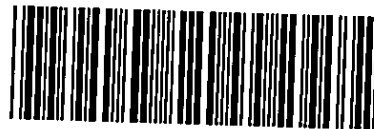


Barloworld Finance Limited

Report and Financial Statements

30 September 2008

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REPORT AND FINANCIAL STATEMENTS 2008

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Barloworld Finance Limited

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B Diamond	(Resigned 3 rd December 2007)
A C Bannister	
D G Wilson	
E L Smith	
P J Blackbeard	(Appointed 12 th February 2008)
G Tucker	(Appointed 15 th October 2008)

SECRETARY

E L Smith	(Resigned 5 th November 2007)
P Emery	(Appointed 5 th November 2007)

REGISTERED OFFICE

Ground Floor
Statesman House
Stafferton Way
Maidenhead
Berkshire
SL6 1AD

AUDITORS

Deloitte LLP
London

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2008.

This report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

ACTIVITIES AND REVIEW OF DEVELOPMENTS

The principal activity of the company is that of a holding company of companies involved in hiring and leasing and the provision of services to its operating subsidiaries.

RESULTS AND DIVIDENDS

The company made a loss after taxation for the year of £318,288 (2007: profit after taxation of £9,577,541). Dividends were received from UK subsidiary companies of £6,589 (2007: £9,838,271). No dividends were declared and paid in the year (2007: £5,500,000).

FUTURE PROSPECTS

The company will remain as a holding company of companies involved in hiring and leasing and will continue to provide services to its operating subsidiaries.

The parent company, Barloworld Holding Plc, has expressed its willingness to continue to provide support to the company for the foreseeable future. The directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DIRECTORS

The names of those directors who have served throughout the year and subsequent to the year end are shown on page 1.

AUDITORS

Each of the persons who is a director of the company at the date of approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of the relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

The Company has, under the provision of Section 386 of the Companies Act 1985, elected to dispense with the obligation to appoint auditors annually. Deloitte LLP continue in office.

Approved by the Board of Directors
and signed on behalf of the Board



P Emery
Secretary

23 March 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARLOWORLD FINANCE LIMITED

We have audited the financial statements of Barloworld Finance Limited for the year ended 30 September 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

27 Nov 2009

Barloworld Finance Limited

PROFIT AND LOSS ACCOUNT Year ended 30 September 2008

	Note	2008 £	2007 £
Other operating (expenses)/income	2	(69,583)	112,363
Provision for impairment on investment	8	<u>(274,000)</u>	<u>(1,151,263)</u>
OPERATING LOSS		(343,583)	(1,038,900)
Finance income (net)	5	8,879	1,159,827
Dividends received from subsidiary companies		<u>6,589</u>	<u>9,838,271</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(328,115)	9,959,198
Tax credit/(charge) on (loss)/profit on ordinary activities	6	<u>9,827</u>	<u>(381,657)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12, 13	<u>(318,288)</u>	<u>9,577,541</u>

There have been no recognised gains and losses attributable to the shareholders during either the current or prior year other than the profit for the year and accordingly no statement of total recognised gains and losses is shown.

All amounts derive from continuing operations.

Barloworld Finance Limited

BALANCE SHEET 30 September 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Investments	8	4,819,756	4,893,756
		<u>4,819,756</u>	<u>4,893,756</u>
CURRENT ASSETS			
Amounts due from group undertakings	9	5,492,934	8,021,169
Taxation		17,604	-
Other debtors		-	74,542
		<u>5,510,538</u>	<u>8,095,711</u>
CREDITORS: amounts falling due within one year			
Bank overdraft and short term loans		(2,342,794)	(1,685,226)
Amounts due to group undertakings	10	(4,561,226)	(7,178,023)
Taxation		-	(381,656)
		<u>(6,904,020)</u>	<u>(9,244,905)</u>
NET CURRENT LIABILITIES		<u>(1,393,482)</u>	<u>(1,149,194)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,426,274</u>	<u>3,744,562</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,000,000	2,000,000
Profit and loss account	12	1,426,274	1,744,562
TOTAL SHAREHOLDERS' FUNDS		<u>3,426,274</u>	<u>3,744,562</u>

These financial statements were approved by the Board of Directors on 27 March 2009

Signed on behalf of the Board of Directors



E L Smith

Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. They are drawn up on the historical cost basis of accounting. The company has not prepared a cash flow statement as it is a wholly owned subsidiary of Barloworld Holdings plc and its cash flows are included in that company's consolidated cash flow statement. The particular accounting policies adopted are described below. They have all been consistently applied throughout the year and the preceding year.

GOING CONCERN

The parent company, Barloworld Holding Plc, has expressed its willingness to continue to provide support to the company for the foreseeable future. The directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Group financial statements have not been prepared as the company is itself a wholly owned subsidiary of another undertaking incorporated in England and therefore the financial statements present the position of the company only.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

The company participates in the Barloworld UK Pension Scheme, which is a defined benefit pension scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

This scheme provides benefits based on the final pensionable salary. The assets of the scheme are held separately from those of the company.

The scheme's assets are measured using closing market values, which are considered not to be materially different from fair values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Company contributions to employer defined contribution pension schemes are charged to the profit and loss account as incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

2. OTHER OPERATING (EXPENSES)/INCOME

Administration (expenses)/income is shown net of recharges made for the provision of management services. The company incurred administration expenses of £592,199 (2007: £1,123,633) and made recharges for the provision of management services to group companies amounting to £522,616 (2007: £1,235,996). The recharges exclude indirect taxes.

3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

	2008 £	2007 £
Auditors' fee for audit services	10,000	10,000

4. DIRECTORS AND EMPLOYEES

2 directors are directors of another group company, Barloworld Handling Limited and other companies within the Barloworld Handling Group. The total emoluments received by these Directors were £643,870 (2007: £441,741). It is not practicable to allocate this to their services to each group company.

The other Directors are also directors of other Barloworld group companies. The amount allocated to the company in respect of their services is £nil (2007: £nil).

The number of Directors accruing benefits under the group defined benefit pension scheme was 2 (2007: 2).

During 2008, all employees were transferred to Barloworld Handling Limited.

	2008 No.	2007 No.
Average number of persons employed		
Managerial	-	3
Clerical and related	-	2
	-	5
	£	£
Staff costs during the year (including directors)		
Wages and salaries	-	363,296
Social security costs	-	31,574
Other pension costs	-	30,955
	-	425,825

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2008

5. FINANCE INCOME (NET)

	2008 £	2007 £
Bank interest payable	(108,981)	(54,124)
Interest paid on Group loans	-	(172,094)
	<u>(108,981)</u>	<u>(226,218)</u>
Total interest paid	(108,981)	(226,218)
Interest charged to group companies	114,927	664,911
Bank interest receivable	-	721,134
Other interest receivable	2,933	-
	<u>8,879</u>	<u>1,159,827</u>
Net interest received	<u>8,879</u>	<u>1,159,827</u>

6. TAX (CREDIT)/CHARGE ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
United Kingdom corporation tax at 29%/30%	(17,604)	381,657
Prior year adjustment	7,777	-
	<u>(9,827)</u>	<u>381,657</u>
Current taxation (credit)/charge	<u>(9,827)</u>	<u>381,657</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2008 £	2007 £
(Loss)/profit before tax	(328,115)	9,959,198
Tax at 29%/30% there on:	(95,153)	2,987,759
Dividend income	(1,911)	(2,951,481)
Expenses not deductible	79,460	345,379
Prior year adjustment	7,777	-
	<u>(9,827)</u>	<u>381,657</u>

7. DIVIDENDS PAID AND PROPOSED

	2008 £	2007 £
Equity Shares		
Interim paid of nil (2007: 30.986p) per ordinary share	-	5,500,000
	<u>-</u>	<u>5,500,000</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2008

8. INVESTMENTS IN SUBSIDIARY COMPANIES

Details of subsidiary companies are as follows:

All shares are issued at par:

	Country of incorporation	Class of Shares	Percentage held by company
Barloworld (BK) Limited	England	Ordinary	100%
Barloworld (BML) Limited	England	Ordinary	100%
Barloworld Rentals Limited	England	Ordinary	100%
Barloworld Fleet Rentals Limited	Scotland	Ordinary	100%
Barloworld (BR) Limited	England	Ordinary	100%

The principle activities of all of the subsidiary companies are that of hiring and leasing of equipment and management of equipment leases.

Shares in subsidiary companies	2008 £	2007 £
Balance as at 1 October	4,893,756	5,045,019
Increases in share capital of subsidiary companies	200,000	1,000,000
Provision for impairment	(274,000)	(1,151,263)
Balance as at 30 September	<u>4,819,756</u>	<u>4,893,756</u>

During the year the company acquired 200,000 additional £1 ordinary shares in Barloworld (BML) Limited for a cash consideration of £200,000.

The provision for impairment of £274,000 represents the write-off of the full investment in Barloworld (BML) Limited and Barloworld (BK) Limited, both of which have been liquidated since the year end.

9. AMOUNTS DUE FROM GROUP UNDERTAKINGS

	2008 £	2007 £
Amounts due from subsidiaries	3,807,500	8,021,169
Amounts due from parent company and fellow subsidiaries	<u>1,685,434</u>	<u>-</u>
	<u>5,492,934</u>	<u>8,021,169</u>

10. AMOUNTS DUE TO GROUP UNDERTAKINGS

	2008 £	2007 £
Amounts due to subsidiaries	4,561,226	4,856,549
Amounts due to parent company and fellow subsidiaries	<u>-</u>	<u>2,321,474</u>
	<u>4,561,226</u>	<u>7,178,023</u>

The intercompany balance does not have a fixed repayment date. Interest is charged at a variable rate as agreed by the relevant intercompany parties.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2008

11. CALLED UP SHARE CAPITAL

	2008 No.	2007 No.*
Authorised		
2,000,000 (2007: 2,000,000) Ordinary shares of £1 each	2,000,000	2,000,000
	£	£
Called-up, allotted and fully paid		
2,000,000 (2007: 2,000,000) Ordinary shares of £1 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

* The balance at 30 September 2007 has been restated to reflect a court order dated 28th September 2007, which reduced the authorised share capital to £2,000,000.

12. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Balance at 1 October	1,744,562	(2,332,979)
Retained (loss)/profit for the year	(318,288)	9,577,541
Dividend paid on ordinary shares	-	(5,500,000)
Balance at 30 September	<u>1,426,274</u>	<u>1,744,562</u>

13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	2008 £	2007 £
Balance at 1 October	3,744,562	15,667,021
Retained (loss)/profit for the year	(318,288)	9,577,541
Dividend paid on ordinary shares	-	(5,500,000)
Reduction of paid-up share capital	-	(15,750,000)
Cancellation of share premium	-	(250,000)
Balance at 30 September	<u>3,426,274</u>	<u>3,744,562</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2008

14. PARENT COMPANY

The immediate parent company is Barloworld Holdings plc, a company incorporated in the United Kingdom and registered in England and Wales. This is the only UK entity into which the results are consolidated. This is also the smallest group of which the company is a member for which group accounts are prepared. Group accounts may be obtained from Ground Floor, Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AD.

15. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Barloworld Limited, a company incorporated in South Africa. Copies of the group financial statements may be obtained from Barloworld Corporate Office, 180 Katherine Street, Sandton, Johannesburg, PO Box 782248, Sandton, 2146, South Africa. This is the largest entity into which the results of the company are consolidated.

16. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8 'Related Party Disclosures', transactions with other group undertakings within, and investee related parties of, the Barloworld group have not been disclosed in these financial statements.