling interests

The Group treats transactions with non controlling interests as transactions with equity owners of the Group. For purchases from non controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the equity is remeasured to its fair value with the change in carrying amount recognised in Profit or Loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to Profit or Loss.

(c) Investments in associates*Separate financial statements of the investor*

In the separate financial statements of the investor, investments in associated companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investment in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Group's share of net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised in goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Investments in associates (cont'd)***Consolidated financial statements (cont'd)*

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income is reclassified to Profit or Loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in Profit or Loss.

(d) Investment in joint venture*Separate financial statements of the investor*

In the separate financial statements of the investor, investments in joint venture are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable stated net of discounts, returns, value added taxes, rebates and other similar allowances and after eliminating sales within the Group.

(i) Sales of goods

Sales of goods are recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Revenue recognition (cont'd)***(ii) Rendering of services*

Revenue from rendering of services are recognised in the accounting year in which the services are rendered.

(iii) Other revenues

Other revenues earned by the Group are recognised on the following bases:

- Income in respect of hire purchase and credit sales agreements is accounted for in Profit or Loss over the periods in which the instalments are receivable, using the annuity method. The unearned income in respect of future instalments, is deducted from trade receivables
- Management fees are recognised as the services are provided
- Brokerage and commission receivable accrues in accordance with the substance of the relevant agreements
- Interest income is accrued on a time proportion basis using the effective interest method
- Dividend income accrues when the shareholders' right to receive payment is established
- Rental income is recognised in accordance with the substance of the relevant agreement
- Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return
- Rental income in respect of operating leases is recognised on a straight line basis over the lease term.

(f) Inventories

Inventories are valued at lower of cost and net realisable value.

Cost is determined at the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(g) Leases

- (i) Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Profit or Loss on a straight-line basis over the period of the lease. Leases also include contracts for the hire of an asset that contain a provision giving the hirer an option to acquire title to the asset upon the fulfilment of agreed conditions.

(ii) Finance leases - lessor

Finance leases granted are accounted for in the Statement of Financial Position as investment at an amount equal to the net investment in the leases, after deduction of allowances for credit impairment for bad and doubtful debts. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

(iii) Operating leases - lessor

Assets leased out under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar assets. Rental income is recognised in Profit or Loss on a straight line basis over the lease term.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(g) Leases (cont'd)***(iv) Finance leases - lessee*

Property, plant and equipment obtained under finance leases are capitalised at lessee's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments and are depreciated over their useful lives. The corresponding liabilities, net of finance charges, are included as finance lease obligations. The finance charge is recognised in Profit or Loss over the lease period and calculated at a constant periodic rate of interest on the remaining balance of the liability.

(h) Foreign currencies*(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Mauritian rupees, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Mauritian Rupees using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Profit or Loss, except when deferred in Other Comprehensive Income as qualifying cash flow hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in Other Comprehensive Income.

(iii) Group companies

The results and financial position of the Group entities that have a functional currency different from Mauritian Rupee are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement representing Profit or Loss and other comprehensive income are translated at average exchange rates;
- all resulting exchange differences are recognised in Other Comprehensive Income.

On disposal of foreign entities, such translation differences are recognised in the Profit or Loss as part of the gain or loss.

(i) Investment properties

Investment properties held to earn rentals or for capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value representing open-market value determined regularly by external valuers. Changes in fair values are included in Profit or Loss in the period in which they arise.

Investment properties are derecognised when they are disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Profit or Loss in the period of derecognition.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in Profit or Loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Profit or Loss when the asset is derecognised.

Land and buildings held for use in the production or supply of goods or services or for administrative purposes, are stated in the Statement of Financial Position at fair value based on valuation performed regularly.

Increases in the carrying amount arising on revaluation of land and buildings are credited to Other Comprehensive Income and shown as revaluation reserves in shareholder's equity. Decreases that offset previous increases of the same amount are charged in Other Comprehensive Income and debited against revaluation reserves in equity; all other decreases are charged to Profit or Loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in Profit or Loss. When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

Depreciation on property, plant and equipment are calculated on the straight line method to write off the costs or revalued amounts of the assets to their residual values as follows:

	%
Buildings	2 - 4
Improvement to buildings	15
Plant & equipment	15 - 100
Vehicles	15 - 25

Land is not depreciated.

The assets' residual values, useful lives and depreciation method are reviewed and adjusted prospectively, if appropriate, at the end of each reporting period.

(k) Intangible assets

(i) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(k) Intangible assets (cont'd)***(ii) Computer software*

Costs that are directly associated with identifiable software which will generate economic benefits beyond one year are recognised as intangible assets and are amortised over their estimated useful lives.

Amortisation rates are as follows:

	%
Software	12 - 50

(l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(m) Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in Profit or Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

Current Tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred income tax is provided in full, 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, if the deferred income tax 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, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time rather than through sale.

(n) Retirement benefits*(i) State plan and defined contribution pension plans*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to the National Pension Scheme and the Group's defined contribution pension plan are expensed to the Profit or Loss in the period in which they fall due.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(n) Retirement benefits (cont'd)***(ii) Defined benefit pension plans and other retirement benefits*

The following pension benefits are also in place:

- The Group contributes to a pension plan in respect of some employees who have a No Worse Off Guarantee (NWOOG) that their benefits would not be worse than what they would have earned under a previous defined benefit plan
- The Group recognises a net liability for employees whose benefits under the current pension plan are not expected to fully offset the retirement gratuity obligations under the Employment Rights Act 2008
- The Group recognises a liability in respect of employees who are not members of any supplementary pension plan and are entitled to retirement gratuities under the Employment Rights Act 2008
- The Group recognises a liability in respect of pensions paid out of cash flow for some former employees.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in Other Comprehensive Income in the period in which they occur. Remeasurements recognised in Other Comprehensive Income shall not be reclassified to Profit or Loss in subsequent period.

The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense is recognised in Profit or Loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in Profit or Loss.

For employees who are not covered or who are insufficiently covered by the current pension plan, the net present value of gratuity on retirement payable under the Employment Rights Act 2008 (as amended) is calculated by an actuary and provided for. The obligations arising under this item are not funded.

(o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and when it is probable that this obligation will result in an outflow of economic benefits that can be reasonably estimated. Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring which has been notified to affected parties.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(p) Financial instruments**

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group has become a party to the contractual provisions of the instrument.

(i) Investment in financial assets

The Group classifies its financial assets depending on the purpose for which the investments were acquired.

Management determines the classification of its financial assets at initial recognition.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets except held-for-trading financial assets.

Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period. They are carried at fair value. Unrealised gains and losses arising from change in fair value are recognised in Other Comprehensive Income. On disposal of available-for-sale financial assets, the gain or loss arising from the difference between the sale proceeds and the previous carrying amount adjusted for any prior adjustment that had been reported in equity to reflect the fair value of that asset, is recognised in Profit or Loss.

Fair value for quoted financial assets is based on market quotation. If the market for a financial asset is not active and for unquoted financial assets the Group establishes fair value by using recognised and acceptable valuation techniques. Financial assets are categorised according to a fair value hierarchy as follows:

Level 1 financial assets are those with unadjusted quoted prices in active markets for identical investments.

Level 2 financial assets include those with quoted prices for similar investments in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (i.e. interest rates or yields) and inputs that are derived from or corroborated by observable market data.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(p) Financial instruments (cont'd)****(i) Investment in financial assets (cont'd)***Available-for-sale financial assets (cont'd)*

Level 3 financial assets include those with unobservable inputs that reflect directors' assumptions about what factors market participants would use in pricing such investments. These inputs are based on the best information available including the Group's own information.

Other financial assets

All other financial assets other than those mentioned previously, including investment in subsidiaries by the Company, are stated at cost net of any impairment in value. Impairment in value of the investment portfolio or any surpluses or losses arising on disposal are accounted for in Profit or Loss.

(ii) Non current receivables

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the original effective interest rate. The amount of loss is recognised in Profit or Loss. Long term receivables without fixed maturity terms are measured at cost.

(iii) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds and the redemption value is recognised in Profit or Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

(iv) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in Profit or Loss.

(v) Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(vi) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(p) Financial instruments (cont'd)****(vii) Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognised liabilities (fair value hedge);
- (b) hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in Profit or Loss, together with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Profit or Loss over the period to maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss.

Amounts accumulated in equity are transferred to Profit or Loss in the periods when the hedged item affects Profit or Loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in Profit or Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to Profit or Loss.

(viii) Impairment of financial assets*Financial assets classified as available-for-sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that previously recognised in equity, is removed from equity and recognised in Profit or Loss. Impairment loss for the Group is recognised in Profit or Loss.

Financial assets carried at amortised cost

For receivables category, 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 carrying amount of the asset is reduced and, the amount of the loss is recognised in Profit or Loss. If a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(p) Financial instruments (cont'd)****(viii) Impairment of financial assets (cont'd)***Financial assets carried at amortised cost (cont'd)*

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 through the Profit or Loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(q) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of taxes, from proceeds. Where any group company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received is included in equity attributable to the Company's equity holders.

(r) Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

(s) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

(t) Biological assets

Consumable biological assets are stated at their fair value less costs to sell and relates to livestock.

(u) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

(v) Impairment of leases and other credit agreements

Allowance for credit losses consists of specific and portfolio provision for credit losses and is determined based on the Group's best estimate of impairment in respect of leases and other credit agreements.

An allowance for impairment is established if there is objective evidence that the Group will not be able to collect the amount due according to the original contractual terms of the lease and other credit agreements. The amount of the provision is the difference between the carrying amount at the time the lease and other credit agreement are considered doubtful and the recoverable amount.

The provision amount also covers losses when there is objective evidence that probable losses are present in components of the lease and other credit agreements portfolio at the reporting date. They have been estimated based on the future specific losses inherent in the leases and upon historical patterns of losses in each component and the economic climate in which the clients operate. When a lease or other credit agreements are uncollectible, they are written off against the related provision for impairment; subsequent recoveries are credited to Profit or Loss.

Statutory and regulatory loss reserve requirements that exceed these amounts are dealt with in the general risk reserve as an appropriation of retained earnings.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt, foreign currency exchange rates and interest rates.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group covers to the extent possible exposures through certain hedging operations. Written principles have been established throughout the Group for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to certain major currencies. Entities in the Group use forward contracts to hedge their exposure to foreign currency risk. Each subsidiary is responsible for hedging the net position in each currency by using currency borrowings and external forward currency contracts, under advice from the Group Treasury.

The Group also hedges the foreign currency exposure of its contract commitments to purchase certain goods and services from abroad.

Exposure in major currencies are as follows:

Sep-15

Non current financial assets
Non current financial liabilities
Long term exposure
Current financial assets
Current financial liabilities
Short term exposure
Total net exposure

Equivalent in Rs m				Equivalent in Rs m			
GROUP				COMPANY			
EURO	USD	MUR & others	Total	EURO	USD	MUR & others	Total
101.2	95.5	2,637.9	2,834.6	-	-	2,905.9	2,905.9
(104.0)	(33.2)	(2,460.9)	(2,598.1)	-	-	(1,138.2)	(1,138.2)
(2.8)	62.3	177.0	236.5	-	-	1,767.7	1,767.7
71.4	255.1	4,505.2	4,831.7	5.0	17.8	936.1	958.9
(9.7)	(101.2)	(4,637.7)	(4,748.6)	-	(45.0)	(691.1)	(736.1)
61.7	153.9	(132.5)	83.1	5.0	(27.2)	245.0	222.8
58.9	216.2	44.5	319.6	5.0	(27.2)	2,012.7	1,990.5

Sep-14

Non current financial assets
Non current financial liabilities
Long term exposure
Current financial assets
Current financial liabilities
Short term exposure
Total net exposure

127.6	37.1	2,711.1	2,875.8	-	-	2,697.2	2,697.2
(131.3)	(71.3)	(2,000.9)	(2,203.5)	-	(31.8)	(888.3)	(920.1)
(3.7)	(34.2)	710.2	672.3	-	(31.8)	1,808.9	1,777.1
57.1	233.0	3,477.8	3,767.9	-	22.0	691.5	713.5
(37.6)	(74.8)	(4,253.6)	(4,366.0)	-	(63.5)	(750.6)	(814.1)
19.5	158.2	(775.8)	(598.1)	-	(41.5)	(59.1)	(100.6)
15.8	124.0	(65.6)	74.2	-	(73.3)	1,749.8	1,676.5

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Foreign exchange risk (cont'd)

The sensitivity of the net result for the year and equity in regards to the Group's financial assets and liabilities and the USD to Rupee and EURO to Rupee exchange rate is shown below.

If Rupee had weakened/strengthened by 3% and 2% against USD and EURO respectively, the financial impact would be as follows:

Net result for the year (+/-)
Equity (+/-)

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
6.5	1.1	0.5	0.6
1.2	2.9	1.2	2.9

(b) Interest rate risk

The Group's income and operating cash flows are influenced by changing market interest rates. The Group's borrowings and lendings are contracted at fixed and variable rates.

In order to mitigate any interest rate risk, the company engaged in leasing activities has a portfolio of fixed and floating leases and deposits.

The sensitivity of the net result for the year and equity to a reasonably possible change in interest of + or - 0.5% (2014: +/-0.5%), with effect from the beginning of the year, is shown below. These changes are considered to be reasonably possible based on observations of current market conditions.

Net result for the year (+/-)

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
15.4	15.8	8.1	7.4

(c) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's lease and other credit arrangements, which include hire purchase contracts, and trade and other receivables. The amounts presented in the Statements of Financial Position are net of allowances for doubtful receivables, estimated by management based on prior experience, Bank of Mauritius guidelines and the current environment. In respect of the lease and other credit arrangements, impaired facilities are individually assessed for provisioning and a portfolio provision is made based on the Bank of Mauritius guidelines.

The Group has policies in place to ensure that credit sales of products and services are made to customers after a credit assessment has been carried out and credit terms agreed (refer to note 22 for trade receivables). The Group has no significant concentration of credit risk, with exposure spread over a large number of customers. Credit facilities to customers are monitored and the Group has policies in place to identify defaults and recover amounts due. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

3. FINANCIAL RISK MANAGEMENT (CONT'D)**3.1 Financial risk factors (cont'd)****(c) Credit risk (cont'd)***Leases and other credit agreements*

Leases and hire purchase and other credit arrangements granted are effectively secured as the rights to the leased/hired assets revert to the lessor in the event of default. There are two types of leases, finance lease and operating lease. Most of the assets financed are motor vehicles and the rest are various types of equipment. Period of lease normally vary between 3 - 7 years and are mostly given at fixed rates.

As at 30 September 2015, leases and other credit agreements, which are mainly more than 6 months overdue, of Rs 256.0m (2014: Rs 222.0m) were individually determined to be impaired. The amount of specific provision was Rs 155.6m (2014: Rs 128.1m). The fair value of the collateral on impaired leases is estimated at Rs 138.1m (2014: Rs 147.8m). The individually impaired receivables mainly relate to customers with a history of default.

As at 30 September 2015, leases and other credit agreements of Rs 164.1m (2014: Rs 150.6m) were past due but not impaired. The fair value of leases and other credit agreements which are past due but not impaired is estimated at least at Rs 208.5m (2014: Rs 201.5m).

The ageing of the past due but not impaired leases and other credit agreements is as follows:

3 to 6 months
Over 6 months

Sep-15	Sep-14
Rs m	Rs m
100.8	100.2
63.3	50.4
164.1	150.6

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities from financial institutions. Due to the dynamic nature of the underlying businesses, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit facilities with banks.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation

The nominal value less credit adjustments of receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3.3 Capital risk management

The Group and the Company aim at distributing an adequate dividend whilst ensuring that sufficient resources are maintained to continue as a going concern and for expansion. The ratio of debt to equity is used to manage capital risk and is kept at a reasonable level.

	GROUP		COMPANY	
	Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
Debt (note 25(a))	5,483.1	5,196.8	1,624.6	1,490.1
Less: Bank balances & cash (note 23)	(953.9)	(608.6)	(24.6)	(2.8)
	4,529.2	4,588.2	1,600.0	1,487.3
Equity	3,017.6	2,654.1	2,021.1	1,706.8
Debt/Equity ratio	1.5	1.7	0.8	0.9

There were no changes in the Group's approach to capital risk management during the year.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In applying the Group's accounting policies, the following judgements and estimates have been used with significant impacts on amounts recognised in the financial statements:

Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in Profit or Loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income. The Group engaged independent valuation specialists to determine fair value as at 30 September 2014. The valuers used depreciated replacement cost approach for buildings and the sales comparison approach for land. The directors have reassessed the fair values of the investment properties at 30 September 2015.

The key assumptions used to determine the fair value are further explained in Notes 11 and 12.

Impairment of Goodwill

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. For acquired goodwill the value of the investment is based on a discounted cash flow method. The discount rate is estimated by management using currently available rate of interest and an estimate of the risk premium.

Pension Benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

Other key assumptions for pension obligation are based in part on current market conditions. Additional information is disclosed in Note 27.

Fair value estimation

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting date. The face value less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair values of those assets and liabilities not presented in the Group's and the Company's Statements of Financial Position at their fair values are not materially different from their carrying amounts.

Fair value of securities not quoted in active market

The fair value of securities not quoted in active market is determined by using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is appropriate.

Provisions for credit losses

The Group makes a provision against its portfolio of leases, hire purchase, credit cards and factoring. The Group follows the guidance under International Financial Reporting Standards and the Bank of Mauritius Guidelines in order to determine its best estimate of the provision required. In making this estimate, the Group looks, among other factors, at future specific losses inherent in the facilities, historical patterns of losses and the economic climate in which clients operate.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from disposal of the asset, if the asset was already of the age and in condition expected at the end of its useful life.

Limitations of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risks that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors reviewed the Group's investment property portfolio and concluded that the investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, the Group has recognised deferred tax on changes in fair value of investment properties.

Fair value estimation

A number of assets and liabilities included in the Group's financial statements are measured at fair value and utilise market observable inputs and data. Inputs used in determining fair value are categorised into:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Observable inputs other than quoted prices included within level 1.

Level 3: Unobservable inputs that are not derived from market data.

In assessing the fair value of financial instruments in level 3, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting date. The carrying value less any estimated credit adjustments for financial assets and financial liabilities within a maturity of less than one year are assumed to approximate their fair values. The fair values of those assets and liabilities not presented in the Group's Statements of Financial Position at their fair values are not materially different from their carrying amounts.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

5. REVENUE

Revenue is made up of:

Sales of goods
Sales of services
Interest income
Earned income
Commission
Rent
Other income
Investment income - unquoted

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
2,028.5	1,682.9	-	-
752.4	635.2	-	-
2,780.9	2,318.1	-	-
157.2	168.2	68.1	68.8
586.8	557.2	-	-
744.0	725.4	68.1	68.8
154.9	108.9	-	-
46.0	40.8	-	-
345.8	308.5	-	-
32.2	-	576.2	337.5
578.9	458.2	576.2	337.5
4,103.8	3,501.7	644.3	406.3

6. PROFIT FROM OPERATIONS

Revenue (note 5)
Other income - not part of revenue (note 7)
Cost of sales
Employee benefit expense:
Wages, salaries and related expenses
Pension and other retirement benefit costs
Depreciation and amortisation
Foreign exchange differences
Other expenses and services
Impairment of investment (note 17)

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
4,103.8	3,501.7	644.3	406.3
7.1	2.3	4.0	1.0
4,110.9	3,504.0	648.3	407.3
(1,692.4)	(1,406.9)	-	-
(701.4)	(627.6)	(6.4)	(5.5)
(44.1)	(35.5)	-	-
(134.0)	(110.1)	-	-
30.9	27.0	(8.9)	2.0
(621.4)	(533.6)	(15.1)	(9.1)
(6.3)	-	(6.3)	-
942.2	817.3	611.6	394.7

7. OTHER INCOME

Other income
Profit on disposal of property, plant and equipment
Profit on disposal of available for sale assets

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
2.9	-	1.2	1.0
1.4	2.3	-	-
2.8	-	2.8	-
7.1	2.3	4.0	1.0

8. FINANCE COSTS

The finance cost is on:

Bank overdrafts
Bank loans and other loans repayable by instalments
Within one year
After one year and before two years
After two years and before five years
Bank loans and other loans not repayable by instalments
Within one year
After one year and before two years
After two years and before five years

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
2.3	2.2	-	-
19.9	6.5	11.0	1.2
7.2	11.9	7.2	11.9
3.7	10.7	2.2	10.7
196.8	188.5	22.2	15.3
-	-	-	-
41.6	41.6	41.6	41.6
271.5	261.4	84.2	80.7

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

9. TAXATION

Provision on the profit for the year at 15% (2014: 15%)
 Over provision
 Movement in deferred taxation (note 26)

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
110.3	93.0	-	-
(3.2)	-	-	-
3.4	3.7	-	0.5
110.5	96.7	-	0.5

The effective tax rate differs from that determined by applying the statutory income tax rate to profit before impairment of investment. This is due primarily to different tax rates, non deductible expenses and tax exempt income.

Reconciliation of effective tax rate is as follows:

Tax rate applicable
 Non deductible expenses
 Tax - exempt income
 Effective tax rate

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
%	%	%	%
15.0	15.0	15.0	15.0
2.4	1.7	0.9	1.4
(1.1)	(2.7)	(15.9)	(16.2)
16.3	14.0	-	0.2

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

10. OTHER COMPREHENSIVE INCOME

GROUP

Year ended 30 September 2015

Items that will not be reclassified to Profit or Loss:

Remeasurement of defined benefit obligations (note 27)	-	-	-	(5.3)	(5.3)
Deferred tax on remeasurement of defined benefit obligations	-	-	-	(0.4)	(0.4)

Items that may be reclassified subsequently to Profit or Loss:

Exchange difference on translation of foreign entities	-	-	7.7	-	7.7
Movement in reserves of associates	-	-	(0.3)	-	(0.3)
Cash flow hedges (note 25(d))	-	-	-	-	-
Losses arising during the year	-	(8.3)	-	-	(8.3)
Reclassification adjustment in Profit or Loss	-	6.2	-	-	6.2
Other comprehensive income for the year, net of tax	-	(2.1)	7.4	(5.7)	(0.4)

GROUP

Year ended 30 September 2014

Items that will not be reclassified to Profit or Loss:

Gains on revaluation of land and buildings (note 11)	177.3	-	-	-	177.3
Deferred tax on gains on revaluation of buildings	(0.4)	-	-	-	(0.4)
Remeasurement of defined benefit obligations (note 27)	-	-	-	(3.6)	(3.6)
Deferred tax on remeasurement of defined benefit obligations	-	-	-	0.2	0.2

Items that may be reclassified subsequently to Profit or Loss:

Exchange difference on translation of foreign entities	-	-	2.2	-	2.2
Cash flow hedges (note 25(d))	-	-	-	-	-
Losses arising during the year	-	(1.5)	-	-	(1.5)
Reclassification adjustment in Profit or Loss	-	0.8	-	-	0.8
Other comprehensive income for the year, net of tax	176.9	(0.7)	2.2	(3.4)	175.0

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

10. OTHER COMPREHENSIVE INCOME (CONT'D)

COMPANY

Year ended 30 September 2015

Items that may be reclassified subsequently to Profit or Loss:

Cash flow hedges (note 25(d))

Losses arising during the year

Reclassification adjustment in Profit or Loss

Hedging
Reserve

Rs m

(8.3)

6.2

(2.1)

Year ended 30 September 2014

Items that may be reclassified subsequently to Profit or Loss:

Cash flow hedges (note 25(d))

Losses arising during the year

Reclassification adjustment in Profit or Loss

(1.5)

0.8

(0.7)

Revaluation surplus

The revaluation arises on the revaluation of property, plant and equipment.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements.

Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

11. PROPERTY, PLANT AND EQUIPMENT

(a) GROUP

Cost or Valuation

At 1 October 2013
Additions
Scrapped assets
Transfer (note 12)
Disposals
Revaluation surplus
At 30 September 2014
Additions
Acquisition through business combination (note 32)
Scrapped assets
Transfer (note 12)
Disposals
At 30 September 2015

Land and Buildings	Plant and Equipment	Vehicles	Total
Rs m	Rs m	Rs m	Rs m
906.9	380.1	237.6	1,524.6
6.5	136.2	46.5	189.2
-	(21.6)	-	(21.6)
32.8	3.0	-	35.8
-	(56.5)	(28.1)	(84.6)
169.1	-	-	169.1
1,115.3	441.2	256.0	1,812.5
3.9	124.9	17.0	145.8
-	1.7	0.7	2.4
-	(0.2)	-	(0.2)
31.6	-	-	31.6
-	(2.1)	(34.0)	(36.1)
1,150.8	565.5	239.7	1,956.0

Depreciation and impairment

At 1 October 2013
Charge for the year
Scrapped assets
Disposal adjustment
Adjustment on revaluation
At 30 September 2014
Charge for the year
Acquisition through business combination (note 32)
Scrapped assets
Disposal adjustment
At 30 September 2015

Land and Buildings	Plant and Equipment	Vehicles	Total
Rs m	Rs m	Rs m	Rs m
4.4	302.0	103.1	409.5
3.8	41.5	35.4	80.7
-	(21.3)	-	(21.3)
-	(50.9)	(21.2)	(72.1)
(8.2)	-	-	(8.2)
-	271.3	117.3	388.6
3.4	62.1	38.0	103.5
-	1.4	0.3	1.7
-	(0.2)	-	(0.2)
-	(2.1)	(27.2)	(29.3)
3.4	332.5	128.4	464.3
1,147.4	233.0	111.3	1,491.7
1,115.3	169.9	138.7	1,423.9

Carrying value

At 30 September 2015
At 30 September 2014

Bank borrowings of some subsidiaries are secured by floating charges on their respective assets.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (b) The Group's land and buildings were last revalued at 30 September 2014 by independent valuers, Broll Indian Ocean Limited and Noor Dilmohamed and Associates. The revaluation surplus net of applicable deferred income taxes was credited to revaluation surplus in shareholder's equity (note 10). The directors have reassessed the fair values of the land and buildings at 30 September 2015. On the basis of current economic and property environment and after consultation with the independent valuers, the directors are satisfied that the carrying value of the land and buildings reflects their fair value at the reporting date.

Details of the Group's land and buildings measured at fair value and information about the fair value hierarchy as at 30 September 2015 are as follows:

	Level 3	
	Sep-15 Rs m	Sep-14 Rs m
Land	969.0	944.3
Buildings	178.4	171.0
	1,147.4	1,115.3

The fair value of land was derived using the Sales Comparison Approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size, access, topography and other stringent adverse physical conditions. The fair value of the buildings was determined using the depreciated replacement cost approach. The most significant input into these valuation approaches are price per square metre.

Significant unobservable valuation input:

Land - Price per Square Metre
Buildings - Price per Square Metre

Range
Rs 30 - Rs 55,000
Rs 8,000 - Rs 70,000

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

(c) Land & Buildings

Freehold land & buildings

On the cost basis, these properties would have been as follows:

Cost

Accumulated Depreciation

Net book value

(d) Leased assets

Cost

Plant and equipment

Motor vehicles

Accumulated depreciation

Plant and equipment

Motor vehicles

Carrying value

Plant and equipment

Motor vehicles

GROUP	
Sep-15 Rs m	Sep-14 Rs m
1,147.4	1,115.3
981.7	946.2
(12.4)	(8.2)
969.3	938.0
44.3	5.9
3.2	11.4
47.5	17.3
9.8	5.6
2.4	6.1
12.2	11.7
34.5	0.3
0.8	5.3
35.3	5.6

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

12. INVESTMENT PROPERTIES

At 1 October
 Additions
 Transfer (note 11)
 Revaluation surplus
 At 30 September

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
556.1	477.5	30.8	27.7
9.2	0.2	-	-
(31.6)	(35.8)	-	-
-	114.2	-	3.1
533.7	556.1	30.8	30.8

Bank borrowings of some subsidiaries are secured by floating charges on their respective assets.

- (a) The Group and Company's investment properties have been revalued at their fair value on 30 September 2014 by Broll Indian Ocean Limited, an independent chartered valuer. The different valuation methods used are:

- (i) sales comparison approach for land;
 (ii) depreciated replacement cost approach for buildings.

The directors have reassessed the fair values of the investment properties at 30 September 2015. On the basis of current economic and property environment and after consultation with the independent valuers, the directors are satisfied that the carrying value of the investment properties reflects their fair value at the reporting date.

Details of the Group and Company's investment properties, which are classified as level 3 on the fair value hierarchy as at 30 September 2015 are as follows:

Land
 Buildings

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
300.9	323.0	-	-
232.8	233.1	30.8	30.8
533.7	556.1	30.8	30.8

Significant unobservable valuation input:

Land - Price per Square Metre
 Buildings - Price per Square Metre

Range
Rs 2,000 - Rs 55,000
Rs 8,000 - Rs 70,000

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

The following have been recognised in Profit or Loss:

Rental income
 Direct operating expenses arising from investment properties that generate rental income
 Direct operating expenses that did not generate rental income

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
51.9	40.8	-	-
10.0	11.1	-	-
8.9	9.5	-	-

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

13. INTANGIBLE ASSETS

a) GROUP

Cost

At 1 October 2013

Additions

At 30 September 2014

Additions

Acquisition through business combination (note 32)

Scrapped assets

At 30 September 2015

Amortisation/Impairment

At 1 October 2013

Charge for the year

At 30 September 2014

Charge for the year

Scrapped assets

At 30 September 2015

Carrying value

At 30 September 2015

At 30 September 2014

Goodwill on acquisition	Software	Total
Rs m	Rs m	Rs m
1,094.0	214.4	1,308.4
-	20.2	20.2
1,094.0	234.6	1,328.6
-	9.9	9.9
5.4	-	5.4
-	(1.6)	(1.6)
1,099.4	242.9	1,342.3
500.7	136.9	637.6
-	29.4	29.4
500.7	166.3	667.0
-	30.5	30.5
-	(1.6)	(1.6)
500.7	195.2	695.9
598.7	47.7	646.4
593.3	68.3	661.6

At the end of the reporting period, the Group assessed the recoverable amount of goodwill and determined that there is no further impairment of goodwill. The recoverable amount was arrived at based on a forecasted cash flow, a risk free rate of 6.0% (2014: 6.5%), a risk premium of 7.5% (2014: 6.5%) and took into consideration the market and economic conditions.

b) COMPANY

Cost/net book value

Additions

At 30 September 2015

Software	Total
Rs m	Rs m
0.3	0.3
0.3	0.3

14. INVESTMENT IN SUBSIDIARY COMPANIES

(a)

At 1 October

Additions

At 30 September

COMPANY	
Sep-15	Sep-14
Rs m	Rs m
1,831.3	1,823.0
70.8	8.3
1,902.1	1,831.3

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements.

The reporting date used for consolidation purposes is 30 September 2015.

Class of shares held	Cim Financial Services Ltd			Other Companies Holding % Holding	Proportion of ownership interests held by non controlling Holding (effective)	Issued Capital	Principal activity
	Nominal value of investment	% Holding					
	Rs 000					Rs 000	
Global Management							
Ordinary	10	51	-	49	10	Trust administration	
Ordinary	1	100.0	-	-	1	Secretarial support services	
Ordinary	500	100.0	-	-	500	Administrator of fund	
Ordinary	-	-	100.0	-	33,915	Administrator of fund and compliance outsourcing	
Ordinary	1	100.0	-	-	1	Management and consultancy services	
Ordinary	541	100.0	-	-	996	Investment advisory services	
Ordinary	1	100.0	-	-	1	Tax and regulatory advisory services	
Ordinary	10,896	100.0	-	-	9,893	Provide trust services and solutions	
Ordinary	-	-	100.0	-	500	Provide trust services and solutions	
Ordinary	641,232	100.0	-	-	14,876	Administrator of corporate entities	
Ordinary	-	-	100.0	-	-	Dormant	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
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Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
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Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-	100.0	-	-	Nominee companies	
Ordinary	-	-					

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

	Cim Financial Services Ltd						
Class of shares held	Nominal value of investment	% Holding	Other Group Companies % Holding	Proportion of ownership interests held by non controlling interest % Holding (effective)	Issued Capital	Principal activity	
	Rs 000				Rs 000		
Investments							
The BrandHouse Ltd	77,347	100.0	-	-	76,500	Trading	
Waterfalls International Ltd	-	-	100.0	-	25	Trading	
Cim Global Business Holding Ltd (note (iv))	63,000	100.0	-	-	63,000	Investment holding	
Cim Global Reinsurance Company Ltd	79,551	100.0	-	-	76,862	Reinsurance	
Cim Captive Reinsurance Company PCC	12,929	100.0	-	-	11,385	Reinsurance	
Cim Administrators Ltd	25	100.0	-	-	25	Secretarial services	
Cybernaptics Ltd (note (ii))	7,750	100.0	-	-	1,000	Sales of goods and services related to ICT activities	
Finance							
Cim Finance Ltd	181,838	100.0	-	-	285,000	Credit card business, factoring, consumer credit, leasing & deposit taking	
Cim Finance (Seychelles) Ltd	-	-	100.0	-	-	Dormant	
Cim Forex Ltd	20,000	100.0	-	-	27,000	Forex dealer	
Cim Agencies Ltd	500	100.0	-	-	100	Insurance agent	

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

	Cim Financial Services Ltd						
Class of shares held	Nominal value of investment	% Holding	Other Group Companies % Holding	Proportion of ownership interests held by non controlling interest % Holding (effective)	Issued Capital	Principal activity	
	Rs 000				Rs 000		
Property							
Cim Property Development Ltd	519,466	100.0	-	-	519,466	Property	
Cim Property Holdings Ltd	-	-	100.0	-	450,000	Property	
South West Safari Group Ltd (note(v))	3,501	1.3	52.3	63.7	268,032	Property	
CSBO 2 Ltd (note(v))	535	1.2	52.3	63.8	43,790	Property	
Le Morne Development Corp Ltd	89,012	31.0	49.0	40.0	25	Property	
San Paolo Ltd	83,258	59.2	-	40.8	5,022	Property	
SWTD Bis Ltd	109,073	66.8	-	33.2	163,350	Property	
Others							
Cim Learning Centre Ltd	1,000	100.0	-	-	1,000	Learning and development	
Cim Management Services Ltd	100	100.0	-	-	100	Management services	
Cim Shared Services Ltd (note (i))	1	100.0	-	-	1	Support activities	

Note (i) - These companies were incorporated during the year.

Note (ii) - This company was acquired during the year.

Note (iii) - Cim Corporate Services Ltd disposed of its investment in Cim Global Business Singapore Pte Ltd to Cim Global Business Holding Ltd during the year.

Note (iv) - The Company issued 1,802,400 shares for a consideration of Rs 63m during the year.

Note (v) - Although the Group does not own more than one half of the voting power of South West Safari Group Ltd and CSBO 2 Ltd, the latter have been consolidated as subsidiary since the Company control is established through board representation.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) The above subsidiaries are incorporated and operate in Mauritius except for:

Cim Global Business Singapore Pte Ltd
Cim Finance (Seychelles) Ltd

Country of incorporation
Republic of Singapore
Republic of Seychelles

(d) Subsidiaries with non controlling interests

Details for subsidiaries that have non controlling interests:

Name

2015

- South West Safari Group Ltd
- CSBO 2 Ltd
- Le Morne Development Corp Ltd
- San Paolo Ltd

2014

- Cim Captive Reinsurance Company PCC
- South West Safari Group Ltd
- CSBO 2 Ltd
- Le Morne Development Corp. Ltd
- San Paolo Ltd

Loss allocated to non controlling interests during the year Rs m	Accumulated non controlling interests at 30 September Rs m
(6.2)	247.8
(0.1)	31.0
(0.9)	111.9
-	0.3

(0.3)	-
(4.4)	254.1
(0.1)	31.1
(1.0)	112.7
-	0.3

EXPLANATORY NOTES

30 SEPTEMBER 2015

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Summarised financial information on subsidiaries with non controlling interests

(i) Summarised Statements of Financial Position, Statements of Profit or Loss and Statements of Profit or Loss and Other Comprehensive Income

Name	Current assets Rs m	Non current assets Rs m	Current liabilities Rs m	Non current liabilities Rs m	Revenue Rs m	Loss Rs m	Other comprehensive income Rs m	Total comprehensive income Rs m
2015								
• South West Safari Group Ltd	8.8	421.7	21.6	20.2	1.7	(9.8)	-	(9.8)
• CSBO 2 Ltd	-	50.4	1.8	-	-	(0.1)	-	(0.1)
• Le Morne Development Corp Ltd	12.5	299.1	1.5	30.3	1.2	(2.1)	-	(2.1)
• San Paolo Ltd	-	0.7	-	-	-	-	-	-
• SWTD Bis Ltd	0.1	-	0.1	-	-	(0.1)	-	(0.1)
• Cim Fiduciary Administration Services Ltd	-	-	-	-	3.6	-	-	-
2014								
• Cim Global Reinsurance Company Ltd	-	-	-	-	3.2	(0.6)	1.7	1.1
• Cim Captive Reinsurance Company PCC	-	-	-	-	0.8	(2.7)	0.2	(2.5)
• South West Safari Group Ltd	5.2	417.1	23.5	-	0.2	(6.9)	141.3	134.4
• CSBO 2 Ltd	-	50.4	1.7	-	-	(0.2)	5.2	5.0
• Le Morne Development Corp Ltd	13.4	299.1	2.2	28.3	-	(2.4)	-	(2.4)
• San Paolo Ltd	0.1	0.6	0.1	-	-	(0.1)	-	(0.1)
• SWTD Bis Ltd	0.1	-	0.1	-	-	-	-	-

During the year ended 30 September 2014, the Group bought additional shares in Cim Global Reinsurance Company Ltd and Cim Captive Reinsurance Company PCC so that it owned 100% of the shareholding as at 30 September 2014.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

14. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Summarised financial information on subsidiaries with non controlling interests (cont'd)

(ii) Summarised cash flow information:

Name	Operating activities Rs m	Investing activities Rs m	Financing activities Rs m	Net (decrease)/ increase in cash and cash equivalents Rs m
2015				
South West Safari Group Ltd	(13.3)	(5.6)	18.0	(0.9)
CSBO 2 Ltd	-	-	-	-
Le Morne Development Corp Ltd	(2.8)	-	2.0	(0.8)
2014				
Cim Global Reinsurance Company Ltd	(2.1)	57.8	-	55.7
Cim Captive Reinsurance Company PCC	1.4	-	-	1.4
South West Safari Group Ltd	(14.0)	(7.9)	22.3	0.4
CSBO 2 Ltd	1.4	(1.4)	-	-
Le Morne Development Corp. Ltd	(10.2)	-	11.1	0.9

The summarised financial information above is the amount before intra-group eliminations.

15. INVESTMENT IN ASSOCIATES

GROUP

- (a) At 1 October
 Additions
 Share of results
 Reserve movements
 Dividends
 At 30 September

Made up as follows:

Net assets
 Goodwill

Sep-15 Rs m	Sep-14 Rs m
26.5	23.4
63.1	-
4.0	3.1
(0.3)	-
(1.3)	-
92.0	26.5
38.6	26.5
53.4	-
92.0	26.5

EXPLANATORY NOTES

30 SEPTEMBER 2015

15. INVESTMENT IN ASSOCIATES (CONT'D)

(b) Details of the associates at the end of the reporting year are as follows:

Name	Reporting period	Principal activity	Principal place of business	Country of incorporation	% Holding	
					Direct	Indirect
Unquoted						
2015						
Li & Fung (Mauritius) Ltd	31 December	Buying agent	Mauritius	Mauritius	40.00	-
Dodwell (Mauritius) Ltd	31 December	Buying agent	Mauritius	Hong Kong	40.00	-
iVery Payment Technologies Proprietary Ltd (iii)	31 December	Payment solutions provider	South Africa	South Africa	-	49.00
Touchpoint Payment Proprietary Limited (iii)	31 December	Payment solutions provider	South Africa	South Africa	-	41.65
EvriPay (iii)	31 December	Payment service provider	South Africa	Mauritius	-	61.75
EvriPay ZA (Proprietary) Ltd (iv)	31 December	Payment service provider	South Africa	South Africa	-	61.75
EvriPay KE Limited (iv)	31 December	Payment service provider	South Africa	South Africa	-	61.75
2014						
Li & Fung (Mauritius) Ltd	31 December	Buying agent	Mauritius	Mauritius	40.00	-
Dodwell (Mauritius) Ltd	31 December	Buying agent	Mauritius	Hong Kong	40.00	-

- (i) All of the above associates are accounted for using the equity method.
- (ii) Management accounts have been prepared at 30 September 2015 for the purpose of applying the equity method.
- (iii) iVery Payment Technologies Proprietary Ltd holds 75% of the equity shares of EvriPay and 85% of the equity shares of Touchpoint Payment Proprietary Limited.
- (iv) EvriPay holds 100% of the equity shares of EvriPay ZA (Proprietary) Ltd and EvriPay KE Limited.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

15. INVESTMENT IN ASSOCIATES (CONT'D)

(c) Summarised financial information in respect of the Group's associated companies is set out below:

Name	Current assets Rs m	Non current assets Rs m	Current liabilities Rs m	Non current liabilities Rs m	Revenue Rs m	Profit for the year Rs m	Other comprehensive income for the year Rs m	Total comprehensive income for the year Rs m	Dividend received during the year Rs m
2015									
Li & Fung (Mauritius) Ltd - Group **	73.2	-	2.2	-	6.4	2.3	2.3	8.6	-
iVery Payment Technologies Proprietary Ltd (iii)	34.1	5.7	11.0	-	14.1	4.4	(3.7)	-	1.3
Touchpoint Payment Proprietary Limited (iii)	6.4	0.8	1.2	-	2.6	-	(0.7)	(0.7)	-
EvriPay (iii)	0.8	-	0.1	-	1.9	1.9	-	1.9	-
EvriPay ZA (Proprietary) Ltd (iv)	0.5	0.1	11.4	0.3	0.1	(0.4)	1.4	1.0	-
EvriPay KE Limited (iv)***	-	-	-	-	-	-	-	-	-
2014									
Li & Fung (Mauritius) Ltd - Group **	67.2	0.1	0.9	-	8.8	7.8	-	7.8	-

** Figures include Li & Fung Ltd and Dodwell Ltd

*** Company is dormant

EXPLANATORY NOTES

30 SEPTEMBER 2015

15. INVESTMENT IN ASSOCIATES (CONT'D)

(d) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

Name	Opening net assets 1 October Rs m	Additions Rs m	Profit for the year Rs m	Other comprehensive income for the year Rs m	Dividend Rs m	Closing net assets 30 September Rs m	Ownership interest %	Interest in associates Rs m	Goodwill Rs m	Carrying value Rs m
2015										
Li & Fung (Mauritius) Ltd - Group	66.4	-	2.3	2.3	-	71.0	40.00	28.4	-	28.4
iVery Payment Technologies Proprietary Ltd (iii)	-	30.8	4.4	(3.7)	(2.7)	28.8	49.00	14.2	47.4	61.6
Touchpoint Payment Proprietary Limited (iii)	-	6.7	-	(0.7)	-	6.0	41.65	2.5	(2.3)	0.2
EvriPay (iii)	-	(1.2)	1.9	-	-	0.7	61.75	0.4	0.8	1.2
EvriPay ZA (Proprietary) Ltd (iv)	-	(12.1)	(0.4)	1.4	-	(11.1)	61.75	(6.9)	7.5	0.6
EvriPay KE Limited (iv)	-	-	-	-	-	-	61.75	-	-	-
	66.4	24.2	8.2	(0.7)	(2.7)	95.4		38.6	53.4	92.0
2014										
Li & Fung (Mauritius) Ltd - Group	58.6	-	7.8	-	-	66.4	40.0	26.5	-	26.5

COMPANY

At 1 October/30 September

Sep-15 Rs m	Sep-14 Rs m
16.2	16.2

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

16. INVESTMENT IN JOINT VENTURE

GROUP

At 1 October

Share of result

- attributable to gain on revaluation of investment properties

- net operating profit

At 30 September

Made up as follows:

Net assets

Sep-15 Rs m	Sep-14 Rs m
91.7	69.7
-	18.8
3.5	3.2
95.2	91.7
95.2	91.7

(a) Name

Unquoted

2015 & 2014

Edith Cavell Properties Ltd

Reporting period	Percentage holding	Principal activity	Principal place of business	Country of incorporation
30 September	50.0%	Property	Mauritius	Mauritius

Edith Cavell Properties Ltd is a private company and there is no quoted market price available for its shares.

The above joint venture is accounted for using the equity method.

(b) Summarised financial information in respect of the joint venture is set out below:

Name

2015

Edith Cavell Properties Ltd

Current assets Rs m	Non current assets Rs m	Current liabilities Rs m	Revenue Rs m	Profit for the year Rs m	Total comprehensive income for the year Rs m	Dividend received during the year Rs m
15.0	176.3	0.8	10.0	7.0	7.0	-

2014

Edith Cavell Properties Ltd

8.8	176.5	1.8	9.9	44.1	44.1	-
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In 2014, profit for the year included fair value gain on investment properties amounting to Rs 37.6m net of deferred income tax.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

16. INVESTMENT IN JOINT VENTURE (CONT'D)

The above amounts of assets and liabilities include the following:

- Cash and cash equivalent: Rs 7.3m (2014: Rs 2.7m).
- Current financial liabilities (excluding trade and other payables and provision) - Rs 0.3m (2014: Rs 1.2m).

The above profit for the year includes the following:

- Interest income: Rs 0.2m (2014: Rs 0.1m).
- Income tax expense: Rs 1.3m (2014: Rs 1.1m).

(c) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

Name	Opening net assets 1 October Rs m	Profit for the year Rs m	Dividend Rs m	Closing net assets 30 September Rs m	Ownership interest %	Interest in joint venture Rs m
2015						
Edith Cavell Properties Ltd	183.5	7.0	-	190.5	50.0	95.2
2014						
Edith Cavell Properties Ltd	139.4	44.1	-	183.5	50.0	91.7

(d) Classification of Edith Cavell Properties Ltd as a joint venture

Edith Cavell Properties Ltd is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself.

Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Edith Cavell Properties Ltd is classified as a joint venture.

(e) There are no commitments or contingent liabilities relating to the Group's interest in the joint venture.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

17. INVESTMENT IN FINANCIAL ASSETS

GROUP

(i) Non current

Available-for-sale investments

At 1 October

Additions

Disposals

Impairment charge

Consolidation adjustment

At 30 September

Sep-15			Sep-14
Level 1	Level 3	Total	Total
Rs m	Rs m	Rs m	Rs m
0.5	309.7	310.2	10.2
-	-	-	300.0
-	(71.2)	(71.2)	-
-	(6.3)	(6.3)	-
(0.5)	-	(0.5)	-
-	232.2	232.2	310.2

Held-to-maturity investments

At 1 October

Additions

At 30 September

Deposit with banks

At 1 October

Transfer

At 30 September

Sep-15	Sep-14
Rs m	Rs m
8.0	-
-	8.0
8.0	8.0
435.0	435.0
(290.0)	-
145.0	435.0
385.2	753.2
290.0	-
290.0	-
290.0	-

(ii) Current

Deposit with banks

Transfer

At 30 September

COMPANY

Non current

Available-for-sale investments

Unquoted

At 1 October

Additions

Disposal

Impairment charge

At 30 September

Sep-15		Sep-14
Level 3	Total	Total
Rs m	Rs m	Rs m
309.7	309.7	9.7
-	-	300.0
(71.2)	(71.2)	-
(6.3)	(6.3)	-
232.2	232.2	309.7

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

18. NON CURRENT RECEIVABLES

(a) Receivable from

Subsidiary companies
Others

(b) Repayable by instalments

After one year and before two years
After two years and before five years
After five years

GROUP		COMPANY	
Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
-	-	755.4	540.0
121.5	81.8	-	-
121.5	81.8	755.4	540.0
57.6	37.7	271.4	150.0
62.8	43.9	484.0	390.0
1.1	0.2	-	-
121.5	81.8	755.4	540.0

The carrying amount of non current receivables approximate their fair values and are unsecured.

19. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS

Sep-15

Gross investment

Within one year
After one year and before five years
After five years

Unearned future finance income

Less provision for credit impairment

Portfolio provision
Specific provision

Analysed as follows:

Non current assets
Current assets

Remaining term to maturity

Within one year
After one year and before five years
After five years

Provision for credit impairment

Portfolio provision
At 1 October
Provision for credit impairment
At 30 September

Specific Provision

At 1 October
Provision for credit impairment
Amounts written off
At 30 September

GROUP		
Finance leases Rs m	Other credit agreements Rs m	Total Rs m
741.5	2,085.9	2,827.4
1,500.3	882.5	2,382.8
43.3	-	43.3
2,285.1	2,968.4	5,253.5
(309.6)	(316.1)	(625.7)
1,975.5	2,652.3	4,627.8
(24.1)	(32.4)	(56.5)
(26.7)	(128.9)	(155.6)
1,924.7	2,491.0	4,415.7
1,341.8	788.8	2,130.6
582.9	1,702.2	2,285.1
1,924.7	2,491.0	4,415.7
609.6	1,831.1	2,440.7
1,325.3	821.2	2,146.5
40.6	-	40.6
1,975.5	2,652.3	4,627.8
18.3	23.2	41.5
5.8	9.2	15.0
24.1	32.4	56.5
34.7	93.4	128.1
3.9	72.6	76.5
(11.9)	(37.1)	(49.0)
26.7	128.9	155.6

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

19. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONT'D)

Sep-14

Gross investment

Within one year

After one year and before five years

After five years

Unearned future finance income

Less provision for credit impairment

Portfolio provision

Specific provision

Analysed as follows:

Non current assets

Current assets

Remaining term to maturity

Within one year

After one year and before five years

After five years

Provision for credit impairment

Portfolio provision

At 1 October

Provision for credit impairment

At 30 September

Specific Provision

At 1 October

Provision for credit impairment

At 30 September

GROUP		
Finance leases Rs m	Other credit agreements Rs m	Total Rs m
714.6	1,785.9	2,500.5
1,443.9	695.3	2,139.2
56.2	-	56.2
2,214.7	2,481.2	4,695.9
(307.1)	(312.7)	(619.8)
1,907.6	2,168.5	4,076.1
(18.3)	(23.2)	(41.5)
(34.7)	(93.4)	(128.1)
1,854.6	2,051.9	3,906.5
1,303.6	609.4	1,913.0
551.0	1,442.5	1,993.5
1,854.6	2,051.9	3,906.5
585.8	1,535.8	2,121.6
1,268.6	632.7	1,901.3
53.2	-	53.2
1,907.6	2,168.5	4,076.1
21.3	29.7	51.0
(3.0)	(6.5)	(9.5)
18.3	23.2	41.5
34.3	66.2	100.5
0.4	27.2	27.6
34.7	93.4	128.1

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

20. INVENTORIES

Cost

Raw materials and consumables

Work in progress

Goods for resale

Carrying value of inventories pledged

GROUP	
Sep-15 Rs m	Sep-14 Rs m
-	0.7
1.6	-
420.8	337.5
422.4	338.2
422.4	338.2

The cost of inventories recognised as expense and included in cost of sales amounted to Rs 1,692.4m (2014: Rs 1,406.7m)

21. CONSUMABLE BIOLOGICAL ASSETS

Livestock

At 1 October

Additions

Cost of sales

Loss arising from changes in fair value

At 30 September

GROUP	
Sep-15 Rs m	Sep-14 Rs m
1.5	1.1
0.1	0.6
(0.4)	-
0.6	(0.2)
1.8	1.5

The fair value measurements have been categorised as level 3.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

22. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
Trade receivables	990.4	1,017.5	-	-
Less impairment	(105.2)	(130.3)	-	-
	885.2	887.2	-	-
Prepayments	50.3	35.0	10.0	6.0
Forward foreign exchange contracts	0.1	-	-	-
Other receivables	366.6	243.2	-	-
	1,302.2	1,165.4	10.0	6.0
Receivable from subsidiary companies	-	-	22.9	20.9
Receivable from related company	0.5	0.4	-	-
Loan at call				
- Subsidiary companies	-	-	303.1	236.3
Short term loans to subsidiary companies	-	-	598.3	447.5
	0.5	0.4	924.3	704.7
	1,302.7	1,165.8	934.3	710.7

The carrying amount of the receivables is considered as a reasonable approximation of fair value.

	GROUP	
	Sep-15 Rs m	Sep-14 Rs m
Ageing of trade receivables		
Less than 3 months	728.0	761.8
Impairment	-	-
	728.0	761.8
More than 3 months	101.9	85.1
Impairment	-	-
	101.9	85.1
More than 6 months	160.5	170.6
Impairment	(105.2)	(130.3)
	55.3	40.3
	885.2	887.2
Impairment of trade receivables		
At 1 October	130.3	146.5
Release made during the year	(25.1)	(16.2)
At 30 September	105.2	130.3
Past due but not impaired	34.2	30.0

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

23. CASH AND CASH EQUIVALENTS

Loans at call receivable
Bank balances and cash
Loans at call payable
Bank overdrafts

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
-	-	303.1	236.3
953.9	608.6	24.6	2.8
-	-	(54.7)	(89.1)
(335.4)	(234.0)	-	-
618.5	374.6	273.0	150.0

The bank overdrafts are secured by floating charges on the assets of the borrowing companies.

The rate of interest varies between 6.25% and 8.50% (2014: 6.75% and 8.50%).

24. STATED CAPITAL

At 30 September 2014 & 2015

2015 & 2014	
No of shares	Ordinary shares
Million	Rs m
680.5	680.5

The stated number of ordinary shares is 680,522,310 at no par value. All shares are fully paid and carry voting rights.

25. BORROWINGS

(a) Non current

Bank and other borrowings - Secured
Bank and other borrowings - Unsecured
Cash flow hedge (note (d))
Other loans
Medium Term Note (note (e))
Deposits
Finance lease obligations

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
360.0	56.7	360.0	56.7
226.8	261.2	-	-
-	31.8	-	31.8
28.2	81.6	28.2	81.6
750.0	750.0	750.0	750.0
1,093.8	931.4	-	-
31.9	0.8	-	-
2,490.7	2,113.5	1,138.2	920.1
335.4	234.0	-	-
726.6	842.2	146.7	56.6
531.1	787.7	250.0	400.0
36.2	63.5	36.2	63.5
53.5	49.9	53.5	49.9
1,301.5	1,105.4	-	-
8.1	0.6	-	-
2,992.4	3,083.3	486.4	570.0
5,483.1	5,196.8	1,624.6	1,490.1

Current

Bank overdrafts
Bank and other borrowings - Secured
Bank and other borrowings - Unsecured
Cash flow hedge (note (d))
Other loans
Deposits
Finance lease obligations

Total

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

25. BORROWINGS (CONT'D)

(b) Repayable otherwise than by instalments:

After one year and before two years

Deposits

Others

After two years and before three years

Deposits

Others

After three years and before five years

Deposits

Others

After five years

Repayable by instalments:

After one year and before two years

After two years and before three years

After three years and before five years

After five years

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
455.8	454.8	-	-
-	72.0	-	-
444.0	376.9	-	-
750.0	69.9	750.0	-
194.0	99.7	-	-
-	859.3	-	750.0
-	10.1	-	-
202.6	88.4	118.2	141.9
193.9	82.4	90.0	28.2
249.7	-	180.0	-
0.7	-	-	-
2,490.7	2,113.5	1,138.2	920.1

(c) The effective interest rates at the end of the reporting period were as follows:

Bank overdrafts

Bank and other borrowings - Secured

Bank and other borrowings - Unsecured

Cash flow hedge

Other loans

Deposits

Finance lease obligations

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
%	%	%	%
6.25 - 8.50	6.75 - 8.50	6.75	6.75
4.40 - 6.70	5.55 - 6.70	5.55 - 6.70	5.55 - 6.70
0.75 - 7.50	0.75 - 5.20	4.50 - 4.90	4.50 - 5.20
1.82 - 1.85	1.70 - 1.90	1.82 - 1.85	1.70 - 1.90
6.90 - 7.15	7.00 - 7.15	6.90 - 7.15	7.00 - 7.15
3.25 - 8.15	3.03 - 8.30	-	-
7.50 - 9.75	7.00 - 8.00	-	-

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

25. BORROWINGS (CONT'D)

(d) Cash flow hedge loans

At 1 October
 Repayment of borrowings
 Losses recognised in Other Comprehensive Income
 Reclassification of adjustments for gains from Other Comprehensive Income to Profit or Loss
 At 30 September

GROUP AND COMPANY	
Sep-15 Rs m	Sep-14 Rs m
95.3	248.8
(61.2)	(154.2)
8.3	1.5
(6.2)	(0.8)
36.2	95.3

The above USD cash flow hedged loans are secured. Repayment term is by 6-monthly instalments basis over a period of 5 years. Upon repayment of the instalments amounts, the exchange difference will impact Profit or Loss and will be reclassified from reserves to Profit or Loss.

(e) In June 2013, the Company issued its first tranche notes with a nominal amount of Rs 750m under its Medium Term Note Programme. The notes carry a fixed interest rate of 5.55%, payable semi-annually, and are repayable at maturity on 11 June 2018.

The Medium Term Notes are secured by fixed and floating charges on the assets of the Group.

(f) The carrying amounts of the borrowings are denominated in the following currencies:
 MUR and others
 EURO
 USD
 GBP

GROUP		COMPANY	
Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
5,252.1	4,878.8	1,588.4	1,394.8
140.5	162.7	-	-
81.4	144.5	36.2	95.3
9.1	10.8	-	-
5,483.1	5,196.8	1,624.6	1,490.1

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

25. BORROWINGS (CONT'D)

- (g) The carrying amounts of borrowings are not materially different from their fair rate. The fair values are based on cash flows discounted on borrowing rates of 1% to 9% and are within level 2 of the fair value hierarchy.

26. DEFERRED TAXATION

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2014: 15%).

- (a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority. The following amounts are shown in the Statement of Financial Position:

	GROUP		COMPANY	
	Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
Deferred tax liabilities	21.5	16.4	0.5	0.5
Deferred tax assets	(14.5)	(13.2)	-	-
	7.0	3.2	0.5	0.5

- (b) The movement on the deferred income tax account is as follows:

At 1 October

Charged to Other Comprehensive Income

Charged to Profit or Loss (note 9)

At 30 September

	GROUP		COMPANY	
	Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
At 1 October	3.2	(0.7)	0.5	-
Charged to Other Comprehensive Income	0.4	0.2	-	-
Charged to Profit or Loss (note 9)	3.4	3.7	-	0.5
At 30 September	7.0	3.2	0.5	0.5

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

26. DEFERRED TAXATION (CONT'D)

- (c) The movement on the deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

Deferred tax liabilities:

At 1 October 2013

Charged to Other Comprehensive Income

Charged to Profit or Loss

At 30 September 2014

Charged to Profit or Loss

At 30 September 2015

GROUP			COMPANY
Accelerated capital allowances	Fair value gains and others	Total	Fair value gains
Rs m	Rs m	Rs m	Rs m
12.7	-	12.7	-
-	0.4	0.4	-
1.1	2.2	3.3	0.5
13.8	2.6	16.4	0.5
5.1	-	5.1	-
18.9	2.6	21.5	0.5

Deferred tax assets:

At 1 October 2013

Credited to Other Comprehensive Income

(Credited)/charged to Profit or Loss

At 30 September 2014

Charged to Other Comprehensive Income

Credited to Profit or Loss

At 30 September 2015

GROUP		
Retirement benefit obligation	Impairment and provisions	Total
Rs m	Rs m	Rs m
(9.3)	(4.1)	(13.4)
(0.2)	-	(0.2)
(0.2)	0.6	0.4
(9.7)	(3.5)	(13.2)
0.4	-	0.4
(1.7)	-	(1.7)
(11.0)	(3.5)	(14.5)

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS

Amounts recognised in the Statements of Financial Position:

Pension benefits (note (a))
Unfunded pension schemes (note (b))
Other retirement benefits (note (c))

Analysed as follows:

Non current assets
Non current liabilities

Amounts charged to Profit or Loss:

Pension benefits (note (a))
Unfunded pension schemes (note (b))
Other retirement benefits (note (c))

Total included in employee benefit expense (note 6)**Amounts charged to Other Comprehensive Income:**

Pension benefits (note (a))
Unfunded pension schemes (note (b))
Other retirement benefits (note (c))

GROUP	
Sep-15 Rs m	Sep-14 Rs m
(10.1)	(9.6)
45.6	43.5
61.8	46.5
97.3	80.4
(10.1)	(9.6)
107.4	90.0
97.3	80.4
0.9	0.5
3.2	3.2
14.5	9.7
18.6	13.4
(0.7)	0.9
5.1	3.6
0.9	(0.9)
5.3	3.6

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension benefits

The Group operates a final salary defined benefit pension plan for some employees. The assets are held separately from the Group under the control of the Management Committee of Rogers Money Purchase Retirement Fund (RMPRF). The Group contributes to the pension plan in respect of some employees who have a No Worse Off Guarantee (NWOG) so that their benefits would not be worse than what they would have earned under a previous defined benefit plan.

(i) Amounts recognised in the Statements of Financial Position are as follows:

Present value of funded obligations

Fair value of plan assets

Asset in the Statements of Financial Position

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

At 1 October

Charged to Profit or Loss

(Credited)/charged to Other Comprehensive Income

Contributions paid

At 30 September

(ii) Amounts recognised in Profit or Loss and Other Comprehensive Income are as follows:

Service cost:

Current service cost

Net interest on net defined benefit asset

Components of amount recognised in Profit or Loss

Return on plan assets above interest cost

Liability experience loss/(gain)

Liability (gain)/loss due to change in financial assumptions

Components of amount recognised in Other Comprehensive Income

Actual return on plan assets

GROUP	
Sep-15 Rs m	Sep-14 Rs m
38.3	37.8
(48.4)	(47.4)
(10.1)	(9.6)
(9.6)	(10.2)
0.9	0.5
(0.7)	0.9
(0.7)	(0.8)
(10.1)	(9.6)
1.7	1.3
(0.8)	(0.8)
0.9	0.5
(0.1)	(2.0)
0.6	(3.3)
(1.2)	6.2
(0.7)	0.9
3.8	5.6

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension benefits (cont'd)

(iii) Movements in the defined benefit obligations over the year is as follows:

At 1 October	37.8	39.7
Current service cost	1.7	1.3
Interest expense	2.9	2.8
Benefits paid on settlement	(1.9)	(8.9)
Other benefits paid	(1.6)	-
Liability experience loss/(gain)	0.6	(3.3)
Liability (gain)/loss due to change in financial assumptions	(1.2)	6.2
At 30 September	38.3	37.8

(iv) Movements in the fair value of plan assets over the year is as follows:

At 1 October	47.4	49.9
Interest income	3.7	3.6
Employer contribution	0.7	0.8
Benefits paid	(3.5)	(8.9)
Return on plan assets excluding interest income	0.1	2.0
At 30 September	48.4	47.4

(v) Sensitivity analysis on defined benefit obligation at end of year

Increase due to 1% decrease in discount rate	25.7	24.9
Decrease due to 1% increase in discount rate	20.2	20.3

GROUP	
Sep-15 Rs m	Sep-14 Rs m
37.8	39.7
1.7	1.3
2.9	2.8
(1.9)	(8.9)
(1.6)	-
0.6	(3.3)
(1.2)	6.2
38.3	37.8
47.4	49.9
3.7	3.6
0.7	0.8
(3.5)	(8.9)
0.1	2.0
48.4	47.4
25.7	24.9
20.2	20.3

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension benefits (cont'd)

(v) Sensitivity analysis on defined benefit obligation at end of year (cont'd)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. The results are particularly sensitive to a change in discount rate due to the nature of the liabilities being the difference between a minimum Defined Benefit liability and the projected Defined Contribution liabilities, the latter being Rs 100.5m as at 30 September 2015. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vi) Allocation of plan assets at end of year:

Equity - local quoted
Equity - overseas quoted
Debt - local unquoted
Debt - overseas quoted
Property - local
Cash and other

GROUP	
Sep-15 %	Sep-14 %
36	33
29	25
27	30
1	2
2	2
5	8
100	100

(vii) Future cashflows

- The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.
- Expected employer contributions to post-employment benefit plans for the year ending 30 September 2016 are Rs 0.6m.
- The weighted average duration of the defined benefit obligations ranges between 5 years and 16 years.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension Benefits (cont'd)

(viii) Principal actuarial assumptions at end of year:

- Discount rate
- Future salary increases
- Future pension increases
- Average retirement age (ARA)
- Average life expectancy for:
 - Male at ARA
 - Female at ARA

GROUP	
Sep-15	Sep-14
7.0%	8.0%
5.5%	6.5%
1.0%	2.0%
60	60 - 65
19.5 years	19.5 years
24.2 years	24.2 years

The Plan exposes the Group to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

- *Investment risk*

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus. Currently the Plan has a relatively balanced investment in equity securities, debt instruments and real estate to leverage the return generated by the plan assets.

- *Interest risk*

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

- *Longevity risk*

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

- *Salary risk*

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Unfunded pension schemes

Unfunded pension schemes comprise of pensions paid out of cash flow.

(i) Amounts recognised in the Statements of Financial Position are as follows:

Present value of unfunded obligation
Liability in the Statements of Financial Position

(ii) Amounts recognised in Profit or Loss and Other Comprehensive Income are as follows:

Net interest on net defined benefit liability

Components of amount recognised in Profit or Loss

Liability experience loss
Liability loss due to change in financial assumptions

Components of amount recognised in Other Comprehensive Income

(iii) Movements in liability recognised in Statements of Financial Position:

At 1 October
Interest expense
Other benefits paid
Liability experience loss
Liability loss due to change in financial assumptions
At 30 September

(iv) Sensitivity Analysis on defined benefit obligation at end of period

Increase due to 1% decrease in discount rate
Decrease due to 1% increase in discount rate

GROUP	
Sep-15 Rs m	Sep-14 Rs m
45.6	43.5
45.6	43.5
3.2	3.2
3.2	3.2
2.9	3.6
2.2	-
5.1	3.6
43.5	43.1
3.2	3.2
(6.2)	(6.4)
2.9	3.6
2.2	-
45.6	43.5
2.8	2.6
2.5	2.3

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in defined benefit obligation.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Unfunded pension schemes (cont'd)

(v) Future cash flows

- The funding policy is to pay benefits out of the Group's cashflow as and when due
- Expected employer contributions to post-employment benefit plans for the year ending 30 September 2016 are Rs 6.5m
- The weighted average duration of the defined benefit obligations is 6 years.

(vi) Principal actuarial assumptions at end of year:

- Discount rate
- Future pension increases
- Average retirement age (ARA)
- Average life expectancy for:
 - Male at ARA
 - Female at ARA

GROUP	
Sep-15	Sep-14
7.0%	8.0%
2.5%	3.5%
60	60
19.5 years	19.5 years
24.2 years	24.2 years

(c) Other retirement benefits

Other retirement benefits comprise full and residual retirement gratuities.

(i) Amounts recognised in the Statements of Financial Position are as follows:

- Present value of unfunded obligation
- Liability in the Statements of Financial Position

GROUP	
Sep-15	Sep-14
Rs m	Rs m
61.8	46.5
61.8	46.5

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(c) Other retirement benefits (cont'd)

(ii) Amounts recognised in Profit or Loss and Other Comprehensive Income are as follows:

Service cost:

Current service cost

Past service cost

Net interest on net defined benefit liability

Components of amount recognised in Profit or Loss

Liability experience loss/(gain)

Liability loss due to change in financial assumptions

Components of amount recognised in Other Comprehensive Income

(iii) Movements in liability recognised in Statements of Financial Position:

At 1 October (as restated)

Current service cost

Past service cost

Interest expense

Other benefits paid

Liability experience gains

Liability loss due to change in financial assumptions

At 30 September

(iv) Sensitivity Analysis on defined benefit obligation at end of period

Increase due to 1% decrease in discount rate

Decrease due to 1% increase in discount rate

GROUP	
Sep-15 Rs m	Sep-14 Rs m
6.6	4.6
4.2	2.1
10.8	6.7
3.7	3.0
14.5	9.7
0.8	(1.3)
0.1	0.4
0.9	(0.9)
46.5	37.7
6.6	4.6
4.2	2.1
3.7	3.0
(0.1)	-
0.8	(1.3)
0.1	0.4
61.8	46.5
21.2	19.1
16.7	15.0

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in defined benefit obligation.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In relation to the residual retirement gratuities, the results are particularly sensitive to a change in discount rate due to the nature of liabilities being the difference between the pure retirement gratuities under the Employment Rights Act 2008 and the deductions allowable, being five times the annual pension provided and half the lump sum received by the member at retirement from the pension fund with reference to the Company's share of contributions. The latter's amount is Rs 143.8m as at 30 September 2015.

(v) Future cashflows

- The funding policy is to pay benefits out of the Group's cashflow as and when due

- Expected employer contributions to post-employment benefit plans for the year ending 30 September 2016 are Rs 0.4m

- The weighted average duration of the defined benefit obligations ranges between 13 years and 35 years.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

27. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(c) Other retirement benefits (cont'd)

(vi) Principal actuarial assumptions at end of year:

- Discount rate
- Future salary increases
- Future pension increases
- Average retirement age (ARA)
- Average life expectancy for:
 - Male at ARA
 - Female at ARA

GROUP	
Sep-15	Sep-14
7.0%	8.0%
5.0%-5.5%	6.0%-6.5%
1.0%	2.0%
60	60
19.5 years	19.5 years
24.2 years	24.2 years

- (d) Contribution to the defined contribution plans amounted to Rs 25.5m (2014: Rs 22.1m).

28. TRADE AND OTHER PAYABLES

- Trade payables
- Accruals
- Other payables

- Amount payable to
 - Related companies
 - Subsidiary companies
 - Joint venture
- Loan at call
 - Subsidiary companies

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
650.1	505.1	-	-
194.1	259.7	14.7	14.7
728.4	303.6	32.3	24.7
1,572.6	1,068.4	47.0	39.4
9.3	73.6	-	-
-	-	11.9	6.7
0.2	-	-	-
-	-	54.7	89.1
9.5	73.6	66.6	95.8
1,582.1	1,142.0	113.6	135.2

The carrying amount of the payables is considered as a reasonable approximation of fair value.

29. DIVIDENDS

- Amounts recognised as distributions to equity holders in the year:
- Final dividends payable of Rs 0.20 per share (2014: Rs 0.16 per share)
 - Interim dividends paid of Rs 0.11 per share (2014: Rs 0.10 per share)

COMPANY	
2015	2014
Rs m	Rs m
136.1	108.9
74.9	68.0
211.0	176.9

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

30. EARNINGS PER SHARE

Profit attributable to owners of the parent

Number of shares used in calculation

Earnings per share

Rs

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
574.9	604.3	527.4	316.6
680,522,310	680,522,310	680,522,310	680,522,310
0.84	0.89	0.77	0.47

31. NOTES TO THE STATEMENTS OF CASH FLOWS

Cash generated from operations

Profit before taxation

Depreciation

Amortisation

Impairment of investment

Loss on scrapped equipment

Loss on disposal of subsidiary

Impairment charge

Profit on sale of property, plant and equipment

Gain on revaluation of investment properties

Profit on disposal of financial assets

Investment income

Interest expense

Interest income

Exchange losses on borrowings

Fair value gain on forward foreign exchange contracts

Share results of associates

Share result of joint venture

Retirement benefit obligations

Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries)

Inventories

Net investment in finance leases and other credit agreements

Consumable biological asset

Trade and other receivables

Trade and other payables

Cash generated from/(absorbed in) operations

GROUP		COMPANY	
Sep-15	Sep-14	Sep-15	Sep-14
Rs m	Rs m	Rs m	Rs m
678.2	695.2	527.4	317.1
103.5	80.7	-	-
30.5	29.4	-	-
6.3	-	6.3	-
-	0.3	-	-
-	0.1	-	-
66.4	1.9	-	-
(1.4)	(2.4)	-	-
-	(114.2)	-	(3.1)
(2.8)	-	(2.8)	-
(32.2)	-	(576.2)	(337.5)
271.5	261.4	84.2	80.7
(157.2)	(168.2)	(68.1)	(68.8)
6.2	0.8	6.2	0.8
(0.1)	-	-	-
(4.0)	(3.1)	-	-
(3.5)	(22.0)	-	-
11.6	6.2	-	-
973.0	766.1	(23.0)	(10.8)
(83.5)	(54.8)	-	-
(600.7)	(544.9)	-	-
(0.3)	(0.4)	-	-
(92.7)	132.0	0.2	96.5
433.7	(17.3)	12.9	(2.6)
629.5	280.7	(9.9)	83.1

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

32. BUSINESS COMBINATION

Acquisition of subsidiary

On 1 October 2014, the Group acquired 100% of the share capital of Cybernaptics Ltd for Rs 7.8m.

Consideration

Cash

Total Consideration

Recognised amounts of identifiable assets acquired and liabilities assumed

Cash and cash equivalents

Plant and equipment

Inventories

Trade and other receivables

Trade and other payables

Taxation

Finance lease obligation

Total identifiable net assets

Goodwill

Net cash outflow on acquisition of subsidiary

Consideration paid in cash

Less: cash and cash equivalent balances acquired

Rs m
7.8
7.8
2.9
0.7
0.7
5.1
(6.4)
(0.2)
(0.4)
2.4
5.4
7.8
(2.9)
4.9

The fair value of the ordinary shares issued as part of the consideration paid for the acquisition of the above company was based on its net asset value.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

33. COMMITMENTS

- (a) Operating lease - where the Group is the lessor

The future minimum lease receivable under operating leases are as follows:

Within one year

After one year and before five years

Later than 5 years

GROUP	
Sep-15	Sep-14
Rs m	Rs m
36.3	52.6
56.1	89.4
3.8	8.3
96.2	150.3

- (b) Operating lease - where the Group is the lessee

The Group leases equipments under non-cancellable operating lease agreements and the future aggregate minimum lease payments are as follows:

Not later than one year

Later than one year and not later than five years

GROUP	
Sep-15	Sep-14
Rs m	Rs m
2.7	4.5
-	2.3
2.7	6.8

- (c) Derivative financial instruments

Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts are as follows:

Foreign exchange contracts purchased

GROUP	
Sep-15	Sep-14
Rs m	Rs m
117.5	-

34. EVENTS AFTER THE REPORTING DATE

On 9 December 2015, the board of Cim Financial Services Ltd approved the disposal of its 100% shareholding in The BrandHouse Ltd to Taylor Smith and Sons Ltd and Bentys Ltd, which are related companies, for a consideration of Rs 225m based on an independent valuation carried out by Ernst & Young. The carrying value of the investment and the share of net assets of The BrandHouse Ltd in the books of the Company and the Group at 30 September 2015 amounted to Rs 77.3m and Rs 178.0m respectively.

35. CONTINGENT LIABILITIES

Pending legal matter and guarantees

GROUP	
Sep-15	Sep-14
Rs m	Rs m
269.8	270.0

At 30 September 2015, the Company had contingent liabilities in respect of guarantees from which it is anticipated that no material liabilities would arise. The Company has given corporate guarantees amounting to Rs 269.8m (2014: Rs 220m) on behalf of two subsidiary companies.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

36. RELATED PARTY TRANSACTIONS

(a) During the year the Group transacted with related parties.

Transactions which are not dealt with elsewhere in the financial statements are as follows:

	GROUP		COMPANY	
	Sep-15 Rs m	Sep-14 Rs m	Sep-15 Rs m	Sep-14 Rs m
Sales of goods & services to				
Companies with common shareholders	20.5	18.7	-	-
Purchase of goods & services from				
Subsidiary companies	-	-	1.0	-
Companies with common shareholders	40.4	47.9	-	-
Joint venture	8.1	9.8	-	-
Dividend income, interest income and other income				
Subsidiary companies	-	-	613.3	403.9
Associates	1.3	-	-	-
Companies with common shareholders	8.5	11.6	-	2.3
Financial charges				
Subsidiary companies	-	-	3.7	3.5
Joint venture	0.2	-	0.2	-
Companies with common shareholders	2.2	-	-	-
Loans payable to				
Companies with common shareholders	30.0	30.0	-	-
Subsidiary companies	-	-	54.7	85.1
Joint venture	4.0	-	4.0	4.0
Loans and leases receivable from				
Companies with common shareholders	90.0	97.5	-	-
Subsidiary companies	-	-	1,657.8	1,223.8
Amount owed by				
Companies with common shareholders	0.5	0.4	-	-
Subsidiary companies	-	-	22.9	20.9
Joint venture	-	-	-	-
Amount owed to				
Companies with common shareholders	9.3	73.6	-	-
Subsidiary companies	-	-	11.9	6.7
Joint venture	0.2	-	-	-
Remuneration of key management personnel				
Short term employee benefit	123.0	103.5	5.9	4.9
Post employment benefits	6.1	5.5	-	-

(b) The above transactions have been made on commercial terms and in the normal course of business.

(c) Outstanding balances at the year end are unsecured with interest varying from 0.75% to 9.75% (2014: 0.75% to 8.5%) and settlement occurs in cash and/or through current account. The Group has not recorded any impairment of receivable relating to amounts owed by the related parties (2014: nil).

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

37. BUSINESS SEGMENTS

Year ended 30 September 2015

	Global Business Rs m	Finance Rs m	Property Rs m	Investments Rs m	Group elimination Rs m	Total Rs m
Revenue	731.7	1,200.6	114.5	2,916.1	(859.1)	4,103.8
Segment profit from operations	274.0	550.3	55.0	62.9	-	942.2
Finance costs	(0.5)	(234.6)	(16.3)	(20.1)	-	(271.5)
Share of results of associates	-	-	-	4.0	-	4.0
Share of result of joint venture						
- attributable to gain on revaluation of investment properties	-	-	-	-	-	-
- net operating profit	-	-	3.5	-	-	3.5
	-	-	3.5	-	-	3.5
Profit before taxation	273.5	315.7	42.2	46.8	-	678.2
Taxation	(42.0)	(49.7)	(7.0)	(11.8)	-	(110.5)
Profit for the year	231.5	266.0	35.2	35.0	-	567.7
Assets	497.0	6,949.5	1,809.7	3,673.4	(2,167.3)	10,762.3
Liabilities	424.7	6,179.0	257.7	2,659.6	(2,167.3)	7,353.7
Capital expenditure	56.1	36.7	21.8	50.3	-	164.9
Depreciation & amortisation	15.2	84.7	6.5	27.6	-	134.0

(a) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer.

(b) Product description of above segments:

Global Business - corporate administration, fund administration, tax structuring, trusts, corporate secretarial services and compliance outsourcing.

Finance - consumer credit, leasing, card acquiring and issuing, factoring, deposit taking and foreign exchange dealing.

Property - property management and rentals.

Investments - import and distribution of consumer electronics and household appliances, captive insurance, IT related services, strategy monitoring, support to SBUs, performance monitoring and statutory reporting.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

37. BUSINESS SEGMENTS (CONT'D)

	Global Business	Finance	Property	Investments	Group elimination	Total
	Rs m	Rs m	Rs m	Rs m	Rs m	Rs m
Year ended 30 September 2014						
Revenue	631.3	1,082.5	100.4	2,255.2	(567.7)	3,501.7
Segment profit from operations	201.2	473.6	30.3	112.2	-	817.3
Gains on revaluation of investment properties	-	-	111.1	3.1	-	114.2
Finance costs	(0.6)	(176.6)	(0.8)	(83.4)	-	(261.4)
Share of results of associates	-	-	-	3.1	-	3.1
Share of result of joint venture						
- attributable to gain on revaluation of investment properties	-	-	18.8	-	-	18.8
- net operating profit	-	-	3.2	-	-	3.2
	-	-	22.0	-	-	22.0
Profit before taxation	200.6	297.0	162.6	35.0	-	695.2
Taxation	(33.9)	(47.0)	(8.4)	(7.4)	-	(96.7)
Profit for the year	166.7	250.0	154.2	27.6	-	598.5
Assets	393.7	6,027.1	1,852.1	2,373.9	(1,021.8)	9,625.0
Liabilities	253.9	5,285.1	295.6	2,267.2	(1,529.1)	6,572.7
Capital expenditure	(8.7)	(143.7)	(11.4)	(45.8)	-	(209.6)
Depreciation & amortisation	10.0	74.1	7.2	18.8	-	110.1

The Group's activity is mainly carried out by companies based in Mauritius.

38. ULTIMATE HOLDING COMPANY

The holding and ultimate holding companies of the Company are Cim Holdings Ltd and Elgin Ltd respectively. Both companies are incorporated in Mauritius.

CIM FINANCIAL SERVICES LTD

EXPLANATORY NOTES

30 SEPTEMBER 2015

39. FINANCIAL SUMMARY

GROUP

Statements of Profit or Loss and Other Comprehensive Income

Revenue
Profit from operations
Finance costs
Gain on revaluation of investment properties
Share of results of associates
Share of result of joint venture
Profit before exceptional items
Exceptional items:
Profit on disposal of financial assets
Profit before taxation
Taxation
Profit for the year
Other comprehensive income for the year, net of tax
Total comprehensive income for the year

Profit attributable to:

Owners of the parent
Non controlling interests

Total comprehensive income attributable to:

Owners of the parent
Non controlling interests

Earnings per share

Statements of Financial Position

Non current assets
Current assets

Stated capital
Retained earnings
Other reserves
Non controlling interests
Non current liabilities
Current liabilities

Stated Capital

Number of ordinary shares - issued and fully paid

Sep-15 Rs m	Sep-14 Rs m	Sep-13 Rs m Restated
4,103.8	3,501.7	3,246.0
942.2	817.3	735.3
(271.5)	(261.4)	(272.5)
-	114.2	-
4.0	3.1	14.9
3.5	22.0	3.2
678.2	695.2	480.9
-	-	95.9
678.2	695.2	576.8
(110.5)	(96.7)	(86.5)
567.7	598.5	490.3
(0.4)	175.0	(6.4)
567.3	773.5	483.9
574.9	604.3	493.6
(7.2)	(5.8)	(3.3)
567.7	598.5	490.3
574.5	685.9	487.2
(7.2)	87.6	(3.3)
567.3	773.5	483.9
0.84	0.89	0.72
5,506.4	5,517.4	4,519.3
5,255.9	4,107.6	3,833.8
10,762.3	9,625.0	8,353.1
680.5	680.5	680.5
2,018.5	1,693.6	1,307.9
318.6	280.0	160.8
391.0	398.2	314.4
2,605.1	2,206.7	2,063.3
4,748.6	4,366.0	3,826.2
10,762.3	9,625.0	8,353.1
680,522,310	680,522,310	680,522,310

Units

DIRECTORS OF SUBSIDIARY COMPANIES

	Aubdool Riad	Appadoo Rajesh	Audit Renu	Boland Christopher Francis	Bratch Paul Hans	Chumun Dourvesh Kumar	Chung Kai To Cyril Yin Choon	Chung Kim Yuen Clive	Clifford Robert Anthony	Couacaud Maingard Herbert	Darga Louis Amedee	Descroizilles Marcel Vivian	Espitalier-Noël M.M.Hector	Espitalier-Noël M. H. Philippe	Fakun Sandeep	Gowrea Gyaneshwarnath	Gujadhur Budheshwar	Gujjalu Rajiv	Hare Oliver Anthony	Imrith Rehma Devi Narveena	Jauffret Olivier Emmanuel	Kistnamah Nagesh	Koowaroo Nemraj	Leech Paul Ernest
CFUS Nominee Ltd																								
CSBO2 Ltd									R		X													
South West Safari Group Limited									R		X													
Cim Global Business Ltd							A											R	R					
Cim Learning Centre Ltd																								
CIM Finance Ltd				A			X																X	
CIM Financial Services Ltd											X	X									X		X	
Cim Property Holdings Ltd																							A	
Cim Property Development Ltd																							A	
Cim Forex Ltd																	R					X	X	
CIM Management Services Ltd																							A	
CIM Agencies Ltd							C																	
Cim Tax Services Ltd			X													C							A	
Cim Trustees (Mauritius) Limited			A													X		R				A	A	
Cim Administrators Ltd																			R					
IMM Trustees Ltd																								
Cim Fund Services Ltd (ex IMM Fund Administrators Ltd)			A													X		R	R			A	A	
Minimax Ltd																X		R		A				
Cim Corporate Services Ltd (ex Multiconsult Ltd)			A													X		R	R			A	A	
Multiconsult Trustees Ltd															A	X								
Orchid Nominees Ltd																X		R						
SWTD Bis Ltd									R															
Tiger Nominees Ltd																X		R						
Waterfalls International Ltd																								
The Brandhouse Ltd																							X	
Le Morne Development Corporation Ltd									R				X	X										
San Paolo Ltd																								
Cim Global Business Holdings Ltd																		R						
Cim Investment Advisors Ltd	R																							
Cim Global Reinsurance Co. Ltd															A			R	R					
Cim Captive Reinsurance Co. PCC															A			R	R					
Cim Global Business Singapore Pte		X				A													R					
Key Financial Services Ltd																								
The Oceanic Trust Co. Ltd																								
Fieldhall Ltd															R									
Hammerfield Nominees Ltd															R									
White Fin Nominees Ltd															R									
Conqueror Ltd															R									
Chronos Ltd															R									
Cosign Limited															R									
Isla Ltd															R									
Cim Fiduciary Administration Services Ltd					X				X											A			A	
CIM Global Business UK Limited																		R						
Cim Portfolio Managers PCC																		R						
Cim Shared Services Ltd								A																
Cim Global Administrators Ltd																								
Cybernaptics Ltd																								
Cim Finance (Seychelles) Ltd							A																	

C- Chairman X-In office as director A-Appointed as director R-Resigned as director

DIRECTORS OF SUBSIDIARY COMPANIES

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NOTES

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Cim Financial Services Ltd
33, Edith Cavell Street,
Port Louis 11324, Mauritius
Tel: +230 213 7676
Fax: +230 213 7677
www.cim.mu