

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

	2017	2016	2015
	Rs	Restated Rs	Restated Rs
<b>ASSETS</b>			
Cash and cash equivalents (Note 20)	236,605,758	270,406,419	97,583,562
Other financial assets (Note 20)	60,133,893	28,529,177	54,456,425
Finance leases to customers (Note 4)	1,286,779,988	1,150,048,498	1,062,552,082
Intangible assets (Note 5)	402,480	559,719	659,865
Property, plant and equipment (Note 6)	119,702,918	70,448,725	54,302,247
Other assets (Note 8)	16,247,282	22,686,951	11,144,964
Current income tax assets (Note 11)	-	128,758	-
Deferred income tax assets (Note 7)	2,757,267	3,382,952	3,929,218
<b>Total assets</b>	<b>1,722,629,586</b>	<b>1,546,191,199</b>	<b>1,284,628,363</b>
<b>LIABILITIES</b>			
Deposits from customers (Note 9)	1,336,701,272	1,192,711,029	864,081,697
Other borrowed funds (Note 10)	42,991,524	65,633,561	113,719,733
Current income tax liabilities (Note 11)	369,471	-	289,277
Other liabilities (Note 12)	95,484,869	49,489,333	65,599,757
<b>Total liabilities</b>	<b>1,475,547,136</b>	<b>1,307,833,923</b>	<b>1,043,690,464</b>
<b>Shareholders' equity</b>			
Share capital (Note 13)	200,000,000	200,000,000	200,000,000
Statutory reserve	18,354,285	17,045,509	15,632,602
General banking reserve	-	-	-
Retained earnings	28,728,165	21,311,767	25,305,297
<b>Total equity</b>	<b>247,082,450</b>	<b>238,357,276</b>	<b>240,937,899</b>
<b>Total equity and liabilities</b>	<b>1,722,629,586</b>	<b>1,546,191,199</b>	<b>1,284,628,363</b>

Authorised for issue by the Board of Directors on 29 March 2018  
and signed on its behalf by:

\_\_\_\_\_  
Mr. Clement Yue-Chi-Ming  
MANAGING DIRECTOR

\_\_\_\_\_  
Mr. Mushtaq Oosman  
CHAIRMAN

\_\_\_\_\_  
Mr. Max Tony Kim Tow Fon Sing  
NON EXECUTIVE DIRECTOR

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
YEAR ENDED 31 DECEMBER 2017**

	2017	2016	2015
	Rs	Restated Rs	Restated Rs
Interest income (Note 14)	<b>104,731,848</b>	95,459,922	85,011,693
Interest expense (Note 14)	<b>(59,478,897)</b>	(57,770,737)	(51,927,112)
<b>Net interest income (Note 14)</b>	<b>45,252,951</b>	37,689,185	33,084,581
Operating lease rentals	<b>19,145,884</b>	15,500,131	6,164,930
Fee and commission income	<b>5,495,293</b>	4,171,731	3,279,460
Other Income (Note 15)	<b>526,141</b>	545,511	317,216
Net foreign exchange gain	<b>274,027</b>	2,864,091	4,292,620
<b>Operating income</b>	<b>70,694,296</b>	60,770,649	47,138,807
Loss incurred on repossessed finance lease	<b>923,580</b>	7,198,263	-
Net impairment loss on financial assets (Note 4 (c))	<b>10,300,726</b>	2,845,928	(4,651,718)
Personnel expenses (Note 16)	<b>22,697,076</b>	16,252,596	17,709,425
Operating lease expenses	<b>1,467,670</b>	1,234,663	1,177,447
Depreciation of property, plant and equipment (Note 6)	<b>14,799,136</b>	14,467,687	4,912,573
Amortisation of intangible assets (Note 5)	<b>213,239</b>	246,678	69,982
Other expenses (Note 17)	<b>9,361,095</b>	7,505,882	10,438,840
	<b>59,762,522</b>	49,751,697	29,656,549
<b>Profit before tax</b>	<b>10,931,774</b>	11,018,952	17,482,258
Income tax expense (Note 11)	<b>(2,206,600)</b>	(1,599,575)	(3,579,066)
<b>Profit and total comprehensive income for the year, net of tax</b>	<b>8,725,174</b>	9,419,377	13,903,192
<b>Earnings per share (Note 18)</b>	<b>0.44</b>	0.47	0.70
<b>Basic and diluted earnings per share</b>			

**STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 DECEMBER 2017**

	Share capital	Statutory reserve	General Banking reserve	Retained earnings	Total equity
	Rs	Rs	Rs	Rs	Rs
<b>Balance at 1 January 2015 - As previously reported</b>	200,000,000	13,415,171	-	12,739,853	226,155,024
<b>Restatement</b>	-	131,952	-	747,731	879,683
<b>Balance at 1 January 2015 - As restated</b>	200,000,000	13,547,123	-	13,487,584	227,034,707
<b>Comprehensive income</b>					
Profit and total comprehensive income for the year, net of tax - As previously reported	-	-	-	17,827,620	17,827,620
Restatement	-	-	-	(3,924,428)	(3,924,428)
<b>Total comprehensive income for the year, net of tax - As restated</b>	-	-	-	13,903,192	13,903,192
<b>Transactions with owners</b>					
Transfer to statutory reserve - As previously reported	-	2,674,143	-	(2,674,143)	-
Restatement	-	(588,664)	-	588,664	-
<b>Transfer to statutory reserve - As restated</b>	-	2,085,479	-	(2,085,479)	-
Movement in general provision - As previously reported	-	-	4,230,833	(4,230,833)	-
Restatement	-	-	(4,230,833)	4,230,833	-
<b>Movement in general provision - As restated</b>	-	-	-	-	-
Balance at 31 December 2015 - As previously reported	200,000,000	16,089,314	4,230,833	23,662,497	243,982,644
Restatement	-	(456,712)	(4,230,833)	1,642,800	(3,044,745)
<b>Balance at 31 December 2015 - As restated</b>	200,000,000	15,632,602	-	25,305,297	240,937,899
<b>Comprehensive income</b>					
Profit and total comprehensive income for the year, net of tax – As previously reported	-	-	-	8,771,703	8,771,703
Restatement	-	-	-	647,674	647,674
<b>Total comprehensive income for the year, net of tax – As restated</b>	-	-	-	9,419,377	9,419,377
<b>Transactions with owners</b>					
Dividend declared (Note 19)	-	-	-	(12,000,000)	(12,000,000)
Transfer to statutory reserve – As previously reported	-	1,315,756	-	(1,315,756)	-
Restatement	-	97,151	-	(97,151)	-
<b>Transfer to statutory reserve - As restated</b>	-	1,412,907	-	(1,412,907)	-
Movement in general reserve - As previously reported	-	-	(847,965)	847,965	-
Restatement	-	-	847,965	(847,965)	-
<b>Movement in general reserve - As restated</b>	-	-	-	-	-
Balance at 31 December 2016 - As previously reported	200,000,000	17,405,070	3,382,868	19,966,409	240,754,347
Restatement	-	(359,561)	(3,382,868)	1,345,358	(2,397,071)
<b>Balance at 31 December 2016 – As restated</b>	200,000,000	17,045,509	-	21,311,767	238,357,276
<b>Comprehensive income</b>					
Profit and total comprehensive income for the year, net of tax	-	-	-	8,725,174	8,725,174
<b>Total comprehensive income for the year, net of tax</b>	-	-	-	8,725,174	8,725,174
<b>Transactions with owners</b>					
Dividend declared (Note 19)	-	-	-	-	-
Transfer to statutory reserve	-	1,308,776	-	(1,308,776)	-
Movement in general reserve	-	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>200,000,000</b>	<b>18,354,285</b>	<b>-</b>	<b>28,728,165</b>	<b>247,082,450</b>

*Statutory reserve*

**STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2017**

	2017	2016	2015
	Rs	Restated Rs	Restated Rs
<b>Cash flows from operating activities</b>			
Profit before income tax	10,931,773	11,018,952	17,482,258
Adjustments for items not involving movement of cash:			
Loss incurred on repossessed finance lease	923,580	7,198,263	-
Net impairment loss on Financial assets (Note 4(c))	10,300,726	2,845,928	(4,651,718)
Depreciation of property, plant and equipment (Note 6)	14,799,136	14,467,687	4,912,573
Amortisation of intangible assets (Note 5)	213,239	246,678	69,982
Profit on disposal of property, plant and equipment (Note 15)	(385,814)	(405,561)	(338,653)
Interest income – cash and cash equivalents (Note 14)	(1,279,606)	(1,361,853)	(2,104,288)
Interest income – fixed deposits (Note 14)	(4,155,974)	(2,037,869)	(4,009,875)
Unrealised foreign exchange gain on leases and borrowed funds	(274,027)	(2,320,761)	(2,895,315)
Interest expense (Note 14)	57,934,632	54,123,083	(51,980,888)
Interest income on finance leases (Note 14)	(99,296,268)	(92,060,200)	(78,897,530)
	<b>(10,288,603)</b>	<b>(8,285,653)</b>	<b>(122,413,454)</b>
<b>Changes in operating assets and liabilities</b>			
Finance leases granted	(601,364,990)	(517,803,063)	(470,325,170)
Repayments of finance leases	433,525,779	432,537,562	332,249,475
Interest income on finance leases	99,115,845	92,060,200	78,897,530
Other assets	6,439,669	(11,541,987)	(5,152,842)
Other liabilities	45,995,535	(16,110,425)	(31,386,607)
<b>Net cash generated used in operations</b>	<b>(26,576,765)</b>	<b>(29,143,366)</b>	<b>(217,251,386)</b>
Income tax paid (Note 11)	(1,082,686)	(1,249,254)	(1,684,245)
<b>Net cash used in operating activities</b>	<b>(27,659,451)</b>	<b>(30,392,620)</b>	<b>(218,935,631)</b>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets (Note 5)	(56,000)	(146,532)	(538,576)
Acquisition of property, plant and equipment (Note 6)	(71,929,464)	(36,555,130)	(46,961,255)
Interest received on cash and cash equivalents	4,034,218	1,164,894	6,114,163
Investment in other financial assets (Note 20)	(29,977,600)	27,965,117	21,130,125
Disposal proceeds from property, plant and equipment	8,261,949	3,162,131	2,759,856
<b>Net cash used in investing activities</b>	<b>(89,666,897)</b>	<b>(4,409,520)</b>	<b>(17,495,687)</b>
<b>Cash flows from financing activities</b>			
Deposits repaid	(221,083,516)	(128,281,200)	(258,036,334)
Deposits received	352,148,442	454,067,981	437,463,114
Loans received	20,000,000	-	50,000,000
Loans repaid	(42,828,549)	(47,339,069)	(52,182,929)
Interest paid	(24,128,698)	(58,279,386)	85,828,043
Dividends paid (Note 19)	-	(12,000,000)	-
<b>Net cash generated from financing activities</b>	<b>84,107,679</b>	<b>208,168,326</b>	<b>263,071,894</b>
<b>Net change in cash and cash equivalents</b>	<b>(33,218,669)</b>	<b>173,366,186</b>	<b>26,640,576</b>
Cash and cash equivalents at beginning of year	270,406,419	97,583,562	71,206,326
Effect of exchange rate changes on cash and cash equivalents	(581,992)	(543,329)	(263,340)
<b>Cash and cash equivalents at end of year (Note 20a)</b>	<b>236,605,758</b>	<b>270,406,419</b>	<b>97,583,562</b>

**INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS  
TO THE MEMBERS OF LA PRUDENCE LEASING FINANCE CO. LTD.**

**Opinion**

In our opinion, the summary financial statements derived from the audited financial statements of La Prudence Leasing Finance Co. Ltd. for the year ended 31 December 2017 are consistent, in all material respects, with those financial statements, in accordance with International Financial Reporting Standards and comply with the Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

**Summary Financial Statements**

The accompanying summary financial statements, which comprise the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, are derived from the audited financial statements of La Prudence Leasing Finance Co. Ltd. (the 'Company') for the year ended 31 December 2017. We expressed an unmodified audit opinion on those financial statements in our report dated 29 March 2018. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of La Prudence Leasing Finance Co. Ltd.

**Management's Responsibility for the Summary Financial Statements**

Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

**Other matter**

This report has been prepared solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001.

Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to the latter in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Report on other legal and regulatory requirements**

*Companies Act 2001*

We have no relationship with or interests in the Company other than in our capacities as auditors, tax advisors and in dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

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

*Banking Act 2004*

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

*Financial Reporting Act 2004*

The directors are responsible for preparing the Corporate Governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance (the 'Code') as disclosed in the annual report and whether the disclosure is consistent with the requirements of the Code. In our opinion, the disclosures in the Corporate Governance report are consistent with the requirements of the Code.