

STATEMENT OF FINANCIAL POSITION

	2017	2016	2015
	MUR 000	MUR 000 Restated	MUR 000 Restated
Assets			
Cash and Bank balances	267,279	302,269	579,413
Deposits with banks	482,798	475,581	562,690
Net finance lease receivables	2,392,580	2,137,301	1,934,706
Hire purchase and other credit agreements	4,217,183	3,523,892	2,465,919
Loans and advances	2,371,707	1,697,267	824,539
Other assets	162,134	162,877	143,865
Inventories	8,245	4,769	4,249
Plant and equipment	185,281	180,509	200,867
Intangible assets	17,102	28,177	41,847
Deferred tax assets	64,020	53,570	42,405
Total assets	10,168,329	8,566,212	6,800,500
Liabilities			
Deposits from customers	3,134,395	2,795,349	2,490,804
Other borrowed funds	4,671,435	3,826,163	2,794,642
Current tax liabilities	11,031	19,181	17,511
Other liabilities	1,041,262	1,034,558	700,702
Retirement benefit obligations	20,434	17,860	17,012
Total liabilities	8,878,557	7,693,111	6,020,671
Shareholder's equity			
Share capital	660,000	335,000	285,000
General risk reserve	119,608	79,982	6,258
Actuarial reserve	13,098	11,950	5,665
Statutory reserve	286,841	249,263	211,950
Retained earnings	210,225	196,906	270,956
Total equity	1,289,772	873,101	779,829
Total equity and liabilities	10,168,329	8,566,212	6,800,500

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2017	2016	2015
	MUR 000	MUR 000 Restated	MUR 000 Restated
Interest income	1,031,727	831,578	744,900
Interest expense	(350,561)	(292,689)	(238,212)
Net interest income	681,166	538,889	506,688
Fee and commission income	416,911	417,283	358,178
Operating lease income	36,918	40,771	56,334
Other operating income	15,352	36,041	8,978
	469,181	494,095	423,490
Operating income	1,150,347	1,032,984	930,178
Operating expenses			
Employee benefit expense	(290,513)	(240,082)	(202,807)
Depreciation	(55,485)	(55,890)	(59,906)
Amortisation	(13,245)	(16,268)	(24,676)
Other operating expenses	(295,773)	(281,840)	(230,056)
	(655,016)	(594,080)	(517,445)
Operating profit before impairment	495,331	438,904	412,733
Allowance for credit impairment	(186,297)	(144,747)	(112,463)
Profit before income tax	309,034	294,157	300,270
Income tax expense	(58,511)	(52,170)	(50,278)
Profit for the year	250,523	241,987	249,992
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligations, net of tax	1,148	6,285	2,045
Total comprehensive income for the year	251,671	248,272	252,037
Basic and diluted earnings per share	5.52	8.04	8.77

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STATEMENT OF CHANGES IN EQUITY

	Share Capital	General Risk Reserve	Actuarial Reserve	Statutory Reserve	Retained Earnings	Total
	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000
Balance at October 1, 2014 as previously stated	285,000	6,258	3,574	172,994	232,321	700,147
Impact of prior year adjustments	-	-	46	-	37,599	37,645
Balance at October 1, 2014 as restated	285,000	6,258	3,620	172,994	269,920	737,792
Profit for the year	-	-	-	-	249,992	249,992
Other comprehensive income for the year	-	-	2,045	-	-	2,045
Transfer	-	-	-	38,956	(38,956)	-
Dividends	-	-	-	-	(210,000)	(210,000)
Balance at September 30, 2015	285,000	6,258	5,665	211,950	270,956	779,829
Balance at October 1, 2015 as previously stated	285,000	6,285	5,668	211,950	243,069	751,945
Impact of prior year adjustments	-	-	(3)	-	27,887	27,884
Balance at October 1, 2015 as restated	285,000	6,258	5,665	211,950	270,956	779,829
Profit for the year	-	-	-	-	241,987	241,987
Other comprehensive income for the year	-	-	6,285	-	-	6,285
Issue of shares	50,000	-	-	-	-	50,000
Transfer	-	73,724	-	37,313	(111,037)	-
Dividends	-	-	-	-	(205,000)	(205,000)
Balance at September 30, 2016	335,000	79,982	11,950	249,263	196,906	873,101
Balance at October 1, 2016 as previously stated	335,000	79,982	12,105	249,263	175,798	852,148
Impact of prior year adjustments	-	-	(155)	-	21,108	20,953
Balance at October 1, 2016 as restated	335,000	79,982	11,950	249,263	196,906	873,101
Profit for the year	-	-	-	-	250,523	250,523
Other comprehensive income	-	-	1,148	-	-	1,148
Issue of shares	325,000	-	-	-	-	325,000
Transfer	-	39,626	-	37,578	(77,204)	-
Dividends	-	-	-	-	(160,000)	(160,000)
Balance at September 30, 2017	660,000	119,608	13,098	286,841	210,225	1,289,772

STATEMENT OF CASH FLOWS

Operating activities

Profit before taxation	309,034	294,157	300,270
Adjustments for :			
Profit on disposal of plant and equipment	(887)	(2,543)	(696)
Foreign Exchange differences	4,224	28	(373)
Net provision for credit impairment	193,663	146,774	116,253
Amortisation	13,245	16,268	24,676
Depreciation	55,485	55,890	59,906
Increase in provision for retirement benefit obligation	3,959	8,420	3,541

Changes in operating assets and liabilities:

Increase in deposits from customers	339,046	304,545	358,463
Net increase in finance leases receivable	(273,123)	(229,240)	(80,060)
Net increase in hire purchase and other credit agreements	(819,696)	(1,116,618)	(548,494)
Net increase in loan and advances	(723,854)	(933,898)	(78,920)
(Increase)/decrease deposits with banks	(7,217)	87,109	(32,830)
Increase in inventories	(3,476)	(520)	1,721
(Increase)/decrease in other assets	743	(19,325)	(11,979)
(Decrease)/increase in other liabilities	(8,298)	327,682	230,363

Tax paid

Net cash flows (used in)/from operating activities

Investing activities

Disposal of plant and equipment	13,538	14,559	7,160
Disposal of intangible assets	-	4,000	-
Purchase of intangible assets	(2,170)	(6,589)	(6,320)
Purchase of plant and equipment	(72,909)	(47,557)	(29,953)
Net cash flows used in investing activities	(61,541)	(35,587)	(29,113)

Financing Activities

Issue of shares	325,000	50,000	-
Dividends paid	(160,000)	(205,000)	(210,000)
Proceeds from Borrowings	10,356,575	7,705,796	7,657,283
Repayment of Borrowings	(9,268,682)	(6,551,370)	(7,622,809)
Net cash flows from/(used in) financing activities	1,252,893	999,426	(175,526)

(Decrease)/increase in cash and cash equivalents

Movement in cash and cash equivalents

At October 1,	(170,650)	(17,125)	(110,792)
Effect of exchange rate changes on cash and cash equivalents	(4,224)	(28)	373
Increase/(decrease)	211,855	(153,497)	93,294

At September 30,

Operational cash flows from interest

Interest paid	(351,778)	(299,849)	(227,311)
Interest received	161,308	247,918	124,338

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF CIM FINANCE LTD

The accompanying summary financial statements, which comprise the statement of financial position as at 30 September 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, are derived from the audited financial statements of CIM Finance Ltd (the 'Company') for the year ended 30 September 2017. We expressed an unmodified audit opinion on those financial statements in our report dated 15 December 2017. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of CIM Finance Ltd.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of CIM Finance Ltd for the year ended 30 September 2017 are consistent, in all material respects, with those financial statements, in accordance with International Financial Reporting Standards and comply with the Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

Other matter

This report has been prepared solely for the Company's members, 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 the latter in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not 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 other legal and regulatory requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacities as auditors, tax advisors and in dealings in the ordinary course of business.

We have obtained all the 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.

Banking Act 2004

In our opinion, the financial statements have been prepared on a consistent basis and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius. The explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

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 (the 'Code') as disclosed in the annual report and whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosures in the Corporate Governance report are consistent with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

LI KUNE LAN POOKIM, F.C.A, F.C.C.A
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Date: 15 December 2017