

# Barclays Leasing Company Limited

## BALANCE SHEET - 31 DECEMBER 2008

	2008 Rs'000	2007 Rs'000	2006 Rs'000
<b>ASSETS</b>			
Cash and cash equivalents	165,977	149,142	40,518
Finance leases to banks	59	217	355
Finance leases to customers	1,464,911	1,222,157	1,057,543
Investment securities	41,674	86,229	77,564
Property, plant and equipment	130,300	128,164	122,455
Intangible assets	288	-	-
Retirement benefits assets	1,677	2,118	1,627
Investment in subsidiary company	12,248	12,248	12,248
Other assets	12,758	19,041	14,255
<b>Total assets</b>	<b>1,829,892</b>	<b>1,619,316</b>	<b>1,326,565</b>
<b>LIABILITIES</b>			
Deposits from customers	1,379,087	1,274,838	1,073,920
Other borrowed funds	34,796	4,880	22,611
Current income tax liabilities	3,488	2,496	1,486
Deferred income tax liabilities	4,338	5,109	4,121
Provisions	3,177	2,263	7,568
Other liabilities	151,644	99,432	56,768
<b>Total liabilities</b>	<b>1,576,530</b>	<b>1,389,018</b>	<b>1,166,474</b>
<b>Shareholders' equity</b>			
Share capital	210,000	210,000	105,000
Retained earnings	32,996	13,623	55,624
Other reserves	10,366	6,675	( 533)
<b>Total equity</b>	<b>253,362</b>	<b>230,298</b>	<b>160,091</b>
<b>Total equity and liabilities</b>	<b>1,829,892</b>	<b>1,619,316</b>	<b>1,326,565</b>

## INCOME STATEMENT - YEAR ENDED 31 DECEMBER 2008

	2008 Rs'000	2007 Rs'000	2006 Rs'000
Interest income	222,061	179,733	143,856
Interest expense	( 139,339)	( 106,211)	( 80,118)
<b>Net interest income</b>	<b>82,722</b>	<b>73,522</b>	<b>63,738</b>
Fee and commission income	8,569	4,504	3,154
Fee and commission expense	( 37)	( 35)	( 28)
<b>Net fee and commission income</b>	<b>8,532</b>	<b>4,469</b>	<b>3,126</b>
Other operating income	415	438	99
<b>Operating income</b>	<b>91,669</b>	<b>78,429</b>	<b>66,963</b>
Net impairment loss on financial assets	6,192	1,814	2,629
Personnel expenses	14,467	10,178	5,806
Operating lease expenses	803	636	532
Depreciation of property plant and equipment	34,451	27,450	21,417
Amortisation of intangible assets	272	-	-
Other expenses	8,272	15,118	10,937
	64,457	55,196	41,321
<b>Profit before income tax</b>	<b>27,212</b>	<b>23,233</b>	<b>25,642</b>
Income tax expense	( 4,009)	( 3,700)	( 3,603)
<b>Profit for the year available to ordinary shareholder</b>	<b>23,203</b>	<b>19,533</b>	<b>22,039</b>
<b>Net profit per ordinary share</b>	<b>110.49</b>	<b>185.52</b>	<b>211.33</b>

## CASH FLOW STATEMENT - YEAR ENDED 31 DECEMBER 2008

	2008 Rs'000	2007 Rs'000	2006 Rs'000
<b>Cash flows from operating activities</b>			
Profit before income tax	27,212	23,233	25,642
<i>Adjustments for:</i>			
Provision for lease impairment	6,192	1,814	2,629
Provision recovered	20	45	-
Depreciation on property, plant and equipment	34,451	27,450	21,417
Profit on sale of property, plant and equipment	( 415)	( 438)	( 53)
Amortisation of intangible assets	272	-	-
Exchange difference	-	-	( 46)
Interest income on investment securities	( 3,785)	( 8,611)	( 10,254)
Interest expense on deposits	139,080	102,933	79,901
<b>Cash flows from operating profit before changes in operating assets and liabilities</b>	<b>203,027</b>	<b>146,426</b>	<b>119,236</b>
<i>Changes in operating assets and liabilities</i>			
Decrease/(increase) in operating assets:			
Other assets	6,283	( 4,786)	( 7,579)
Retirement benefit assets	441	( 491)	( 339)
Increase/(decrease) in operating liabilities:			
Provisions	914	-	-
Other liabilities	( 1,344)	( 3,790)	5,087
<b>Net cash generated from operations</b>	<b>209,321</b>	<b>137,359</b>	<b>116,405</b>
Interest received	7,078	8,011	8,741
Interest paid	( 85,524)	( 61,784)	( 69,429)
Income tax paid	( 3,788)	( 1,702)	-
<b>Net cash generated from operating activities</b>	<b>127,087</b>	<b>81,884</b>	<b>55,717</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment	( 41,131)	( 35,608)	( 44,743)
Payments for purchase of intangible assets	( 560)	-	-
Proceeds from sale of property, plant and equipment	4,959	2,887	2,594
Payments for purchase of available-for-sale financial assets	-	( 100,082)	( 151,261)
Proceeds from sale of available-for-sale financial assets	41,123	92,689	197,736
Proceeds from sale of financial assets at fair value through profit or loss	-	-	12,299
Payments for purchase of investment in subsidiary company	-	-	( 11,147)
Finance leases disbursed	( 718,426)	( 556,771)	( 421,174)
Capital repayments of finance leases	469,618	390,436	268,107
<b>Net cash used in investing activities</b>	<b>( 244,417)</b>	<b>( 206,449)</b>	<b>( 147,589)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	-	50,002	20,000
Receipts from deposits	551,837	346,071	908,773
Payments on maturity of deposits	( 447,588)	( 145,153)	( 822,263)
<b>Net cash generated from financing activities</b>	<b>104,249</b>	<b>250,920</b>	<b>106,510</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>( 13,081)</b>	<b>126,355</b>	<b>14,638</b>
Cash and cash equivalents at 01 January	144,262	17,907	3,269
<b>Cash and cash equivalents at 31 December</b>	<b>131,181</b>	<b>144,262</b>	<b>17,907</b>

## STATEMENT OF CHANGES IN EQUITY - YEAR ENDED 31 DECEMBER 2008

	Share capital Rs'000	Retained earnings Rs'000	Fair value reserve Rs'000	Statutory reserve Rs'000	General banking reserve Rs'000	Total equity Rs'000
At 01 January 2006	85,000	33,585	( 523)	-	-	118,062
Issue of shares during the year	20,000	-	-	-	-	20,000
Fair value loss on available-for-sale financial assets	-	-	( 10)	-	-	( 10)
Profit for the year available to ordinary shareholder	-	22,039	-	-	-	22,039
At 31 December 2006	105,000	55,624	( 533)	-	-	160,091
Issue of shares during the year	105,000	( 54,998)	-	-	-	50,002
Fair value profit on available-for-sale financial assets	-	-	672	-	-	672
Transfer to general banking reserve	-	( 3,606)	-	-	3,606	-
Transfer to statutory reserve	-	( 2,930)	-	2,930	-	-
Profit for the year available to ordinary shareholder	-	19,533	-	-	-	19,533
At 31 December 2007	210,000	13,623	139	2,930	3,606	230,298
Transfer upon disposal of available-for-sale financial assets	-	-	( 139)	-	-	( 139)
Transfer to general banking reserve	-	( 350)	-	-	350	-
Transfer to statutory reserve	-	( 3,480)	-	3,480	-	-
Profit for the year available to ordinary shareholder	-	23,203	-	-	-	23,203
<b>At 31 December 2008</b>	<b>210,000</b>	<b>32,996</b>	<b>-</b>	<b>6,410</b>	<b>3,956</b>	<b>253,362</b>

Approved and authorised for issue by the Board of directors on 30 March 2009 and signed on its behalf by:

RAVIN DAJEE  
Chairman

CYRIL WONG SUN THIONG  
Director

MAGANLALL JUGURNAUTH  
Managing Director

The above balance sheet, income statement, cash flow statement and statement of changes in equity have been extracted from the audited financial statements for the year ended 31 December 2008. Notes to these financial statements, which are an integral part of the audited financial statements, can be obtained upon request from the Company.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BARCLAYS LEASING COMPANY LIMITED

1. The accompanying summarised financial statements have been derived from the financial statements of Barclays Leasing Company Limited (the "Company") for the year ended 31 December 2008. These summarised financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on whether these summarised financial statements are consistent, in all material aspects, with the financial statements from which they were derived.

2. We have audited the financial statements of the Company for the year ended 31 December 2008, from which these summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 30 March 2009, we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

3. In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.  
4. For a better understanding of the Company's financial position and the results of its operations for the year and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which the summarised financial statements were derived and our audit report thereon.

The independent auditor's report on the complete set of financial statements reads as follows:

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BARCLAYS LEASING COMPANY LIMITED

### Report on the Financial Statements

1. We have audited the financial statements of Barclays Leasing Company Limited (the "Company") on pages 25 to 73 which comprise the balance sheet at 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Directors' Responsibility for the Financial Statements

2. The Company's 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 Mauritian Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

3. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

6. In our opinion, the financial statements on pages 25 to 73 give a true and fair view of the financial position of the Company at 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

### Report on Other Legal and Regulatory Requirements

7. The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company or its subsidiary other than in our capacities as auditor and tax advisor;  
(b) we have obtained all the information and explanations we have required; and  
(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

8. The Banking Act 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

PricewaterhouseCoopers

Mohammad Issa Taujoo  
Licensed auditor

30 March 2009