

**STATEMENT OF FINANCIAL POSITION**

	2018	2017	2016
	MUR 000	MUR 000	MUR 000
<b>ASSETS</b>			
Cash and bank balances	189,824	267,279	302,269
Deposits with banks	450,004	482,798	475,581
Net finance lease receivables	2,416,568	2,392,580	2,137,301
Hire purchase and other credit agreements	4,594,729	4,217,183	3,523,892
Loans and advances	2,857,120	2,371,707	1,697,267
Other assets	231,317	162,134	162,877
Inventories	5,578	8,245	4,769
Plant and equipment	173,689	185,281	180,509
Intangible assets	42,324	17,102	28,177
Deferred tax assets	80,929	64,020	53,570
<b>Total assets</b>	<b>11,042,082</b>	<b>10,168,329</b>	<b>8,566,212</b>
<b>LIABILITIES</b>			
Deposits from customers	2,641,848	3,134,395	2,795,349
Other borrowed funds	5,808,143	4,671,435	3,826,163
Current tax liabilities	17,672	11,031	19,181
Other liabilities	1,012,090	1,041,262	1,034,558
Retirement benefit obligations	29,415	20,434	17,860
<b>Total liabilities</b>	<b>9,509,168</b>	<b>8,878,557</b>	<b>7,693,111</b>
<b>Shareholders' equity</b>			
Share capital	660,000	660,000	335,000
General risk reserve	150,626	119,608	79,982
Actuarial reserve	6,071	13,098	11,950
Statutory reserve	324,367	286,841	249,263
Retained earnings	391,850	210,225	196,906
<b>Total equity</b>	<b>1,532,914</b>	<b>1,289,772</b>	<b>873,101</b>
<b>Total equity and liabilities</b>	<b>11,042,082</b>	<b>10,168,329</b>	<b>8,566,212</b>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	2018	2017	2016
	MUR 000	MUR 000	MUR 000
Interest income	1,120,365	1,031,727	831,578
Interest expense	(348,017)	(350,561)	(292,689)
<b>Net interest income</b>	<b>772,348</b>	<b>681,166</b>	<b>538,889</b>
Fee and commission income	371,792	416,911	417,283
Operating lease income	27,980	36,918	40,771
Other operating income	18,066	15,352	36,041
<b>Operating income</b>	<b>417,838</b>	<b>469,181</b>	<b>494,095</b>
<b>Operating expenses</b>	<b>1,190,186</b>	<b>1,150,347</b>	<b>1,032,984</b>
Employee benefit expense	(341,063)	(290,513)	(240,082)
Depreciation	(51,746)	(55,485)	(55,890)
Amortisation	(13,014)	(13,245)	(16,268)
Other operating expenses	(269,179)	(295,773)	(281,840)
	<b>(675,002)</b>	<b>(655,016)</b>	<b>(594,080)</b>
Operating profit before impairment	515,184	495,331	438,901
Allowance for credit impairment	(214,591)	(186,297)	(144,747)
<b>Profit before income tax</b>	<b>300,593</b>	<b>309,034</b>	<b>294,157</b>
Income tax expense	(50,424)	(58,511)	(52,170)
<b>Profit for the year</b>	<b>250,169</b>	<b>250,523</b>	<b>241,987</b>
<b>Other comprehensive income</b>			
<u>Items that will not be reclassified to profit or loss:</u>			
Remeasurement of defined benefit obligations, net of tax	(7,027)	1,148	6,285
<b>Total comprehensive income for the year</b>	<b>243,142</b>	<b>251,671</b>	<b>248,272</b>
Basic and diluted earnings per share	3.79	5.52	8.04

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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, 2015	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)
<b>Balance at September 30, 2016</b>	<b>335,000</b>	<b>79,982</b>	<b>11,950</b>	<b>249,263</b>	<b>196,906</b>	<b>873,101</b>
Balance at October 1, 2016	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)
<b>Balance at September 30, 2017</b>	<b>660,000</b>	<b>119,608</b>	<b>13,098</b>	<b>286,841</b>	<b>210,225</b>	<b>1,289,772</b>
Balance at October 1, 2017	660,000	119,608	13,098	286,841	210,225	1,289,772
Profit for the year	-	-	-	-	250,169	250,169
Other comprehensive income	-	-	(7,027)	-	-	(7,027)
Transfer	-	31,018	-	37,526	(68,544)	-
<b>Balance at September 30, 2018</b>	<b>660,000</b>	<b>150,626</b>	<b>6,071</b>	<b>324,367</b>	<b>391,850</b>	<b>1,532,914</b>

**STATEMENT OF CASH FLOWS**

**Operating activities**

Profit before taxation			
Adjustments for:			
Profit on disposal of plant and equipment			
Foreign Exchange differences			
Net provision for credit impairment			
Amortisation			
Depreciation			
Increase in provision for retirement benefit obligation			

**Changes in operating assets and liabilities:**

(Increase)/decrease in deposits from customers			
Increase in finance leases receivable			
Increase in hire purchase and other credit agreements			
Increase in loan and advances			
(Decrease)/increase deposits with banks			
(Decrease)/increase in inventories			
(Increase)/decrease in other assets			
(Decrease)/increase in other liabilities			

Tax paid

**Net cash flows (used in)/from operating activities**

**Investing activities**

Proceeds from disposal of plant and equipment			
Proceeds from disposal of intangible assets			
Purchase of intangible assets			
Purchase of plant and equipment			
Net cash flows used in investing activities			

**Financing activities**

Issue of shares			
Dividends paid			
Proceeds from borrowings			
Repayment of borrowings			
Net cash flows from/(used in) financing activities			

**Decrease/(increase) in cash and cash equivalents**

**Movement in cash and cash equivalents**

<b>At October 1,</b>			
Effect of exchange rate changes on cash and cash equivalents			
Decrease/(increase)			
<b>At September 30,</b>			

**Operational cash flows from interest**

Interest paid			
Interest received			

	2018	2017	2016
	MUR 000	MUR 000	MUR 000
<b>Operating activities</b>			
Profit before taxation	300,593	309,034	294,157
Adjustments for:			
Profit on disposal of plant and equipment	273	(887)	(2,543)
Foreign Exchange differences	807	4,224	28
Net provision for credit impairment	219,212	193,663	146,774
Amortisation	13,014	13,245	16,268
Depreciation	51,746	55,485	55,890
Increase in provision for retirement benefit obligation	515	3,959	8,420
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in deposits from customers	(492,547)	339,046	304,545
Increase in finance leases receivable	(22,764)	(273,123)	(229,240)
Increase in hire purchase and other credit agreements	(531,007)	(819,696)	(1,116,618)
Increase in loan and advances	(552,388)	(723,854)	(933,898)
(Decrease)/increase deposits with banks	32,794	(7,217)	87,109
(Decrease)/increase in inventories	2,667	(3,476)	(520)
(Increase)/decrease in other assets	(69,183)	743	(19,325)
(Decrease)/increase in other liabilities	(37,018)	(8,298)	327,682
	(1,083,286)	(917,152)	(1,061,271)
	(51,407)	(62,345)	(56,065)
<b>(1,134,693)</b>	<b>(979,497)</b>	<b>(1,117,336)</b>	
<b>Investing activities</b>			
Proceeds from disposal of plant and equipment	11,240	13,538	14,559
Proceeds from disposal of intangible assets	-	-	4,000
Purchase of intangible assets	(38,236)	(2,170)	(6,589)
Purchase of plant and equipment	(51,667)	(72,909)	(47,557)
Net cash flows used in investing activities	(78,663)	(61,541)	(35,587)
<b>Financing activities</b>			
Issue of shares	-	325,000	50,000
Dividends paid	-	(160,000)	(205,000)
Proceeds from borrowings	10,807,054	10,356,575	7,705,796
Repayment of borrowings	(9,792,415)	(9,268,682)	(6,551,370)
Net cash flows from/(used in) financing activities	1,014,639	1,252,893	999,426
<b>Decrease/(increase) in cash and cash equivalents</b>	<b>(198,717)</b>	<b>211,855</b>	<b>(153,497)</b>
<b>Movement in cash and cash equivalents</b>			
<b>At October 1,</b>	<b>36,981</b>	<b>(170,650)</b>	<b>(17,125)</b>
Effect of exchange rate changes on cash and cash equivalents	(807)	(4,224)	(28)
Decrease/(increase)	(198,717)	211,855	(153,497)
<b>At September 30,</b>	<b>(162,543)</b>	<b>36,981</b>	<b>(170,650)</b>
<b>Operational cash flows from interest</b>			
Interest paid	(351,140)	(351,778)	(299,849)
Interest received	152,325	161,308	247,918

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

**Opinion**

In our opinion, the summary financial statements derived from the audited financial statements of CIM Finance Ltd for the year ended 30 September 2018 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.

**Summary Financial Statements**

The accompanying summary financial statements, which comprise the statement of financial position as at 30 September 2018, 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 2018. 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.

**The Audited Financial Statements and our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated 5 December 2018.

**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 (Revised), "Engagements to Report on Summary Financial Statements."

**Use of Our Report**

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: 05 December 2018