



**MAURITIAN EAGLE LEASING COMPANY LIMITED**  
**FINANCIAL RESULTS AT 31 DECEMBER 2007**

**BALANCE SHEET AS AT 31 DECEMBER 2007**

	2007 Rs	2006 Rs
<b>ASSETS</b>		
<b>Cash resources</b>		
Balances with banks	43,779,737	9,205,186
<b>Securities and placements</b>		
Investment securities	54,690,188	27,822,779
Short term deposit	85,000,000	64,000,000
	140,190,188	91,822,779
<b>Net investment in finance leases</b>		
Personal	234,654,632	211,588,931
Business	1,156,758,542	982,409,232
<b>Allowances for credit losses</b>		
	1,391,413,174	1,193,998,163
	(17,471,049)	(11,971,049)
	1,373,942,125	1,182,027,114
<b>Others</b>		
Fixed assets	126,121,376	115,207,251
Deferred tax asset	-	-
Other receivables and prepayments	69,735,851	68,349,786
Amount due from group companies	-	-
	195,857,227	183,557,037
<b>TOTAL</b>	<b>1,753,769,277</b>	<b>1,466,612,116</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Deposits</b>		
Personal	710,443,235	596,326,920
Business	687,145,224	349,986,540
	1,377,588,459	936,313,460
<b>Borrowings</b>		
Bank loans	108,214,136	205,000,000
Shareholders' Loan	-	100,000,000
<b>Others</b>		
Deferred tax liability	3,550,790	3,550,790
Other payables	52,460,518	81,650,577
	164,225,444	387,378,806
<b>Shareholders' equity</b>		
Share capital	200,000,000	100,000,000
Reserves Account	1,355,328	-
Retained earnings	10,600,046	42,919,850
	211,955,374	142,919,850
<b>TOTAL</b>	<b>1,753,769,277</b>	<b>1,466,612,116</b>

**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 Rs	2006 Rs
Gross Finance Lease Income	378,009,646	314,339,724
Capital Element of Finance lease income	(231,265,792)	(212,390,004)
Net Finance Lease Income	146,743,854	101,949,720
Other Income	52,520,127	38,801,958
	199,263,981	140,751,678
Administrative Expenses	(40,616,086)	(33,948,111)
Operating Profit	158,647,896	106,803,567
Finance Costs	(146,789,811)	(102,428,714)
Profit before Taxation	11,858,085	4,374,853
Taxation	(2,822,561)	(931,520)
Profit after Taxation	9,035,524	3,443,333
Earnings per share	0.88	0.34

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 Rs	2006 Rs
<b>CASH FLOWS FROM OPERATING</b>		
Net profit before taxation	11,858,085	4,374,853
Adjustments for:		
Depreciation	22,699,848	16,076,788
Provision for credit losses	5,500,000	1,800,070
Interest income	(8,715,006)	(6,959,762)
Interest expense	145,435,233	102,428,714
Gain on disposal	(1,584,443)	-
Capitalisation of dividend	(40,000,000)	-
	135,193,717	117,720,663
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
(Increase)/decrease in other receivables	(666,941)	(10,496,311)
Decrease/(increase) in amount due from group	-	1,735,876
Increase in other payables and accruals	(29,190,059)	31,073,661
	(29,857,000)	22,313,226
<b>CASH GENERATED FROM OPERATIONS</b>	<b>105,336,717</b>	<b>140,033,889</b>
Interest paid	(145,435,233)	(102,428,714)
Taxation paid	-	-
<b>NET CASH GENERATED FROM/USED IN</b>	<b>(40,098,516)</b>	<b>37,605,175</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(38,998,668)	(23,313,456)
Deposits from clients	441,274,998	107,062,747
Investment in finance lease	(505,645,977)	(607,791,726)
Capital repayment of finance lease	308,230,969	284,353,581
Interest income	8,715,006	6,959,762
Net investment in Treasury bills and bonds	(23,590,100)	13,768,692
Reposessed assets	(3,996,435)	-
Proceeds from sale of fixed assets	6,969,140	-
Proceeds from sale of reposessed assets	-	78,360,906
	192,958,931	(140,599,494)
<b>FINANCING ACTIVITIES</b>		
Increase in shareholders' loan	-	100,000,000
Bank loan received	-	45,000,000
Bank loan repaid	(96,785,864)	(40,000,000)
<b>NET CASH GENERATED FROM FINANCING</b>	<b>(96,785,864)</b>	<b>105,000,000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>56,074,551</b>	<b>2,005,672</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>73,205,186</b>	<b>71,199,514</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>Rs 129,279,737</b>	<b>73,205,186</b>

**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2007**

	Share capital Rs	Retained Earnings Rs	Reserve Account Rs	Total Rs
At 1 January 2005	60,000,000	25,263,975	-	85,263,975
Issue of new shares	40,000,000	-	-	40,000,000
Profit for the year	-	14,212,542	-	14,212,542
At 31 December 2005	100,000,000	39,476,517	-	139,476,517
Profit for the year	-	3,443,333	-	3,443,333
At 31 December 2006	100,000,000	42,919,850	-	142,919,850
Capitalisation of dividend into shares	40,000,000	-	-	40,000,000
Capitalisation of shareholders' loan	60,000,000	-	-	60,000,000
Dividend declared	-	(40,000,000)	-	(40,000,000)
Profit for the year	-	9,035,524	-	9,035,524
Transfer to reserve account	-	(1,355,328)	1,355,328	-
At 31 December 2007	Rs 200,000,000	10,600,046	1,355,328	211,955,374

**COMMENTS**

These statements have been extracted from the full audited statutory financial statements for the year ended 31 December 2007 approved by the Board of Directors on 17 March 2008.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAURITIAN EAGLE LEASING COMPANY LIMITED**

This report is made solely to the company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. The fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders 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 the Mauritian Eagle Leasing Company Limited set out on pages 3 to 30 which comprise the balance sheet as at 31 December 2007 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/or explanatory notes.

**Directors' Responsibility for the Financial Statements**

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 Mauritius Companies Act 2001, the Banking Act 2004 and the Financial Reporting Act 2004. 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**

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.

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 3 to 30 give a true and fair view of the financial position of the Company as at 31 December 2007 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 applicable to non-bank financial institutions and the Financial Reporting Act 2004.

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the Company other than in our capacities as auditors, tax advisors and arm's length dealings in the ordinary course of business

- we have obtained all information and explanations that we have required; and

- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

In accordance with the requirements of the Banking Act 2004, we report as follows:

- 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 provisions of the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius; and

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

Port Louis, Mauritius  
17 March 2008

Kemp Chatteris Deloitte  
Chartered Accountants