Contents

Corporate Governance Report

COMPLIANCE STATEMENT

The Company is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders. As an essential part of this commitment, the board endeavours to comply with the Code of Corporate Governance for Mauritius.

COMPANY STRUCTURE

Fincorp Investment Ltd (Fincorp) is a subsidiary of MCB Group Limited (MCBG). MCBG has a 57% stake in Fincorp.

BOARD OF DIRECTORS

(a) Composition

Jean-Pierre Montocchio – (Non Executive Director) Age 51
Notary Public since 1990, he has participated in the National Committee on Corporate Governance. He joined the Company on 27 December 2004 and is presently the Chairman.

Directorship in other listed companies

Caudan Development Ltd
Rogers & Co. Ltd
Promotion and Development Ltd
New Mauritius Hotels Ltd
MCB Group Limited
ENL Land Ltd
Les Moulins de la Concorde Ltée

Jocelyn De Chasteauneuf – (Independent Director) Age 77
Joined The Mauritius Commercial Bank Ltd in February 1955 and was appointed as Assistant General Manager in 1986. He retired in 1995 after 40 years of service and was employed as adviser to the Executive Committee of The Mauritius Commercial Bank Limited up to June 2004.

Herbert Couacaud, C.M.G.– (Independent Director) Age 66
Holder of a BSc in Economics and Mathematics from the University of Cape Town (1971). He has actively contributed to the development of the tourism industry in Mauritius and is the Chief Executive Officer of the New Mauritius Hotels Group.

Directorship in other listed companies

New Mauritius Hotels Ltd
Rogers & Co. Ltd

Corporate Governance Report *(Continued)*

Bashirali Abdulla Currimjee, G.O.S.K. – (Independent Director) Age 71
Holds a BA Arts, Major in Economics and Government from Tufts University (US) obtained in 1965. He joined Currimjee Jeewanjee & Co. Ltd in 1965 where he is currently the Chairman.

Directorship in other listed companies

Compagnie Immobilière Limitée
Margarine Industries Limited
Quality Beverages Limited
Soap & Allied Industries Limited
Vital Water Bottling Co Ltd

Michel Doger de Spéville, C.B.E.- (Independent Director) Age 76
Founder of the Mauritius Jaycees, Mr Doger de Spéville is also a member of the Duke of Edinburgh's Award World Fellowship and Honorary Fellow in Agro-Industry of the University of Mauritius. He was the President of the Mauritius Chamber of Commerce and Industry and partner of De Chazal du Mée. He joined the Board of Fincorp Investment Ltd since its incorporation and has been the Chairman of the Food and Allied Group since 1975.

Directorship in other listed companies

Les Moulins de la Concorde Ltée
Livestock Feed Ltd
Tropical Paradise Co Ltd

(b) Role and Responsibilities of the board
All the members of the board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company, independent of management and to protect the interests of shareholders, clients and other stakeholders.

(c) Role of the Chairman
The Chairperson's primary role is to ensure that the board is effective in its tasks of setting and implementing the company's direction and strategy. He must ensure that appropriate policies and procedures are in place for the effective management of the Company.

(d) All the directors being non-executives there is no assessment of directors being performed.

Corporate Governance Report *(Continued)*

DIRECTORS' INTEREST AND DEALINGS IN SHARES

With regard to Directors' dealings in the shares of their own company, the Directors confirm that they have followed the absolute prohibition principles and notification requirements of the model code on securities transactions by Directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

The Company Secretary maintains a Register of Interests which is updated with every transaction entered into by Directors and their closely related parties. Such transactions, which have to take place exclusively outside the close periods prescribed by the Stock Exchange Regulations, require the written authorisation of the Board of Directors.

All new Directors are required to notify in writing to the Company Secretary their holdings in the Company's shares as well as those in related corporations. This is entered in the Register of Interests, which is subsequently updated with all relevant movements.

	No. of Shares held as at 30th June 2014	
Directors	**Direct**	**Indirect**
Jocelyn DE CHASTEAUNEUF	144,705	-
Herbert COUACAUD, C.M.G.	41,587	55,075
Bashirali Abdulla CURRIMJEE, G.O.S.K.	-	-
Michel DOGER DE SPEVILLE, C.B.E.	-	12,005
Jean-Pierre MONTOCCHIO	-	12,493
Secretary		
Jean-François DESVAUX DE MARIGNY	-	88,225

No shares have been purchased by the Directors and the Secretary of Fincorp during the year.

DIRECTORS OF THE SUBSIDIARY OF FINCORP INVESTMENT LIMITED

FINLEASE COMPANY LIMITED

Jocelyn DE CHASTEAUNEUF
Jean-François DESVAUX DE MARIGNY
Thierry KOENIG
Jean MAMET
Jean Michel NG TSEUNG
Louis Eric WILSON RIBOT

Corporate Governance Report *(Continued)*

DIRECTORS' REMUNERATION AND BENEFITS

	From the Holding Company		From Subsidiary	
	2014 Rs'000	2013 Rs'000	**2014 Rs'000**	2013 Rs'000
Directors of Fincorp Investment Ltd Non-Executive	**262**	262	**70**	70
Directors of subsidiary only Non-Executive			**155**	155

Details of Directors Remuneration for year 2014

Directors (Non-executive)	**From the Holding Co.**	**From Subsidiary**
	Rs. 000	Rs. 000
Jean-Pierre MONTOCCHIO	110	-
Herbert COUACAUD	38	-
Bashirali A CURRIMJEE	38	-
Jocelyn DE CHASTEAUNEUF	38	70
Michel DOGER DE SPEVILLE	38	-
Total	**262**	**70**

Remuneration philosophy

No remuneration philosophy is in place as the Company does not have a workforce.

DIRECTORS' SERVICE CONTRACTS

There are no service contracts between the Company and its directors.

Corporate Governance Report *(Continued)*

CONTRACT OF SIGNIFICANCE

The Directors have no contract of significance with the Company and its subsidiary.

RELATED PARTY TRANSACTIONS

For related party transactions, please refer to note 26 of the financial statements.

SHAREHOLDING PROFILE

Ownership of ordinary share capital by size of shareholding as at 30th June 2014 is given in the table below.

Size of Shareholding as at 30 June 2014	Number of shareholders	Number of shares owned	% Holding
1 - 500 shares	1,022	204,941	0.20
501 - 1,000 shares	277	220,900	0.21
1,001 - 5,000 shares	814	2,050,102	1.98
5,001 - 10,000 shares	263	1,948,866	1.89
10,001 - 50,000 shares	309	6,988,438	6.76
50,001 - 100,000 shares	49	3,452,154	3.34
Above 100,000 shares	47	88,489,939	85.62
Total	**2,781**	**103,355,340**	**100.00**

SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY

Name of shareholder	No. of shares	% Holding
MCB Group Limited	59,490,795	57.56
Pershing Llc Main custody a/c	10,731,600	10.38

Mr Jean-Pierre Montocchio is a common director of Fincorp Investment Ltd and MCB Group Limited.

DIVIDEND POLICY

The Company aims to supply its shareholders with ongoing returns in the form of stable dividends. Key dividend ratios over the past five years are shown hereunder.

	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/2013	FY 2013/2014
Dividend per share (Rs)	0.15	0.25	0.25	0.30	**0.45**
Dividend cover (No. of times)	Nil	0.84	0.74	0.89	**3.38**
Dividend yield (%)	0.97	0.97	1.50	1.67	**2.24**

Corporate Governance Report *(Continued)*

SHAREHOLDERS AGREEMENT AFFECTING THE GOVERNANCE OF THE COMPANY BY THE BOARD

There is currently no such agreement.

THIRD PARTY MANAGEMENT AGREEMENT

No such agreement presently exists.

BOARD ATTENDANCE

The following table gives the record of attendance at Fincorp Board for Financial Year 2013/2014.

	Board of Directors
Number of Meetings held	3
Meetings attended	
Jean-Pierre MONTOCCHIO	2
Jocelyn DE CHASTEAUNEUF	2
Herbert COUACAUD, C.M.G.	2
Bashirali Abdulla CURRIMJEE, G.O.S.K.	2
Michel Pierre Elysée DOGER DE SPEVILLE, C.B.E.	2

COMMITTEES

Audit Committee

Members of the Audit Committee set up on 3rd March 2005 are as follows:

Jocelyn DE CHASTEAUNEUF
Michel DOGER DE SPEVILLE

The Committee's duties are to assist the Board in fulfilling its financial reporting responsibilities. The Committee reviews the financial reporting process, the internal control system and the management of financial risk, the audit process and monitors compliance with laws and regulations. There have been no proper quorum during the year, the Committee did not meet and its responsibilities under the above terms of reference were taken over by the Board of Directors. The latter are satisfied that these responsibilities were properly carried out.

Corporate Governance Report *(Continued)*

Corporate Governance Committee

The Company is a subsidiary of MCB Group Limited and as such does not have a separate Corporate Governance Committee as allowed by section 1.3 of the Code of Corporate Governance of Mauritius 2003. The Directors ensure that the principles of good governance of the MCB Group are followed and applied throughout.

Fincorp has no Board Charter. All decisions of the Company are taken at Board level.

AUDITORS' FEES

The fees paid to the auditors for audit and other services were:

	2014		2013	
	Audit Rs'000	**Other Rs'000**	Audit Rs'000	Other Rs'000
BDO & CO				
Fincorp Investment Limited	**200**	**-**	181	-
Finlease Company Limited	**507**	**104**	483	65

RISK MANAGEMENT

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board of Directors is responsible for risk management and for the Company's systems of internal control. The Company's policy on risk management encompasses all significant business risks including physical, operational, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

The risk management mechanisms in place include:

- a system for the ongoing identification and assessment of risk;
- development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- reviewing the effectiveness of the system of internal control; and
- processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board

Corporate Governance Report *(Continued)*

SHARE OPTION PLAN

No such scheme currently exists within the Company.

TIME TABLE – IMPORTANT FORTHCOMING EVENTS

November 2014	Release of quarterly results and declaration of interim dividend
December 2014	Payment of interim dividend
December 2014	Annual Meeting of shareholders
February 2015	Release of half yearly results
May 2015	Release of results for the 9 months to 31st March 2015
June 2015	Declaration of final dividend
July 2015	Payment of final dividend
September 2015	Release of full year results to 30th June 2015

SHARE PRICE INFORMATION

The Company's share price started the year at Rs 18.00. It traded in a short range during the year before closing at Rs 20.10 on 30th June 2014.

DONATIONS

Political donations

No political donation was made by the Company and its subsidiary.

Charitable donations

No charitable donation was made by the Company and its subsidiary.

CORPORATE SOCIAL RESPONSIBILITY

As the Company is not properly structured to identify and manage CSR projects, the Board has decided that Corporate Social Responsibility contributions will be made to the MCB Forward Foundation, the entity set up within the MCB Group for these very purposes. Contributions made during the year amounted to Rs 1,728,582.

Corporate Governance Report *(Continued)*

MATERIAL CLAUSES OF THE CONSTITUTION

There are no clauses of the constitution deemed material enough for special disclosure.

HEALTH AND ENVIRONMENT SAFETY

The Company has applied social, safety, health and environmental policies and practices of the MCB Group that in all material respects comply with existing legislative and regulatory frameworks.

STAKEHOLDERS' RELATIONS AND COMMUNICATION

The shareholders are properly kept informed on matters affecting the Company as they are fairly represented on the Board. All Board members are requested to attend the Annual Meeting, to which all shareholders are invited. Open lines of communication are maintained to ensure transparency and optimal disclosure.

For and on behalf of the Board of Directors

Jean-François Desvaux de Marigny
Company Secretary

Date: 30th September 2014

Report of the Directors

On behalf of the Board of Directors of Fincorp Investment Limited, we are pleased to present the Report of the Directors in respect of the financial year ended 30th June 2014.

RESULTS AND DIVIDENDS

Consolidated results for the year showed a marked improvement from those of FY 2012/13, with net profits of Rs 157.5 million achieved against Rs 27.6 million for last year. This major turnaround is attributable to the much improved performance of Promotion and Development Ltd, which made a positive contribution of Rs 120 million for the year as against a small loss in FY 2012/13.

The Board has declared a final dividend of 45 cents per share, an increase of 15 cents over that paid in FY 2012/13.

FINLEASE COMPANY LIMITED

This wholly-owned subsidiary, which provides operating and financial leasing services, has continued to perform well. The pace of growth has, however, slowed down, after the very spectacular results achieved during the preceding 3 years. Nonetheless, both Balance Sheet and Income metrics have been satisfactory, with the lease portfolio expanding by 16% during the year, Operating Income increasing by 2.4% to Rs 215 million and net profits reaching Rs 80.3 million, an increase of nearly 9% over FY 2012/13.The liquidity and Capital situations of Finlease remain stable and adequate to ensure continued growth in its activities and results. The latter will, however, be affected by the gradual imposition of a cash reserve ratio by the Bank of Mauritius, which regulates the company as a deposit taker.

ASSOCIATED COMPANIES

Promotion and Development Ltd (PAD), in which Fincorp has a 46.4% stake, is an investment company with two main strategic assets, a 63% stake in Caudan Development Ltd (Caudan), a quoted company which owns and manages a large waterfront property in Port Louis and a minority holding of 35% in Medine Ltd, a sugar-based entity with substantial real estate interests. Additionally, PAD also holds a large portfolio of quoted shares.

PAD achieved consolidated results of Rs 275 million for the year with Rs 260 million attributable to shareholders, against a small attributable loss of Rs 6 million in FY 2012/13. While operating results were rather flat, this spectacular progress was essentially due to profits of around Rs 161 million on disposal of shares and to a contribution of Rs 76 million from associates, more particularly Medine Group companies.

Caudan's operations for the year were increasingly affected by the stressed property market conditions in Port Louis. Operating profit decreased by 32% and profits before tax were down to a mere Rs 9m, as against Rs 52 million for the previous year. The company is currently refurbishing the Centre's food court and is envisaging all possible means to widen the customer footprint and boost revenue in the medium term.

Report of the Directors (Continued)

INVESTMENT PORTFOLIO

Fincorp's portfolio of investments increased by 10.5% during the year, reaching Rs 2,297 million at 30th June 2014, boosted by the value of PAD and MFD, which grew by 10% and 53% respectively over the period. Fincorp's net assets per share amounted to Rs 35.93 at 30th June 2014, up from Rs 33.56 last year. This figure, which represents a 79% premium over market price as at the year end, is indicative of unrecognised shareholder value.

	Value of Investments 30.06.2014		Value of Investments 30.06.2013	
	Rs'm	%	Rs'm	%
Subsidiary Company				
Shares in Finlease Co. Ltd.	**200.0**	**8.71**	200.0	9.63
Associated Companies				
Shares in Promotion and Development Ltd.	1,624.0	70.71	1,479.6	71.26
Shares in Caudan Development Ltd.	51.2	2.23	44.2	2.13
	1,675.2	**72.94**	1,523.8	73.39
Other Investments				
Shares in Le Refuge du Pêcheur Ltd.	203.7	8.87	203.7	9.81
Shares in Mauritius Freeport Development Co. Ltd.	202.5	8.82	132.8	6.40
Other Investments	15.2	0.66	15.9	0.77
	421.4	**18.35**	352.4	16.98
	2,296.6	**100.00**	2,076.2	100.00

PROSPECTS

While Group results will always depend on the real estate activities of the PAD Group, which can greatly vary from one year to the next, the Board feels that all of Fincorp's main investments are financially healthy and in a position from which value should be unlocked in the medium term.

Report of the Directors *(Continued)*

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for:

i) adequate accounting records and maintenance of effective internal control systems;

ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cashflows for that period and which comply with International Financial Reporting Standards (IFRS); and

iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

i) adequate accounting records and an effective system of internal controls have been maintained;

ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

iii) International Financial Reporting Standards have been adhered to; and

iv) the Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

Signed by

For and on behalf of the Board of Directors

Jean-Pierre MONTOCCHIO	Jocelyn DE CHASTEAUNEUF
Chairman	Director

Date: 30th September 2014

Company Secretary's Certificate

I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 in terms of section 166(d).

Jean-François DESVAUX DE MARIGNY
Company Secretary
Head Office
9-15, Sir William Newton Street
Port Louis

Port Louis
Mauritius

30th September 2014

Certificate of Compliance

STATEMENT OF COMPLIANCE
(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity('the PIE'): Fincorp Investment Ltd
Reporting Period: 1 July 2013 to 30 June 2014

We, the Directors of Fincorp Investment Ltd, confirm, to the best of our knowledge, that the Company has complied with the obligations and requirements under the Code of Corporate Governance in all material aspects.

Jean-Pierre MONTOCCHIO

Chairman

Jocelyn DE CHASTEAUNEUF

Director

Port Louis
Mauritius

30th September 2014

Independent Auditors' Report to the Members

This report is made solely to the members of Fincorp Investment 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 financial statements of Fincorp Investment Limited and its subsidiary (the "Group") and the Company's separate financial statements on pages 18 to 50 which comprise the statements of financial position at June 30, 2014, the statements of profit or loss, the 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 fincancial 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.

Independent Auditors' Report to the Members (Continued)

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.

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 18 to 50 give a true and fair view of the financial position of the Group and of the Company at June 30, 2014, 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 its subsidiary, other than in our capacity as auditors, business advisers 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.

The 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 on 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

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

30th September 2014,

Port Louis,
Mauritius.

Statements of Financial Position

As at 30th June 2014

	Notes	GROUP 2014 Rs' 000	GROUP 2013 Rs' 000 (Restated)	GROUP 2012 Rs' 000 (Restated)	COMPANY 2014 Rs' 000	COMPANY 2013 Rs' 000	COMPANY 2012 Rs' 000
ASSETS EMPLOYED							
NON-CURRENT ASSETS							
Intangible assets	4	**4,951**	6,255	2,156	**-**	-	-
Property, plant and equipment	5	**322,662**	352,164	339,986	**-**	-	-
Investments in associates	6	**3,631,891**	3,472,787	3,366,095	**1,675,185**	1,523,829	1,297,566
Investment in subsidiary	7	**-**	-	-	**200,000**	200,000	200,000
Investment securities - available-for-sale	8	**421,437**	352,396	346,139	**421,437**	352,396	346,139
Loan receivable	9	**315,439**	309,063	298,206	**340,439**	334,063	323,206
Finance lease receivables	10	**2,125,946**	1,885,208	1,756,041	**-**	-	-
Deposits with financial institutions		**250,000**	250,000	200,000	**-**	-	-
		7,072,326	6,627,873	6,308,623	**2,637,061**	2,410,288	2,166,911
CURRENT ASSETS							
Finance lease receivables	10	**1,093,841**	890,352	796,106	**-**	-	-
Other receivables	11	**86,875**	76,651	67,064	**88,411**	74,832	61,677
Bank balances		**65,972**	144,814	191,026	**-**	-	-
		1,246,688	1,111,817	1,054,196	**88,411**	74,832	61,677
CURRENT LIABILITIES							
Bank overdraft		**701,637**	702,178	698,576	**701,637**	702,178	698,576
Deposits		**537,605**	410,257	610,908	**-**	-	-
Borrowings	12	**181,998**	70,612	56,742	**-**	-	-
Other payables	13	**187,249**	151,802	189,362	**2,304**	2,303	1,819
Current tax liabilities		**5,998**	3,650	6,538	**221**	268	-
Proposed dividend	20	**46,510**	31,007	25,839	**46,510**	31,007	25,839
		1,660,997	1,369,506	1,587,965	**750,672**	735,756	726,234
NET CURRENT LIABILITIES		**(414,309)**	(257,689)	(533,769)	**(662,261)**	(660,924)	(664,557)
		6,658,017	6,370,184	5,774,854	**1,974,800**	1,749,364	1,502,354
FINANCED BY							
SHARE CAPITAL	14(a)	**103,355**	103,355	103,355	**103,355**	103,355	103,355
RETAINED EARNINGS		**1,584,587**	1,482,687	1,469,102	**3,904**	5,244	1,631
OTHER COMPONENTS OF EQUITY		**2,025,176**	1,882,790	1,755,209	**1,552,102**	1,331,702	1,099,162
SHAREHOLDERS' INTERESTS		**3,713,118**	3,468,832	3,327,666	**1,659,361**	1,440,301	1,204,148
NON-CURRENT LIABILITIES							
Deposits		**2,108,725**	2,427,032	1,972,054	**-**	-	-
Borrowings	12	**823,042**	460,117	463,509	**315,439**	309,063	298,206
Deferred tax liabilities	21	**13,132**	14,203	11,625	**-**	-	-
		2,944,899	2,901,352	2,447,188	**315,439**	309,063	298,206
		6,658,017	6,370,184	5,774,854	**1,974,800**	1,749,364	1,502,354
NET ASSETS PER SHARE	Rs.	**35.93**	33.56	32.20	**16.05**	13.94	11.65

These financial statements were approved for issue by the Board of Directors on 30th September 2014.

Jean-Pierre MONTOCCHIO)
Jocelyn DE CHASTEAUNEUF) DIRECTORS

The notes on pages 24 to 50 form part of these financial statements.
Auditors' report on pages 16 and 17.

Statements of Profit or Loss

Year ended 30th June 2014

			GROUP		COMPANY	
			2014	2013	**2014**	2013
	Notes		**Rs' 000**	Rs' 000	**Rs' 000**	Rs' 000
Revenue	2(e)		**412,166**	417,421	**102,457**	92,290
Other income	15		**123,632**	133,199	**92,110**	79,908
Loss on exchange			**(685)**	(1,316)	**(685)**	(1,316)
Operating expenses	16		**(123,805)**	(125,583)	**(2,715)**	(2,792)
			(858)	6,300	**88,710**	75,800
Finance income	17		**289,699**	285,775	**10,346**	12,382
Finance costs	17		**(239,367)**	(247,169)	**(53,222)**	(53,001)
Operating profit			**49,474**	44,906	**45,834**	35,181
Share of profits/(losses) of associates			**123,679**	(2,812)	**-**	-
Profit before tax	18		**173,153**	42,094	**45,834**	35,181
Income tax expense	19		**(15,644)**	(14,518)	**(664)**	(561)
Profit attributable to equity holders of the parent			**157,509**	27,576	**45,170**	34,620
Earnings per share	22	**Re.**	**1.52**	0.27	**0.44**	0.33

The notes on pages 24 to 50 form part of these financial statements.
Auditors' report on pages 16 and 17.

Statements of Profit or Loss and Other Comprehensive Income

Year ended 30th June 2014

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000 (Restated)	**Rs' 000**	Rs' 000
Profit attributable to equity holders of the parent	**157,509**	27,576	**45,170**	34,620
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Share of other comprehensive (expense)/income of associates	**(3,221)**	2,019	**-**	-
Items that may be reclassified subsequently to profit or loss:				
Net fair value gain on available-for-sale investments	**69,044**	6,277	**220,400**	232,540
Share of other comprehensive income of associates	**67,640**	134,506	**-**	-
	136,684	140,783	**220,400**	232,540
Other comprehensive income for the year	**133,463**	142,802	**220,400**	232,540
Total comprehensive income attributable to equity holders of the parent	**290,972**	170,378	**265,570**	267,160

The notes on pages 24 to 50 form part of these financial statements.
Auditors' report on pages 16 and 17.

Statement of Changes in Equity

Year ended 30th June 2014

GROUP	Note	Share Capital Rs' 000	Retained Earnings Rs' 000	Capital Reserve Rs' 000	Revaluation & Other Reserve Rs' 000	Statutory Reserve Rs' 000	General Risk Reserve Rs' 000	Total Rs' 000
At 1st July 2012								
As previously reported		**103,355**	**1,466,516**	**403,941**	**1,326,869**	**37,157**	**6,100**	**3,343,938**
Effect of adopting IAS 19 (revised) by associate		-	(683)	(16,111)	(2,747)	-	-	(19,541)
Other prior year adjustment by associates*		-	3,269	-	-	-	-	3,269
As restated		103,355	1,469,102	387,830	1,324,122	37,157	6,100	3,327,666
Profit for the year		-	27,576	-	-	-	-	27,576
Other comprehensive (expense)/ income for the year (restated)		-	-	(11,731)	154,533	-	-	142,802
Total comprehensive income/ (expense) for the year		-	27,576	(11,731)	154,533	-	-	170,378
Share of transfer on disposal of property, plant and equipment by associate		-	27,077	-	(27,077)	-	-	-
Effect of employee share options exercised in associate		-	(2,038)	-	668	-	-	(1,370)
Increase in effective shareholding in associate		-	3,165	-	-	-	-	3,165
Dividends	20	-	(31,007)	-	-	-	-	(31,007)
Transfer to statutory reserve		-	(11,188)	-	-	11,188	-	-
At 30th June 2013 (restated)		**103,355**	**1,482,687**	**376,099**	**1,452,246**	**48,345**	**6,100**	**3,468,832**
Profit for the year		**-**	**157,509**	**-**	**-**	**-**	**-**	**157,509**
Other comprehensive income for the year		**-**	**-**	**1,755**	**131,708**	**-**	**-**	**133,463**
Total comprehensive income for the year		**-**	**157,509**	**1,755**	**131,708**	**-**	**-**	**290,972**
Share of transfer on disposal of property, plant and equipment by associate		**-**	**3,803**	**-**	**(3,803)**	**-**	**-**	**-**
Effect of employee share options exercised in associate		**-**	**(311)**	**-**	**119**	**-**	**-**	**(192)**
Increase in effective shareholding in associate		**-**	**16**	**-**	**-**	**-**	**-**	**16**
Share of other movements in reserves of associate		**-**	**(865)**	**-**	**865**	**-**	**-**	**-**
Dividends	20	**-**	**(46,510)**	**-**	**-**	**-**	**-**	**(46,510)**
Transfer to statutory reserve		**-**	**(11,742)**	**-**	**-**	**11,742**	**-**	**-**
At 30th June 2014		**103,355**	**1,584,587**	**377,854**	**1,581,135**	**60,087**	**6,100**	**3,713,118**

* The prior year adjustment is in respect of the reversal of deferred tax on land and accrual of VAT by associates.

The notes on pages 24 to 50 form part of these financial statements.
Auditors' report on pages 16 and 17.

Statement of Changes in Equity

Year ended 30th June 2014

COMPANY	Note	Share Capital Rs' 000	Retained Earnings Rs' 000	Capital Reserve Rs' 000	Revaluation & Other Reserve Rs' 000	Total Rs' 000
At 1st July 2012		**103,355**	**1,631**	**100,596**	**998,566**	**1,204,148**
Profit for the year		-	34,620	-	-	34,620
Other comprehensive income for the year		-	-	-	232,540	232,540
Total comprehensive income for the year		-	34,620	-	232,540	267,160
Dividends	20	-	(31,007)	-	-	(31,007)
At 30th June 2013		**103,355**	**5,244**	**100,596**	**1,231,106**	**1,440,301**
Profit for the year		**-**	**45,170**	**-**	**-**	**45,170**
Other comprehensive income for the year		**-**	**-**	**-**	**220,400**	**220,400**
Total comprehensive income for the year		**-**	**45,170**	**-**	**220,400**	**265,570**
Dividends	20	**-**	**(46,510)**	**-**	**-**	**(46,510)**
At 30th June 2014		**103,355**	**3,904**	**100,596**	**1,451,506**	**1,659,361**

The notes on pages 24 to 50 form part of these financial statements.
Auditors' report on pages 16 and 17.

Statements of Cash Flows

Year ended 30th June 2014

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
OPERATING ACTIVITIES				
Cash received from investments	**29,015**	28,891	**79,015**	68,891
Interest received	**27,262**	23,062	**9,668**	9,428
Net cash (outflow)/inflow from leasing activities	**(39,377)**	49,146	**-**	-
Net (decrease)/increase in deposits	**(190,959)**	254,327	**-**	-
Other cash payments	**(3,205)**	(2,809)	**(3,205)**	(2,809)
Cash generated from operations	**(177,264)**	352,617	**85,478**	75,510
Interest paid	**(280,980)**	(210,995)	**(53,222)**	(53,001)
Net cash (outflow)/inflow from operations	**(458,244)**	141,622	**32,256**	22,509
TAXATION				
Income tax paid	**(14,368)**	(14,829)	**(711)**	(293)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(107,404)**	(239,048)	**-**	-
Purchase of intangible assets	**(75)**	(4,658)	**-**	-
Decrease in deposits with financial institution	**-**	(50,000)	**-**	-
Proceeds from sale of investment	**3**	21	**3**	21
Proceeds from sale of property, plant and equipment	**58,042**	141,544	**-**	-
Proceeds from sale of intangible assets	**134**	-	**-**	-
Proceeds from sale of repossessed leased assets	**6,683**	1,752	**-**	-
Net cash (outflow)/inflow from investing activities	**(42,617)**	(150,389)	**3**	21
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING ACTIVITIES	**(515,229)**	(23,596)	**31,548**	22,237
FINANCING ACTIVITIES				
Net increase/(decrease)in other borrowed funds	**467,935**	(379)	**-**	-
Dividends paid	**(31,007)**	(25,839)	**(31,007)**	(25,839)
Net cash inflow/(outflow) from financing activities	**436,928**	(26,218)	**(31,007)**	(25,839)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(78,301)**	(49,814)	**541**	(3,602)
CASH AND CASH EQUIVALENTS AT 1ST JULY	**(557,364)**	(507,550)	**(702,178)**	(698,576)
CASH AND CASH EQUIVALENTS AT 30TH JUNE	**(635,665)**	(557,364)	**(701,637)**	(702,178)
Cash and Cash Equivalents are made up as follows:				
Bank balances	**65,972**	144,814	**-**	-
Bank overdraft	**(701,637)**	(702,178)	**(701,637)**	(702,178)
	(635,665)	(557,364)	**(701,637)**	(702,178)

The notes on pages 24 to 50 form part of these financial statements.
Auditors' report on pages 16 and 17.

Notes to the Financial Statements

Year ended 30th June 2014

1. INCORPORATION AND ACTIVITIES

Fincorp Investment Limited ("the Company") is a public company incorporated in Mauritius and listed on the Stock Exchange of Mauritius. Its registered office is situated at 9-15, Sir William Newton Street, Port Louis, Mauritius. The main activities of the Company and its subsidiary ("the Group") are those of a group which invests in priority in the financial services sector and provides leases.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(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 parent company and its subsidiary company ("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 thousand (Rs 000), except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that available-for-sale securities are stated at their fair value.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is not expected to have any impact on the Group's financial statements.

IAS 27, 'Separate Financial Statements' deals solely with separate financial statements. The standard has no impact on the Group's financial statements.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Accounting for an interest in a joint venture using the proportionate consolidation method is not permitted under IFRS 11. The standard is not expected to have any impact on the Group's financial statements.

IAS 28, 'Investments in Associates and Joint Ventures'. The scope of the revised standard covers investments in joint ventures as well. IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting. The standard has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. See Note 6 for the impact on the Group's financial statements.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

IAS 19, 'Employee benefits' was revised in June 2011. The changes on the Group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The standard has no impact on the Group's financial statements.

IFRIC 20, 'Stripping costs in the production phase of a surface mine', has no impact on the Group's financial statements.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures and is not expected to have any impact on the Group's financial statements.

Amendment to IFRS 1 (Government Loans) has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2009-2011 Cycle

IFRS 1 (Amendment), 'First time adoption of IFRS', has no impact on the Group's operations.

IAS 1 (Amendment), 'Presentation of financial statements', clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors' or voluntarily.

IAS 16 (Amendment), 'Property, plant and equipment', clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The amendment does not have an impact on the Group's operations.

IAS 32 (Amendment), 'Financial instruments: Presentation', clarifies the treatment of income tax relating to distributions and transaction costs. The amendment does not have an impact on the Group's operations.

IAS 34 (Amendment), 'Interim financial reporting', clarifies the disclosure requirements for segment assets and liabilities in interim financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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 2014 or later periods, but which the Group has not early adopted.

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

IFRS 9 Financial Instruments
IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IFRIC 21: Levies
Recoverable Amount Disclosures for Non-financial Assets (Amendments to IAS 36)
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
IFRS 9 Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
Annual Improvements to IFRSs 2010-2012 cycle
Annual Improvements to IFRSs 2011-2013 cycle
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 contracts with customers
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

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 3.3.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation

Investment in subsidiary

Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary company is 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 special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has 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 interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interests 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 identifiable net assets acquired is recorded as goodwill. If this 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 and 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investments in associates

Separate financial statements of the Company

In the separate financial statements of the Company, investments in associated companies are carried at fair value.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 voting rights.

Investments in associates are accounted using the equity method of accounting except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the group's share of 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 the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as 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.

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. The Group profit or loss reflects the Group's share of post-tax profits of associates.

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 the other comprehensive income are reclassified to the profit or loss where appropriate. Dilution gains and losses arising in associates are recognised in profit or loss.

(d) Accounting for leases

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable, the amount being equal to the net investment in the leases after specific provision for bad and doubtful debt in respect of all identified impaired leases in the light of periodical reviews. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Accounting for leases (continued)

Operating leases

Assets leased out under operating leases are included in plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognised on a straight line basis over the lease term.

(e) Revenue

Revenue includes investment income, gross rental income under finance and operating leases and management fees receivable.

- Gross rental income receivable under finance leases and income receivable from operating leases are net of value added taxes and discounts, after deducting the relevant amounts for cancelled leases.
- Interest income and expense are recognised in the profit or loss for all interest bearing instruments on an accrual basis taking into account the effective yield on the asset or liability.
- Interest income includes interest on finance leases, coupons earned on fixed income investment and trading securities and accrued discount and premium on treasury bills.
- Other revenues earned by the Group are recognised on the following bases:

Fees and commissions:	on an accrual basis
Dividend income:	where the Group's rights to receive payment is established

(f) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupee , 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 the functional currency using the exchange rates prevailing on 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 the profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within finance income or cost. All other foreign exchange gains or losses are presented in profit or loss within other (losses)/gains - net.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Plant and equipment

All plant and equipment are initially recorded at cost and stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

	Per annum
Computer Equipment	30%
Office Equipment, Furniture and Fittings	20%
Motor Vehicles	20%
Plant and Equipment	20%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and renewals are charged to the profit or loss when the expenditure is incurred. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at end of each reporting period.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the profit or loss. Assets under operating leases are depreciated over their expected useful lives net of any residual value.

(h) Impairment

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(i) Intangible Assets

Computer Software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised over their estimated useful lives at 20-30% per annum.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial assets

Financial assets are recognised on the Group's statement of financial position when the company has become a party to the contractual provisions of the instrument. The Group classifies its financial assets as held-to-maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The Group's loans and receivables comprise cash and cash equivalents, and trade and other receivables.

(ii) Held-to-maturity investments

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

(iii) 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.

(d) Recognition and measurement

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.

The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

(e) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Investment Securities

Investments are classified as available-for-sale. The classification is dependent on the purpose for which the investments were acquired. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates are classified as available-for-sale.

Purchases and sales of investments are recognised on the trade date which is the date where the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs. Available for sale investments are subsequently carried at fair value.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques, including use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

Unrealised gains and losses arising from changes in fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit or loss as gains and losses from investment securities.

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or 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 financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

(l) Other receivables

Other 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 other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the profit or loss.

(m) Borrowings

Borrowings are recorded 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 (net of transaction costs) and the redemption value is recognised in the 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 reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Other payables

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

(o) Long term loan receivables

Long term loan 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 effective interest rate. The amount of loss is recognised in the profit or loss. Long term receivables without fixed maturity terms are measured at cost.

(p) Cash and cash equivalents

Cash and cash equivalents include balances held with banks and bank overdraft.

(q) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds.

(r) Deferred income tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values 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.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assesses its performance, and for which discrete financial information is available.

Detailed analysis of operating segments are shown in Note 25 to the financial statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

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).

(u) Impairment of leases

Allowance for credit losses consists of specific and portfolio provision for credit losses and is determined based on the company's best estimate of impairment in respect of statement of financial position items.

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. The amount of the provision is the difference between the carrying amount at the time the lease is 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 portfolio at the end of the reporting period. 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 is uncollectible, it is written off against the related provision for impairment; subsequent recoveries are credited to the provision for losses in the 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.

(v) 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.

3. FINANCIAL RISK FACTORS

3.1. The Group's activities expose it to a variety of financial risks, including:

- Credit risk;
- Market risk;
- Interest rate risk; and
- Liquidity risk.

A description of the significant risk factors is given below together with the risk management policies applicable.

3. FINANCIAL RISK FACTORS (CONTINUED)

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's credit risk is primarily attributable to its receivables. The amounts presented in the Statements of Financial Position are net of allowances for doubtful receivables, estimated by management based on prior experience and the current economic environment.

The Group has policies in place to ensure that leases are granted to customers with appropriate credit history.

The Group has policies that limit the amount of credit exposure to any one financial position.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Lease facilities to customers are monitored and the Group has policies in place to identify defaults and recover amounts due. Leases granted are also effectively secured as the rights to the leased assets revert to the lessor in the event of default. The maximum exposure to credit risk at the reporting date is the fair value of the receivables. Specific provision and portfolio provision are made according to the requirements of the Bank of Mauritius.

An analysis of the financial assets that are individually determined to be impaired is given below :

	2014	2013	Collateral held
	Rs' 000	Rs' 000	
Rental due on:			
Operating leases	-	300	Heavy Equipment
Finance leases	17,062	17,548	Vehicles and other equipment
	17,062	17,848	

The above amounts have been determined individually based on the probability of default and past experience. Also, there are objective evidences that the Group will not be able to collect all amounts due according to the original terms of the lease agreement. A specific provision of Rs 4.5 million (2013: Rs 7.2 million) has been made on the impaired receivables.

An age analysis of rental in arrears that are past due but not impaired is given below:

	2014	2013
	Rs' 000	Rs' 000
Less than 6 months	28,760	16,585
Over 6 months	2,754	1,097
	31,514	17,682

3. FINANCIAL RISK FACTORS (CONTINUED)

(a) Credit risk (continued)

The Group's maximum exposure to credit risk is as follows:

	2014 Rs' 000	2013 Rs' 000
Net finance lease receivables	3,219,787	2,775,560
Subordinated loan	315,439	309,063
Other receivables	86,875	76,651
	3,622,101	3,161,274

The collaterals held as security are mainly vehicles and equipment.

(b) Market risk - price risk

The Company is exposed to equity securities price risk because of investments held by the Company.

A 5% change in the fair value of the Company's quoted investments would impact the Company's equity by Rs 94.2 m (2013: Rs 83.2m).

(c) Interest rate risk

For existing interest bearing assets and liabilities, the Group's income and operating cash flows are mostly independent of changes in market interest rates as the implicit interest rates on leases, interest rates offered to depositors and debenture holders are mostly fixed.

For new ones, the Group ensures that the losses that may be created or reduced following interest margins change are not significant by setting limits on the level of mismatch in interest rate repricing that may be undertaken.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow and does not foresee any major liquidity risk over the next two years.

3. FINANCIAL RISK FACTORS (CONTINUED)

(d) Liquidity risk (continued)

Fair value hierarchy

The Group uses hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

These two types of inputs have created the following fair value hierarchy:

Level 1 : Quoted prices(unadjusted) for identical assets. This level includes listed equity securities.

Level 2 : Inputs other than quoted prices that are observable for the assets.

Level 3 : Inputs for the assets that are not based on observable market data.

	Up to 1 year	1 to 5 years	Over 5 years	Non-maturity items	Total
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Maturities of assets and liabilities					
At June 30, 2014					
Assets					
Intangible assets	-	-	-	4,951	4,951
Property, plant and equipment	-	-	-	322,662	322,662
Investments in associates	-	-	-	3,631,891	3,631,891
Investment securities - available-for-sale	-	-	-	421,437	421,437
Loan receivable	-	315,439	-	-	315,439
Finance lease receivables	1,093,841	2,092,137	33,809	-	3,219,787
Deposits with financial institutions	150,000	100,000	-	-	250,000
Other receivables	86,875	-	-	-	86,875
Bank balances	65,972	-	-	-	65,972
Total assets	**1,396,688**	**2,507,576**	**33,809**	**4,380,941**	**8,319,014**
Liabilities					
Bank overdraft	701,637	-	-	-	701,637
Deposits	537,605	2,108,725	-	-	2,646,330
Borrowings	181,998	823,042	-	-	1,005,040
Other payables	187,249	-	-	-	187,249
Current tax liabilities	5,998	-	-	-	5,998
Proposed dividend	46,510	-	-	-	46,510
Deferred tax liabilities	-	-	-	13,132	13,132
Total liabilities	**1,660,997**	**2,931,767**	**-**	**13,132**	**4,605,896**
Net liquidity gap	**(264,309)**	**(424,191)**	**33,809**	**4,367,809**	**3,713,118**
At June 30, 2013					
Total assets	1,111,817	2,420,273	23,998	4,183,602	7,739,690
Total liabilities	1,369,506	2,887,149	14,203	-	4,270,858
Net liquidity gap	(257,689)	(466,876)	9,795	4,183,602	3,468,832

Notes to the Financial Statements (Continued)

Year ended 30th June 2014

3. FINANCIAL RISK FACTORS (CONTINUED)

(e) Fair values of financial assets and liabilities

The fair values of those financial assets and liabilities not presented on the Group's and the Company's Statements of Financial Position at fair values are not materially different from their carrying amounts.

3.2. Capital Risk Management

- The Group's objectives when managing capital are:
- to comply with the capital requirements set by the Bank of Mauritius for its leasing activities,
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- to maintain a strong capital base to support the development of its business.

3.3. Critical accounting estimates and judgements

Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Provisions for credit losses

The Group makes a provision against its portfolio of leases. The Group follows the guidance of 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 leases, historical patterns of losses and the economic climate in which clients operate.

(b) Asset lives, residual values and depreciation policies

Plant and equipment are depreciated over their useful lives taking into account residual values.The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors (maintenance, future market conditions, projected disposal values, among other things). The directors make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

4. INTANGIBLE ASSETS

GROUP

	2014	2013
	Rs' 000	Rs' 000
COST		
At 1st July	27,061	22,403
Additions	75	4,658
Disposals	(134)	-
At 30th June	27,002	27,061
AMORTISATION		
At 1st July	20,806	20,247
Charge for the year	1,245	559
At 30th June	22,051	20,806
NET BOOK VALUES	4,951	6,255

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2014

5. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Assets under operating leases				
	Plant and Machinery Rs' 000	**Motor Vehicles Rs' 000**	**Office Equipment Rs' 000**	**Computer Equipment Rs' 000**	**Total Rs' 000**
COST					
At 1st July 2013	**184,738**	**361,231**	**4,514**	**5,831**	**556,314**
Additions	**9,191**	**98,091**	**122**	**-**	**107,404**
Disposals	**(32,382)**	**(103,786)**	**-**	**-**	**(136,168)**
At 30th June 2014	**161,547**	**355,536**	**4,636**	**5,831**	**527,550**
DEPRECIATION					
At 1st July 2013	**65,026**	**129,466**	**3,918**	**5,740**	**204,150**
Charge for the year	**24,692**	**55,047**	**241**	**47**	**80,027**
Disposals adjustment	**(21,364)**	**(57,925)**	**-**	**-**	**(79,289)**
At 30th June 2014	**68,354**	**126,588**	**4,159**	**5,787**	**204,888**
COST					
At 1st July 2012	129,915	447,412	4,235	5,757	587,319
Additions	149,710	88,985	279	74	239,048
Disposals	(94,887)	(175,166)	-	-	(270,053)
At 30th June 2013	184,738	361,231	4,514	5,831	556,314
DEPRECIATION					
At 1st July 2012	64,640	173,329	3,680	5,684	247,333
Charge for the year	24,550	62,159	238	56	87,003
Disposals adjustment	(24,164)	(106,022)	-	-	(130,186)
At 30th June 2013	65,026	129,466	3,918	5,740	204,150
NET BOOK VALUES					
At 30th June 2014	**93,193**	**228,948**	**477**	**44**	**322,662**
At 30th June 2013	119,712	231,765	596	91	352,164

Notes to the Financial Statements (Continued)

Year ended 30th June 2014

6. INVESTMENTS IN ASSOCIATES

	GROUP	
	2014	2013
	Rs' 000	Rs' 000
		(Restated)
Share of net assets	**3,631,891**	3,472,787

The following are associated companies of Fincorp Investment Limited. Both companies are listed.

	Nature of Business	Principal place of Business and Country of Incorporation	2014 Percentage held Direct %	2014 Percentage held Total %	2013 Percentage held Direct %	2013 Percentage held Total %
Promotion and Development Limited	Investment and Property development	Mauritius	**46.39**	**46.39**	46.40	46.40
Caudan Development Limited	Property development, investment and provision of security services	Mauritius	**5.34**	**34.52**	5.34	34.53

(i) Summarised financial information of the material associate, Promotion and Development Ltd, is set out below:

	Current assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Non-controlling Interest	Revenue	Profit/(loss)	Other Comprehensive income	Dividend received
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
2014	**317,974**	**9,707,670**	**498,613**	**950,931**	**1,083,699**	**516,862**	**261,349**	**140,857**	**27,066**
2013 (Restated)*	240,377	9,887,052	862,927	1,042,096	1,074,165	530,404	(10,304)	294,239	27,066

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

	Opening net assets	Profit/(loss)	Other Comprehensive income	Other Movements in Reserves	Dividends	Closing Net assets	Ownership Interest	Carrying Value
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
2014	**7,148,241**	**261,349**	**140,857**	**296**	**(58,342)**	**7,492,401**	**46.39%**	**3,475,925**
2013 (Restated)*	6,914,391	(10,304)	294,239	8,257	(58,342)	7,148,241	46.40%	3,316,572

* Figures were restated following reversal of deferred tax on land, accrual of VAT, and adoption of IAS19 (revised) by associates.

Notes to the Financial Statements (Continued)
Year ended 30th June 2014

6. INVESTMENTS IN ASSOCIATES (CONTINUED)

(ii) Information of associate that is not material:

	GROUP	
	2014	2013
	Rs' 000	Rs' 000
Carrying amount of interest	**155,966**	156,215
Share of profit	**2,432**	1,968
Share of other comprehensive expense	**(928)**	-

(iii) The above associates are accounted using the equity method.

(iv) As at June 30, 2014, the fair value of the Company's interest in Promotion and Development Limited and Caudan Development Ltd which are listed on the Stock Exchange of Mauritius Ltd was Rs1,623,987,630 (2013:Rs1,479,633,174) and Rs51,197,211 (2013:Rs44,195,883) respectively based on the quoted market price available, which is a level 1 input in terms of IFRS 13.

	COMPANY	
	2014	2013
	Rs' 000	Rs' 000
At 1st July	**1,523,829**	1,297,566
Fair value adjustment	**151,356**	226,263
At 30th June	**1,675,185**	1,523,829

7. INVESTMENT IN SUBSIDIARY

	COMPANY
	Rs' 000
At 1st July 2013 and 30th June 2014 - cost	**200,000**

	Country of Incorporation and Operation	Class of Shares	Cost of Investment Rs' 000	Nominal Value of Investment Rs' 000	Percentage Held	Main Business
2013 & 2014						
Finlease Company Limited	Mauritius	Ordinary	200,000	200,000	100%	Leasing

The issued share capital of Finlease Company Ltd, Fincorp Investment's only subsidiary, consists of 20,000,000 ordinary shares of Rs.10 each.

Notes to the Financial Statements (Continued)

Year ended 30th June 2014

8. INVESTMENT SECURITIES

Available-for-sale

	GROUP & COMPANY		
	Quoted	Unquoted	Total
	Level 1	Level 3	
	Rs' 000	Rs' 000	Rs' 000
At 1st July 2012	133,493	212,646	346,139
Disposal	-	(20)	(20)
Fair value increase	6,277	-	6,277
At 30th June 2013	**139,770**	**212,626**	**352,396**
Disposal	**-**	**(3)**	**(3)**
Fair value increase	**69,044**	**-**	**69,044**
At 30th June 2014	**208,814**	**212,623**	**421,437**

Available-for-sale securities are denominated in rupees.

Fincorp Investment Limited holds more than a 10% interest in the following companies:

		2014	2013
	Nature	Percentage held	
		%	%
Mauritius Freeport Development Company Limited	Ordinary	**15.00**	15.00
Le Refuge du Pêcheur Ltd	Ordinary	**11.00**	11.00

9. LOAN RECEIVABLE

	GROUP		COMPANY	
	2014	2013	2014	2013
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Subordinated loans	**315,439**	309,063	**340,439**	334,063

The loans are denominated in Mur and Euro and attract interest at commercial rates.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2014

10. FINANCE LEASE RECEIVABLES

	GROUP	
	2014	2013
Gross investment in finance leases:	**Rs' 000**	Rs' 000
Within one year	**1,313,068**	1,111,239
After one year and before five years	**2,369,509**	2,132,921
After five years	**36,039**	25,293
	3,718,616	3,269,453
Less unearned income	**(466,511)**	(463,067)
	3,252,105	2,806,386
Less allowances for credit impairment	**(32,318)**	(30,826)
Net investment in finance leases	**3,219,787**	2,775,560
Finance lease receivables may be analysed as follows:-		
Receivable within one year	**1,093,841**	890,352
Receivable after one year and before five years	**2,124,455**	1,892,036
Receivable after five years	**33,809**	23,998
	3,252,105	2,806,386
Less allowances for credit impairment	**(32,318)**	(30,826)
Net investment in finance leases	**3,219,787**	2,775,560
Non-Current assets	**2,125,946**	1,885,208
Current assets	**1,093,841**	890,352
Net investment in finance leases	**3,219,787**	2,775,560

11. OTHER RECEIVABLES

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Investment and other receivable from group company	**-**	-	**88,152**	74,529
Other investment and rental income receivable	**66,961**	60,228	**111**	161
Assets repossessed pending disposals	**7,529**	1,667	**-**	-
Others	**12,385**	14,756	**148**	142
	86,875	76,651	**88,411**	74,832

The carrying amounts of other receivables equal their fair value.

Notes to the Financial Statements *(Continued)*
Year ended 30th June 2014

12. BORROWINGS

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Current				
Other loans	**181,998**	70,612	**-**	-
Non-current				
Other loans	**507,603**	151,054	**-**	-
Banks loans	**315,439**	309,063	**315,439**	309,063
	823,042	460,117	**315,439**	309,063
	1,005,040	530,729	**315,439**	309,063
Analysed as follows:				
Within a period of 1 year	**181,998**	70,612	**-**	-
Within a period of more than 1 year but not exceeding 5 years	**823,042**	460,117	**315,439**	309,063

The rate of interest varied between 1% and 6% during the year.

The carrying amounts of current and non-current borrowings are not materially different from the fair value.

13. OTHER PAYABLES

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Interest payable	**153,941**	118,658	**-**	-
Others	**33,308**	33,144	**2,304**	2,303
	187,249	151,802	**2,304**	2,303

The carrying amounts of other payables equal their fair value.

14. SHARE CAPITAL AND RESERVES

(a) SHARE CAPITAL

	COMPANY
	2014 & 2013
	Rs' 000
AUTHORISED:	
250,000,000 ordinary shares of Re.1 each	**250,000**
ISSUED AND FULLY PAID:	
At 1st July 2013 and 30th June 2014	**103,355**

The issued share capital consists of 103,355,340 ordinary shares of Re.1each.

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2014

14. SHARE CAPITAL AND RESERVES (CONTINUED)

(b) NATURE AND PURPOSE OF RESERVES :

Capital reserve:

Capital reserve comprise of all the movements arising in the reserves of associates.

Revaluation and Other reserve:

Fair value adjustments, which comprise of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired. Other reserve comprise of all the movements arising in the reserves of associates.

Statutory reserve:

15% of the profit after tax is transferred to the Statutory reserve in compliance with the requirements of the Banking Act 2004.

General risk reserve:

The general risk reserve consists of amounts set aside in respect of impairment of the lease portfolio, in addition to the specific and portfolio provision.

15. OTHER INCOME

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Dividend	**149**	198	**91,237**	79,015
Operating lease income	**108,012**	117,418	**-**	-
Other processing fees	**8,348**	8,361	**-**	-
Other operating income	**5,760**	5,450	**-**	-
Profit on disposal of assets	**1,163**	1,553	**-**	-
Others	**200**	219	**873**	893
	123,632	133,199	**92,110**	79,908

16. OPERATING EXPENSES

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Staff costs	**17,071**	15,462	**-**	-
Pension contribution	**2,443**	2,726	**-**	-
Depreciation charge	**80,027**	87,003	**-**	-
Amortisation of intangible assets	**1,245**	559	**-**	-
Other operating expenses	**23,019**	19,833	**2,715**	2,792
	123,805	125,583	**2,715**	2,792

The Group has a multi-employer plan and contributions made have been accounted as a defined contribution plan.

Notes to the Financial Statements *(Continued)*
Year ended 30th June 2014

17. FINANCE INCOME/(COSTS)

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Finance income:				
Finance leases	**263,553**	258,330	**-**	-
Other interest income	**26,146**	27,445	**10,346**	12,382
	289,699	285,775	**10,346**	12,382
Finance costs:				
Borrowings	**67,046**	63,237	**53,222**	53,001
Deposits	**172,321**	183,932	**-**	-
	239,367	247,169	**53,222**	53,001
Net Finance income/(costs)	**50,332**	38,606	**(42,876)**	(40,619)

18. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
The profit for the year before taxation is arrived at after crediting:				
Investment income				
Quoted	**149**	111	**36,237**	29,015
Unquoted	**-**	87	**55,000**	50,000

19. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Income tax on adjusted profits	**16,715**	11,970	**664**	591
Deferred tax (Note 21)	**(1,071)**	2,578	**-**	-
Over provision in previous year	**-**	(30)	**-**	(30)
Charge for the year	**15,644**	14,518	**664**	561

The tax on the Group and the Company's profit differs from the theoretical amount that would arise using the basic rate as follows :

Profit before tax	**173,153**	42,094	**45,834**	35,181
Share of (profits)/losses in Associates	**(123,679)**	2,812	**-**	-
	49,474	44,906	**45,834**	35,181
Tax calculated at a tax rate of 15%	**7,421**	6,736	**6,875**	5,277
Impact of:				
Income not subject to tax	**(22)**	(30)	**(13,686)**	(11,852)
Expenses not deductible for tax purposes	**8,245**	7,842	**7,475**	7,166
Over provision in previous year	**-**	(30)	**-**	(30)
Tax charge	**15,644**	14,518	**664**	561

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2014

20. DIVIDENDS

	COMPANY	
	2014	2013
	Rs' 000	Rs' 000
Final payable on 31st July 2014 Re 0.45 per share (July 2013 : Re 0.30 per share)	**46,510**	31,007

21. DEFERRED TAX LIABILITIES

Accelerated tax depreciation

	GROUP	
	2014	2013
	Rs' 000	Rs' 000
At 1st July	**14,203**	11,625
Movement for the year (Note 19)	**(1,071)**	2,578
At 30th June	**13,132**	14,203

Deferred income taxes are calculated on all temporary differences under the liability method at 15%.

22. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the number of equity shares in issue and ranking for dividend.

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	Rs' 000	Rs' 000	**Rs' 000**	Rs' 000
Profit attributable to equity holders of the parent	**157,509**	27,576	**45,170**	34,620
Number of shares in issue and ranking for dividend (thousands)	**103,355**	103,355	**103,355**	103,355

23. CAPITAL COMMITMENTS

	GROUP	
	2014	2013
	Rs' 000	Rs' 000
Capital commitments at 30th June are as follows :		
Future leases	**657,551**	520,816

Notes to the Financial Statements (Continued)

Year ended 30th June 2014

24. OPERATING LEASES

	GROUP	
	2014	2013
	Rs' 000	Rs' 000
Future minimum lease receivables under non-cancellable operating leases may be analysed as follows:		
Less than 1 year	**86,951**	107,964
More than 1 year and less than 5 years	**226,502**	235,414
More than 5 years	**6,281**	5,003
	319,734	348,381

25. OPERATING SEGMENTS

Year ended 30th June 2014

	Group	**Leasing**	**Investing**	**Eliminations**
	Rs' 000	**Rs' 000**	**Rs' 000**	**Rs' 000**
Revenue from External Customers	**412,166**	402,822	9,344	-
Inter segment revenue	**-**	-	57,024	(57,024)
Total revenue	**412,166**	402,822	66,368	(57,024)
Segment result	**(858)**	1,522	52,620	(55,000)
Finance income (net)	**50,332**			
Share of profits of associates	**123,679**			
Profit before tax	**173,153**			
Income tax expense	**(15,644)**			
Profit attributable to shareholders	**157,509**			
Other segment items:				
Segment assets	**4,687,123**	3,949,987	850,287	(113,151)
Investments in associates	**3,631,891**			
Total assets	**8,319,014**			
Segment liabilities	**3,535,216**	2,862,360	703,941	(31,085)
Unallocated liabilities	**52,508**			
Total liabilities	**3,587,724**			
Capital expenditure	**107,479**	107,479		
Depreciation charge	**80,027**	80,027		
Amortisation	**1,245**	1,245		

Notes to the Financial Statements *(Continued)*

Year ended 30th June 2014

25. OPERATING SEGMENTS (CONTINUED)

Year ended 30th June 2013

	Group Rs' 000	Leasing Rs' 000	Investing Rs' 000	Eliminations Rs' 000
Revenue from External Customers	417,421	407,577	9,844	-
Inter segment revenue	-	-	53,628	(53,628)
Total revenue	417,421	407,577	63,472	(53,628)
Segment result	6,300	9,317	46,983	(50,000)
Finance income (net)	38,606			
Share of losses of associates	(2,812)			
Profit before tax	42,094			
Income tax expense	(14,518)			
Profit attributable to shareholders	27,576			
Other segment items:				
Segment assets	4,266,903	3,605,141	761,291	(99,529)
Investments in associates (restated)	3,472,787			
Total assets	7,739,690			
Segment liabilities	3,691,269	3,016,522	704,481	(29,734)
Unallocated liabilities	34,657			
Total liabilities	3,725,926			
Capital expenditure	243,706	243,706		
Depreciation charge	87,003	87,003		
Amortisation	559	559		

Notes to the Financial Statements (Continued)
Year ended 30th June 2014

26. RELATED PARTY TRANSACTIONS

(a) GROUP

The following transactions were carried out by the Group with related parties:

	Lease Rental Income	Interest Income	Expenses/ Financial Charges	Loan/ Amount Due	Deposit Balance/ Amount Due	Net Lease Receivables
	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
2014						
Entity under joint control	**-**	**10,935**	**58,869**	**1,088,453**	**220,260**	**-**
Directors and close family members	**-**	**-**	**900**	**224**	**18,000**	**-**
Enterprises in which directors/key management personnel have significant interest	**1,032**	**270**	**-**	**-**	**-**	**2,448**
2013						
Entity under joint control	-	13,006	56,124	1,074,408	294,812	-
Directors and close family members	-	-	900	-	18,000	-
Enterprises in which directors/key management personnel have significant interest	204	-	-	-	-	3,641

(b) COMPANY

The following transactions were carried out by the Company with related parties:

	2014	2013
	Rs' 000	Rs' 000
Entity under joint control		
Loan/amount due to	**1,017,076**	1,011,241
Expenses/financial charges	**53,190**	52,953
Subsidiary Company		
Loan due from	**25,000**	25,000
Amount due from	**6,085**	3,626
Interest receivable	**678**	1,847
Rent receivable	**673**	673

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

(c) REMUNERATION

Directors and key management personnel : Salaries and short term employee benefits	**4,159**	4,010

27. HOLDING COMPANY

The directors regard MCB Group Limited as its holding company. The MCB Group Limited is incorporated in Mauritius.

Five-year Financial Summary

Year ended 30th June 2014

		GROUP					COMPANY				
		2014	2013	2012	2011	2010	**2014**	2013	2012	2011	2010
		Rs' m	Rs' m	Rs' m	Rs' m	Rs' m	**Rs' m**	Rs' m	Rs' m	Rs' m	Rs' m
			(Restated*)	(Restated*)							
STATEMENTS OF FINANCIAL POSITION											
Non-current assets		**7,072**	6,628	6,308	6,107	5,723	**2,637**	2,410	2,167	2,727	2,541
Current assets		**1,247**	1,112	1,054	978	926	**88**	75	62	40	38
Current liabilities		**1,661**	1,370	1,588	1,388	1,817	**751**	736	727	657	564
Net current liabilities		**(414)**	(258)	(534)	(410)	(891)	**(663)**	(661)	(665)	(617)	(526)
		6,658	6,370	5,774	5,697	4,832	**1,974**	1,749	1,502	2,110	2,015
Share capital		**103**	103	103	103	103	**103**	103	103	103	103
Capital reserves		**2,025**	1,883	1,755	1,794	1,830	**1,552**	1,332	1,099	1,694	1,610
Revenue reserves		**1,585**	1,483	1,469	1,465	1,410	**4**	5	2	2	1
Shareholders' interests		**3,713**	3,469	3,327	3,362	3,343	**1,659**	1,440	1,204	1,799	1,714
Non-current liabilities		**2,945**	2,901	2,447	2,335	1,489	**315**	309	298	311	301
		6,658	6,370	5,774	5,697	4,832	**1,974**	1,749	1,502	2,110	2,015
STATEMENTS OF PROFIT OR LOSS											
Revenue		**412**	417	419	382	383	**102**	92	83	81	69
Profit/(Loss) before tax		**173**	42	31	29	(34)	**46**	35	26	27	16
Profit/(Loss) attributable to equity holders of the parent		**158**	28	20	21	(37)	**45**	35	25	27	16
Dividends		**46.5**	31.0	25.8	25.8	15.5	**46.5**	31.0	25.8	25.8	15.5
DATA PER SHARE											
Earnings/(loss) per share	Rs	**1.52**	0.27	0.19	0.21	(0.36)	**0.44**	0.33	0.25	0.26	0.15
Dividends per share	Re	**0.45**	0.30	0.25	0.25	0.15	**0.45**	0.30	0.25	0.25	0.15
Net assets per share	Rs	**35.93**	33.56	32.20	32.53	32.35	**16.05**	13.94	11.65	17.41	16.59

* Figures were restated following reversal of deferred tax on land, accrual of VAT, and adoption of IAS19 (revised) by associates.