

	30-Jun-16 Rs.	30-Jun-15 Rs.	30-Jun-14 Rs.
<u>STATEMENT OF FINANCIAL POSITION</u>			
ASSETS			
Cash and cash equivalents	139,506,742	266,433,450	65,971,977
Deposits with financial institutions	212,641,365	107,315,274	260,042,671
Net lease receivables	3,879,704,918	3,645,303,619	3,271,490,074
Plant and equipment	472,696,227	456,164,393	322,662,168
Intangible assets	33,833,735	5,783,146	5,085,355
Current tax assets	-	2,868,844	-
Other assets	54,729,391	84,290,682	23,895,447
Total assets	4,793,112,378	4,568,159,408	3,949,147,692
LIABILITIES			
Deposits from customers	3,440,297,205	2,980,873,749	2,801,616,412
Borrowings	787,158,118	1,085,771,865	689,601,447
Shareholder's loan	102,584,115	56,392,671	29,739,495
Current tax liabilities	2,414,423	-	5,825,642
Deferred tax liabilities	24,648,328	19,503,684	13,132,155
Proposed dividends	50,000,000	55,000,000	55,000,000
Other liabilities	39,112,929	25,544,753	30,058,286
Total liabilities	4,446,215,118	4,223,086,722	3,624,973,437
SHAREHOLDERS' EQUITY			
Share capital	200,000,000	200,000,000	200,000,000
General risk reserve	19,657,776	14,642,000	10,000,000
Statutory reserve	79,254,260	71,480,574	60,095,809
Retained earnings	47,985,224	58,950,112	54,078,446
Total equity	346,897,260	345,072,686	324,174,255
Total equity and liabilities	4,793,112,378	4,568,159,408	3,949,147,692

	Share Capital Rs.	General Risk Reserve Rs.	Statutory Reserve Rs.	Retained Earnings Rs.	Total Rs.
<u>STATEMENT OF CHANGES IN EQUITY</u>					
Balance at July 1, 2013	200,000,000	6,100,000	48,033,352	44,624,523	298,757,875
Profit for the year	-	-	-	80,416,380	80,416,380
Transfer	-	3,900,000	12,062,457	(15,962,457)	-
Dividends	-	-	-	(55,000,000)	(55,000,000)
Balance at June 30, 2014	200,000,000	10,000,000	60,095,809	54,078,446	324,174,255
Profit for the year	-	-	-	75,898,431	75,898,431
Transfer	-	4,642,000	11,384,765	(16,026,765)	-
Dividends	-	-	-	(55,000,000)	(55,000,000)
Balance at June 30, 2015	200,000,000	14,642,000	71,480,574	58,950,112	345,072,686
Profit for the year	-	-	-	51,824,574	51,824,574
Transfer	-	5,015,776	7,773,686	(12,789,462)	-
Dividends	-	-	-	(50,000,000)	(50,000,000)
Balance at June 30, 2016	200,000,000	19,657,776	79,254,260	47,985,224	346,897,260

These financial statements have been approved by the Board of Directors on the 16th September 2016.

	30-Jun-16	30-Jun-15	30-Jun-14
	Rs.	Rs.	Rs.
STATEMENT OF CASH FLOWS			
Profit before income tax	66,094,519	90,731,269	90,731,269
Adjustments for:			
Profit on disposal of plant and equipment	(44,378)	(1,290,202)	(1,162,930)
Loss on disposal of repossessed leased assets	2,917,769	3,666,399	1,952,378
Amortisation	6,400,957	1,414,300	1,244,770
Depreciation	102,883,141	82,652,329	80,026,876
Write off of plant and equipment	10,466,817	-	-
Net impairment of financial assets	17,145,232	7,049,775	4,529,600
(Increase)/decrease in interest receivable	(5,326,091)	(3,026,026)	2,627,813
(Decrease)/increase in interest payable	(3,808,556)	1,653,176	1,785,342
Decrease/(increase) in other assets	17,704,391	(41,975,949)	(7,120,008)
Increase/(decrease) in other liabilities	13,568,173	(4,513,533)	(1,455,058)
Changes in operating assets and liabilities:			
Net increase in investment in finance leases	(251,546,530)	(381,021,669)	(462,802,077)
Net increase/(decrease) in deposits	459,423,456	179,257,337	(155,438,402)
Cash generated from/(absorbed in) operations	435,878,900	(65,402,794)	(440,366,557)
Tax paid	(6,305,781)	(17,155,795)	(13,655,939)
Tax refund	2,463,747	-	-
Net cash generated from/(absorbed in) operating activities	432,036,866	(82,558,589)	(454,022,496)
Cash flows from investing activities			
Deposits with financial institutions	(100,000,000)	-	(100,000,000)
Proceeds from financial institutions	-	150,000,000	100,000,000
Proceeds from sale of repossessed leased assets	8,939,131	8,826,087	6,682,813
Proceeds from sale of plant and equipment	39,432,767	51,127,890	58,041,588
Purchase of intangible assets	(34,451,546)	(2,112,091)	(74,761)
Purchase of plant and equipment	(169,270,181)	(265,992,242)	(107,403,634)
Net cash used in investing activities	(255,349,829)	(58,150,356)	(42,753,994)
Cash flows from financing activities			
Dividends paid	(55,000,000)	(55,000,000)	(50,000,000)
Payments on long term borrowings	(266,276,130)	(234,830,761)	(102,134,043)
Proceeds from long term borrowings	118,493,639	480,169,925	570,068,733
Proceeds from shareholder's loan	50,000,000	-	-
Payments on short term borrowings	(150,000,000)	-	-
Proceeds from short term borrowings	-	150,000,000	-
Net cash (used in)/generated from financing activities	(302,782,491)	340,339,164	417,934,690
(Decrease)/increase in cash and cash equivalents	(126,095,454)	199,630,219	(78,841,800)
Movement in cash and cash equivalents			
At July 1,	265,602,196	65,971,977	144,813,777
(Decrease)/increase	(126,095,454)	199,630,219	(78,841,800)
At June 30,	139,506,742	265,602,196	65,971,977

These financial statements have been approved by the Board of Directors on the 16th September 2016.

STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

	30-Jun-16	30-Jun-15	30-Jun-14
	Rs.	Rs.	Rs.
Revenue	1,935,876,963	1,857,011,297	1,712,615,299
Interest income	304,667,846	284,146,003	279,670,769
Interest expense	(210,264,400)	(188,363,529)	(187,496,942)
Net interest income	94,403,446	95,782,474	92,173,827
Operating lease income	134,147,957	110,278,723	108,011,583
Processing fees	7,500,878	8,554,930	9,242,298
Other operating income	9,413,833	6,659,708	5,856,637
	151,062,668	125,493,361	123,110,518
Operating income	245,466,114	221,275,835	215,284,345
Net impairment of financial assets	(17,145,232)	(7,049,775)	(4,529,600)
Personnel expenses	(25,290,621)	(22,253,674)	(19,514,247)
Loss on disposal of assets	(2,873,391)	(2,376,197)	(789,448)
Depreciation and amortisation	(109,284,098)	(84,066,629)	(81,271,646)
Other expenses	(14,311,436)	(14,798,291)	(13,734,265)
Profit before exceptional item and tax	76,561,336	90,731,269	95,445,139
Exceptional item	(10,466,817)	-	-
Profit before tax	66,094,519	90,731,269	95,445,139
Income tax expense	(14,269,945)	(14,832,838)	(15,028,759)
Profit for the year	51,824,574	75,898,431	80,416,380
Other comprehensive income	-	-	-
Total comprehensive income for the year	51,824,574	75,898,431	80,416,380
Earnings per share	Rs. 2.59	3.79	4.02
Transfer to statutory reserve	7,773,686	11,384,765	12,062,457
Number of shares	20,000,000	20,000,000	20,000,000

COMMENTS ON RESULTS

Net profit after tax has declined by 32% this year to reach Rs51.8M, mainly explained by continuing compression on margins, higher impairment costs, accelerated depreciation costs related to our legacy system as well as an exceptional write off on assets.

NOTES:

1. PLANT AND EQUIPMENT

Plant and Equipment includes an amount of Rs. 471.80M in respect of assets under operating leases (2015: Rs. 455.57M ; 2014: Rs. 322.14M).

2. Copies of the abridged audited financial statements can be obtained free of charge upon request at the registered office of the Company.

3. International Financial Reporting Standards (IFRS) have been adopted in the preparation of these financial statements.

These financial statements have been approved by the Board of Directors on the 16th September 2016.

FINLEASE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER

This report is made solely to the member of Finlease Company 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 member 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 member 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 Finlease Company Limited (the "Company") on pages 8 to 37 which comprise the statement of financial position at June 30, 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 Banking Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

FINLEASE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER (continued)

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 8 to 37 give a true and fair view of the financial position of the Company at June 30, 2016, 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 Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company, other than in our capacity as auditors and 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.

Banking Act 2004

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.

The explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

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

Port Louis,
Mauritius.
September 16th, 2016

Jacques Pougnet, FCA
Licensed by FRC