

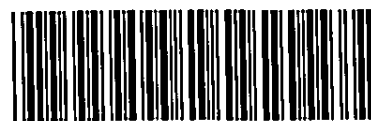
Company Registration No 03821164

BARLOWORLD FINANCE LTD

Report and Financial Statements

30 September 2009

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REPORT AND FINANCIAL STATEMENTS 2009

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DIRECTORS AND ADVISERS

Members of the board of directors

Directors

A C Bannister

D J Wilson

E L Smith

P J Blackbeard

G Tucker

(Resigned 27/02/2010)

P Bastow

(Appointed 9/02/2010)

Secretary

P Emery

Registered office

Ground Floor

Statesman House

Stafferton Way

Maidenhead

Berkshire

SL6 1AD

Auditors

Deloitte LLP

London

DIRECTORS' REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

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. There have not been any significant changes in the company's principal activities in the year under review and no changes are anticipated in the foreseeable future.

The company made a loss after taxation for the year of £504 (2008: Loss £324,878). The prior year being affected by an impairment of investments in two subsidiary companies.

DIVIDENDS

No dividends were declared or paid during the year to September 2009 (2008: nil).

CASH FLOW

Cash generated from operations was £16,661.

BALANCE SHEET AND BORROWING

Total assets were £7,696,104 and borrowings were £474,691.

FINANCIAL RISK MANAGEMENT

The group manages its liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised facilities are maintained.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is committed to managing its risks and opportunities in the interest of all stakeholders. Every employee has a responsibility to act in this manner.

An ongoing systematic, multi-tiered risk assessment process is in place. This ensures that risks and opportunities are not only adequately identified, evaluated and managed within the company, but also that their individual and joint impact on the group as a whole is taken into consideration.

The board and senior managers carry out an annual self-assessment of risk. This process identifies critical business, operational, financial and compliance exposures facing the group and the adequacy and effectiveness of control factors at all levels. The assessment methodology takes into account severity and probability of occurrence and applies a rating based on the quality of control, thereby ranking risks and setting priorities. The top risks are elevated to group level and are addressed through action plans with specifically assigned responsibilities. The key risks identified include the impact of a significant drop in market size, loss of key customers, availability of competitive funding, inability to distribute used equipment and shortage of people skills.

ENVIRONMENT

Our environmental strategy is to strive to minimise the environmental impacts of our operations. Environmental considerations form an integral part of daily business, including management planning, capital expenditure and operating procedures.

Clear reporting structures at all operations culminate in compliance with relevant legislation and adherence to this policy being reported to the board of directors.

PAYMENTS TO CREDITORS

It is the company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. Since the company has no trade creditors there is no disclosure of creditor days.

EMPLOYEES

The company pursues a policy of employing suitably qualified and experienced people, irrespective of age, race, religion or gender in accordance with the aims of the organisation. Equal opportunity is given to any registered disabled person who applies for employment, taking into account the aptitude of the applicant and the requirements of the job. Should any person become disabled whilst an employee, all reasonable steps are taken to provide continued employment and retraining. Human resource systems and practices have been overhauled and training continues to ensure future sustainability of the business.

AUDITORS

A resolution to re-appoint the auditors, Deloitte LLP, and to authorise the directors to fix their remuneration will be proposed at the forthcoming annual general meeting.

DIRECTORS' REPORT (Continued)

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, and performance are set out in the business review on this page. In considering the going concern assumption the directors have reviewed the company's future earnings and cash flow projections as well as the level of the group's bank facilities available. The directors therefore have a reasonable expectation, at the time of approving the financial statements, 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 financial statements.

CORPORATE GOVERNANCE

The management of the company conducts its business with the highest degree of ethics and probity.

The board of directors (the board) places strong emphasis on achieving the highest level of financial management, accounting and reporting.

The directors believe that the current mix of knowledge and skill on the board meet the present requirements of the company. The selection of directors takes place to ensure the company has the right balance of professional and business experience necessary to meet the company's objectives.

The group, of which the company is a member, has an audit committee, with formalised terms of reference which have been approved by the Barloworld Ltd board, and which set out its purpose, membership requirements, duties and reporting procedures. The committees are subject to regular evaluation by the board in regard to performance and effectiveness.

The audit committee agrees the scope and nature of internal audit work performed within Barloworld Finance.

INTERNAL CONTROLS

The directors acknowledge that they are responsible for the company's systems of internal financial control. Such systems can provide only reasonable, but not absolute, assurance against material misstatement or loss.

The board has reviewed the effectiveness of the group's systems of internal financial control for the year under review and the period up to the date on which the financial statements were approved. It has considered the major business risks facing the group and the control environments in place to mitigate any impact from such risks. Controls were found to be appropriate and generally satisfactory. Where internal control weaknesses were identified during the period under review, appropriate action was taken. None of these weaknesses has resulted in any material losses, contingencies or uncertainty that would require separate disclosure in the financial statements.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board during the year and at the time of approving the Directors' Report are listed on page 3. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware.

Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and shall be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that the directors:

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern.

DIRECTORS' REPORT (Continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board



Patricia Emery
Secretary

21 June 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARLOWORLD FINANCE LIMITED

We have audited the financial statements of Barloworld Finance Ltd for the year ended 30 September 2009 which comprise of the Income Statement, the Balance Sheet, the Cash Flow Statement, the notes to the Cash Flow Statement, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

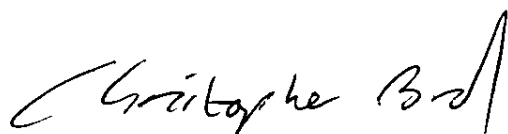
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Christopher Brough (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK

June 2010

INCOME STATEMENT

for the year ended 30 September 2009

		Year ended 30 Sept 2009 £	Year ended 30 Sept 2008 £
	Notes		
Revenue		-	-
Operating profit/(loss)	2	90,283	(343,583)
Finance costs	3	(90,983)	5,945
Income from Investments	4	-	9,522
Loss before taxation		(700)	(328,116)
Taxation	6	196	9,827
Loss for the financial year		(504)	(318,289)
Attributable to			
Equity shareholders of Barloworld Finance Ltd		(504)	(318,289)
		(504)	(318,289)

All results derive from continuing operations. There are no recognised gains or losses other than those passing through the income statement. Accordingly no statement of recognised income and expense has been presented.

BALANCE SHEET

at 30 September 2009

	Notes	2009 £	2008 £
ASSETS			
Non-current assets			
Investments in subsidiaries	9	4,820,000	4,819,756
Current assets			
Trade and other receivables	7	2,876,104	5,510,539
Total assets		7,696,104	10,330,295
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	10	2,000,000	2,000,000
Retained earnings	11	1,425,769	1,426,273
Equity attributable to equity holders of Barloworld Finance Ltd		3,425,769	3,426,273
Current liabilities			
Borrowings	12	474,691	2,342,796
Trade and other payables	8	3,795,644	4,561,226
Total equity and liabilities		7,696,104	10,330,295

The financial statements of Barloworld Finance Limited, registered number 03821164, were approved by the board of directors and authorised for issue on 21 June 2010

They were signed on its behalf by



A C Bannister
Director

CASH FLOW STATEMENT

	Notes	2009 £	2008 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash from operating activities	A	107,644	(1,803,149)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		-	2,933
Proceeds on disposal of subsidiary		-	1,225,263
Net cash used in investing activities		-	1,228,196
Net cash inflow before financing activities		107,644	(574,953)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs		(90,983)	5,945
Increase/(decrease) in short term borrowings		(1,868,105)	657,569
Inter group borrowings		1,851,444	(88,561)
Net cash used in financing activities		(107,644)	574,953
Net (decrease)/increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

NOTES TO THE CASH FLOW STATEMENT

	2009	2008
	£	£
A. Cash generated from operations is calculated as follows		
Operating profit/ (loss)	90,283	(343,583)
Adjustments for		
Dividends received	-	6,589
Corporation tax received/(paid)	17,605	(389,434)
Other non-cash flow items	(244)	-
Operating cash flows before movements in working capital	107,644	(726,428)
Increase in working capital	-	(1,076,721)
(Increase)/decrease in receivables	-	74,542
Increase/(decrease) in payables	-	(1,151,263)
Net cash generated from operations	107,644	(1,803,149)
B. Taxation paid is reconciled to the amounts disclosed in the income statement as follows		
Amounts unpaid less overpaid at beginning of year	17,605	(381,656)
Per the income statement (excluding deferred taxation)	196	9,827
Amounts unpaid less overpaid at end of year	(196)	(17,605)
Cash amounts generated	17,605	(389,434)

NOTES TO THE ACCOUNTS

For the year ended 30 September 2009

1 ACCOUNTING POLICIES

a) The accounting framework

The financial statements are prepared for the first time in accordance with International Financial Reporting Standards (IFRS) using the historical cost convention

The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in note 17. The financial statements have also been prepared in accordance with IFRS adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation

There were no new or revised Standards and Interpretations adopted in the current year

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

IAS 1 (amended 2007) Presentation of Financial Statements

IAS 23 (amended 2007) Borrowing Costs

IAS 24 (revised 2009) Related Party Disclosures

IAS 27 (amended 2008) Consolidated and Separate Financial Statements

IFRS 1 and IAS 27 (2008) Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

IFRS 7 (amended 2009) Improving Disclosures about Financial Instruments

IFRS 9 Financial Instruments

IFRS for SME's IFRS for small and medium-sized entities

Improvements to IFRSs 2008

Improvements to IFRSs 2009

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company

b) Consolidated financial statements

In accordance with IAS 27 10, Barloworld Finance Limited has elected to apply the exemption from presenting consolidated financial statements and therefore only presents separate financial statements. Consolidated financial statements, which comply with IFRS, are produced for public use by the holding and ultimate holding companies, whose details are supplied in notes 15 and 16

c) Underlying concepts

The financial statements are prepared on the going concern basis using accrual accounting. Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are offset and the net amount reported only when a legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously

d) Recognition of assets and liabilities

Assets are only recognised if they meet the definition of an asset and it is probable that future economic benefits associated with the asset will flow to the company and the cost or fair value can be measured reliably. Liabilities are only recognised if they meet the definition of a liability and it is probable that future economic benefits associated with the liability will flow from the entity and the cost or fair value can be measured reliably

e) De-recognition of assets and liabilities

Financial assets are de-recognised when the contractual rights to receive cash flows have been transferred or have expired or when substantially all the risks and rewards of ownership have passed. All other assets are de-recognised on disposal or when no future economic benefits are expected from their use. Financial liabilities are de-recognised when the relevant obligation has either been discharged or cancelled or has expired

f) Comparative figures

Comparative figures are restated in the event of a change in accounting policy or prior period error

g) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the estimated cost of dismantling and removing the assets, professional fees and, for qualifying assets, borrowings costs capitalised in accordance with the group's accounting policy. Depreciation is charged so as to write off the depreciable amount of the assets, over their estimated useful lives to estimated residual values, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Where significant parts of an item have different useful lives to the item itself, these parts are depreciated over their estimated useful lives

The estimated lives of rental fleets are between 3 and 9 years

Assets held under finance leases are depreciated over their expected useful lives or the term of the relevant lease, where shorter. The gain or loss arising on the disposal or scrapping of property, plant, and equipment is recognised in profit or loss

NOTES TO THE ACCOUNTS (Continued)

1 ACCOUNTING POLICIES (Continued)

h) Going Concern

The financial statements are prepared on the going concern basis using accrual accounting. The basis of the going concern assumption is set out on in the directors' report on page 4.

i) Foreign currencies

Transactions in non functional currencies are recognised at the rates of exchange ruling on the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in such currencies are translated at the rates expected to qualify for recognition as a completed sale within one year from the date of classification. After classification as held for sale, it is measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the assets (or disposal group) to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised. Held for sale assets are classified under current assets if the intention is to sell the assets in the immediate future. Non-current assets or disposal groups that are classified as held for sale are not depreciated. Rental assets that become available for sale after being removed from rental fleets are classified as held for sale.

j) Non-current assets held for sale

Non-current assets (or disposal group) are classified as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the assets (or disposal group) are available for immediate sale in its present condition and management is committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. After classification as held for sale, it is measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the assets (or disposal group) to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised. Held for sale assets are classified under current assets if the intention is to sell the assets in the immediate future. Non-current assets or disposal groups that are classified as held for sale are not depreciated. Rental assets that become available for sale after being removed from rental fleets are classified as held for sale.

k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition, net of discount. Where appropriate, cost is calculated on a specific identification basis. Otherwise standard costing is used.

l) Financial assets

Investments classified as held-to-maturity financial assets are measured at amortised cost, less any impairment losses recognised to reflect irrecoverable amounts. The designated hedge portion of any foreign investment is revalued to current exchange rates and the foreign currency movement is recognised in the income statement, in accordance with fair value hedge accounting. Trade and other receivables are measured at amortised cost less provision for doubtful debts, which is determined as set out under impairment of assets below. Write-down of these assets is expensed to the income statement.

m) Financial liabilities

Non-derivative financial liabilities that are classified on initial recognition as financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being included net in profit or loss.

n) Revenue

Revenue represents the gross inflow of economic benefits during the period arising in the course of the ordinary activities when those inflows result in increases in equity. Included in revenue are net invoiced sales to customers for goods and services, hire purchase and finance lease income. Revenue is measured at the amount received or receivable. VAT and other indirect taxes are excluded from revenue. Where extended terms are granted, interest received is accounted for over the term until payment is received. Revenue from the rendering of services is measured using the stage of completion method based on the services performed to date as a percentage of the total services to be performed.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred, when delivery has been made and title has passed and when the amount of the revenue and the related costs can be reliably measured. Revenue from the rendering of services is recognised when the amount of the revenue, the related costs and the stage of completion can be measured reliably.

Maintenance contracts

Revenue on maintenance contracts is recognised on the percentage of completion method based on the anticipated cost of repairs over the life cycle of the equipment.

o) Cost of sales

When inventories are sold, the carrying amount is recognised as part of cost of sales. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous write downs or losses are recognised in cost of sales in the period the write-down, loss or reversal occurs.

p) Insurance contracts

An insurance contract is a contract under which one party (the insurer) accepts a significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Certain transactions are entered into by the company as insurer and which falls within this definition. Significant items included are maintenance contracts and guaranteed residual values on sold equipment.

NOTES TO THE ACCOUNTS (Continued)

1 ACCOUNTING POLICIES (Continued)

q) Guaranteed residual values

Guaranteed residual values are periodically given on repurchase commitments with customers. The likelihood of the repurchase commitments being exercised is assessed at the inception of the contract to determine whether significant risks and rewards have been transferred to the customer and if revenue should be recognised. If significant risks and rewards have not been transferred, revenue is not recognised and the transaction is accounted for as a pre-paid operating lease. Where the initial assessment was made that significant risks and rewards were transferred and revenue was recognised, but subsequent market conditions are considered to change the likelihood of the exercise of the buyback to become probable, the present value of the net expected future

outflow is provided for, after taking into consideration any proceeds on subsequent disposal of the equipment. All repurchase commitments as well as the related assets expected values are disclosed under contingent liabilities.

r) Provisions

Provisions are recognised when the group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

s) Income from investments

Interest income is accrued on a time basis by reference to the principal outstanding and the applicable interest rate. Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

t) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

u) Taxation

The charge for current tax is based on the results for the year, adjusted for income that is exempt and expenses that are not deductible, using tax rates that are applicable to the taxable income.

Deferred tax is recognised in profit or loss except when it relates to items credited or charged directly to equity, in which case it is also recognised in equity. Deferred taxation is recognised using the balance sheet liability method for all temporary differences at the balance sheet date. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

v) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as a lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The company as a lessee

Finance leases are recognised as assets and liabilities at the lower of the fair value of the asset and the present value of the minimum lease payments at the date of acquisition. Finance costs represent the difference between the total leasing commitments and the fair value of the assets acquired. They are charged to profit and loss over the term of the relevant lease at interest rates applicable to the lease on the remaining balance of the obligations for each accounting period. Rentals payable under operating leases are charged to the profit and loss on a straight-line basis over the term of the relevant lease.

w) Sources of estimation uncertainty

There are no significant assumptions made concerning the future or other sources of estimation uncertainty that have been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

x) Impairment of assets

At each reporting date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the income statement.

NOTES TO THE ACCOUNTS (Continued)

1 ACCOUNTING POLICIES (Continued)

y) Judgements made by management

Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates. Judgements made by management in applying the accounting policies that could have a significant effect on the amounts recognised in the financial statements are

Impairment of assets

Financial assets are considered for impairment if there is a reason to believe that impairment may be necessary. The future cash flows expected to be generated by the assets, taking into account market conditions, and the expected useful lives of the assets are calculated. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

	2009	2008
	£	£

2 OPERATING PROFIT

Operating profit is arrived at after taking into account the items detailed below

Operating expenses by nature

Administration, management and technical fees (received)/paid	(90,283)	343,583
Total operating (income)/expenses	(90,283)	343,583

Auditors' remuneration of £10,000 (2008: £10,000) has been borne by Barloworld Handling Limited

Net operating expenses by function

Administrative costs	(90,283)	337,098
Total operating expenses	(90,283)	337,098

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

	2009	2008
	£	£
3 FINANCE COSTS		
Interest paid		
Bank and other short term borrowings	(90,983)	5,945
	(90,983)	5,945
4 INCOME FROM INVESTMENTS		
Dividends received from subsidiary companies	-	6,589
Sundry Interest received	-	2,933
	-	9,522

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

	2009	2008
	£	£

5 INFORMATION REGARDING DIRECTORS

DIRECTORS' REMUNERATION

3 directors are employees of Barloworld Handling Limited and do not receive any remuneration in respect of their services as directors to the company (2008: £nil). 2 directors (2008: 3) are directors of other companies within the Barloworld Group. The amount allocated to the company in respect of their services is £nil (2008: £nil).

The number of directors accruing benefits under the group defined benefit pension scheme was 2 (2008: 2).

There are no employees other than the directors (2008: none).

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

	2009	2008
	£	£
6 TAXATION		
UK corporation tax at 28% (2008 29%)		
Current year	(196)	(17,604)
Prior year	-	7,777
Total current tax	(196)	(9,827)
Deferred taxation	-	-
	(196)	(9,827)
	2,009	2,008
	£	£
Corporate tax reconciliation		
Tax at 28%/29% on profit before taxation	(196)	(95,154)
The tax rate has been increased for		
Prior year taxes	-	7,777
Expenses non deductible	-	79,460
	(196)	(7,917)
	2009	2008
	£	£
7 TRADE AND OTHER RECEIVABLES		
Current		
Corporation tax	196	17,605
Amounts owed by group undertakings	2,875,908	5,492,934
	2,876,104	5,510,539
	2009	2008
	£	£
8 TRADE AND OTHER PAYABLES		
Current		
Amounts due to group undertakings	3,795,644	4,561,226
	3,795,644	4,561,226

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

9	PRINCIPAL SUBSIDIARY COMPANIES	Effective percentage holdings	
		2009	2008
		%	%
Barloworld Handling division			
	Barloworld Rentals Limited	100	100
	Barloworld Fleet Rentals Limited	100	100
	Barloworld (BR) Limited	100	100
Shares in subsidiary companies			
		£	£
	Balance as at 1 October 2008	4,819,756	4,893,756
	Increase in share capital of subsidiary companies	-	200,000
	Provision for impairment	244	(274,000)
	Balance as at 30 September 2009	4,820,000	4,819,756
Cost and net book value			
	At 1 October 2008 and 30 September 2009	4,820,000	4,819,756

The principal activity of all the subsidiary companies are that of hiring and leasing of equipment and management of equipment leases

At 30th September 2008 the company investment in Barloworld (BML) Ltd and Barloworld (BK) Ltd was deemed to have been impaired and the value was written down. In 2009 the impairment amount of £274k was corrected so as to correctly group account for the cessation of the two companies

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

	2009	2008
	£	£
10 SHARE CAPITAL		
Authorised share capital		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
	2,000,000	2,000,000
Called up, issued and fully paid		
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000
Total issued share capital	2,000,000	2,000,000

The company has one class of ordinary shares which carry no right to fixed income

	Share capital	Retained earnings	Total
	£	£	£
11 RESERVES			
At 1 October 2007	2,000,000	1,744,562	3,744,562
Retained loss for year	-	(318,289)	(318,289)
Total recognised income and expense for the year	2,000,000	1,426,273	3,426,273
Dividends paid	-	-	-
At 30 September 2008	2,000,000	1,426,273	3,426,273
At 1 October 2008	2,000,000	1,426,273	3,426,273
Retained loss for year	-	(504)	(504)
Total recognised income and expense for the year	2,000,000	1,425,769	3,425,769
Dividends paid	-	-	-
At 30 September 2009	2,000,000	1,425,769	3,425,769

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

	2009	2008
	£	£
12 BORROWINGS		
Bank loans and overdrafts	474,691	2,342,796
	474,691	2,342,796
Amounts due to bankers and short-term loans are comprised as follows		
Sterling	474,691	2,342,796
	474,691	2,342,796

Bank loans and overdrafts are principally at interest rates ranging between 1.5% and 6.0%.

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

13 FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of loans to and from subsidiaries and loans from banks

13.1 SUMMARY OF THE CARRYING AND FAIR VALUE OF FINANCIAL INSTRUMENTS

	2009	2008
	£	£
Carrying value of financial instruments by class		
Financial assets		
Investments	4,820,000	4,819,756
	4,820,000	4,819,756
Financial liabilities		
Borrowings	474,691	2,342,796
	474,691	2,342,796
Carrying value of financial instruments by category		
Financial assets		
Held to maturity	4,820,000	4,819,756
	4,820,000	4,819,756
Financial liabilities		
Financial liabilities measured at fair value	474,691	2,342,796
	474,691	2,342,796

Maturity profile of the financial instruments

The maturity profile of the financial instruments is summarised as follows

	<1 Year	2-5 Years	>5 Years	2009 Total
	£	£	£	£
Financial assets				
Investments	-	-	4,820,000	4,820,000
Financial liabilities				
Borrowings	474,691	-	-	474,691

All financial instruments are carried at fair value or amounts that approximate fair value, except for the non-current portion of fixed rate receivables, payables and interest bearing borrowings, which are carried at amortised cost. The carrying amounts for investments, cash, cash equivalents, as well as the current portion of receivables, payables and interest bearing borrowings, approximate fair value due to the short term nature of these instruments. The fair values have been determined using available market information and approximate valuation methodologies.

13.2 Treasury risk management

Barloworld Finance Limited manages capital to ensure that the company and its subsidiaries will be able to continue as a going concern while maximising returns to the shareholder through the optimisation of debt and equity. The overall strategy remains unchanged from the previous year.

A finance committee, consisting of senior executives of the Barloworld group, meets on a regular basis to review the capital structure based on the cost of capital and the risks associated with each class of capital, to analyse currency and interest rate exposure and to re-evaluate the treasury management strategies in the context of the most recent economic conditions and forecasts.

13.3 Market risk (interest rate risk)

The company does not have any significant interest bearing assets or borrowings.

Cash and cash equivalents are subject to deposit interest received from major banks and financial institutions.

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

14 RELATED PARTY TRANSACTIONS

Various transactions are entered into by the company during the year with related parties. Unless specifically disclosed these transactions occurred under terms that are no less favourable than those entered into with third parties.

The following is a summary of transactions with related parties during the year and balances due at year end

	Related Parties of reporting entity
£	
2009	
Amounts due from/(to) related parties as at end of year*	
Barloworld Finance Limited	(3,795,644)
Barloworld Rentals Limited	1,033,225
Barloworld (BR) Ltd	385,699
Barloworld Handling Ltd	1,456,984
	(919,736)
2008	
Goods and services sold to/(received) from	
Barloworld Rentals Limited	69,583
	69,583
Goods and services by nature	
Management charges	69,583
	69,583
Amounts due from/(to) related parties as at end of year*	
Barloworld Rentals Limited	2,969,706
Barloworld (BR) Ltd	837,794
Barloworld Handling Ltd	1,685,434
Barloworld Fleet Rentals Ltd	(4,472,851)
Barloworld (BK) Limited	(25,529)
Barloworld (BML) Ltd	(62,846)
	931,708

Terms on outstanding balances

Unless otherwise noted, all outstanding balances are payable within 30 days, unsecured and not guaranteed.

Subsidiaries

Details of investments in subsidiaries are disclosed in note 7 of the company financial statements.

Directors

Details regarding directors' remuneration are disclosed in note 5. The directors have no other interests in the company.

Transactions with key management and other related parties

There were no material transactions with key management or close family members of related parties.

* There are no doubtful debt provisions raised in respect of amounts due to/from related parties and no bad debts incurred during the year on these balances.

NOTES TO THE ACCOUNTS (Continued)

for the year ended 30 September 2009

15 PARENT COMPANY

The immediate parent company is Barloworld 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.

16 ULTIMATE PARENT COMPANY

The ultimate parent company is Barloworld Limited, a company incorporated in South Africa. This is the largest group into which the results of the company are consolidated. 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.

17 TRANSITION TO IFRS

Notes to the Reconciliation of UK GAAP to IFRS

Introduction

This is the first year that the company has presented financial statements under IFRS. In accordance with the provisions of IFRS 1 *First-time Adoption of International Financial Reporting Standards*, certain disclosures are required in the year of transition. The last financial statements under UK GAAP were for the year ended 30 September 2008, and the date of transition is therefore 1 October 2007.

The group's financial statements are prepared in accordance with IFRS which differ in certain significant aspects from UK GAAP. For Barloworld Finance Ltd no differences were identified therefore accordingly no reconciliation has been provided.