

NATIONAL FINANCE COMPANY SAOG
AUDITED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER

			(Restated – see note 19)
		2008	2007
	Note	RO'000	RO'000
Operating activities			
Profit before taxation		2,274	1,646
Adjustments for:			
Depreciation		96	72
Provision for end of service benefits		102	70
Provision for impairment of lease receivables		565	(295)
Bad debts written off		9	4
Interest expense		2,671	1,594
		<hr/>	<hr/>
Operating profit before working capital changes and payment of end of service benefits		5,717	3,091
End of service benefits paid		(46)	(40)
Changes in operating assets and liabilities			
Investment in finance leases		(27,445)	(17,051)
Advances and prepayments		(233)	(5)
Creditors and accruals		712	612
Interest paid		(2,367)	(1,541)
Income tax paid		(308)	(276)
		<hr/>	<hr/>
Net cashflow used in operating activities		(23,970)	(15,210)
		<hr/>	<hr/>
Investing activities			
Purchase of property and equipment		(79)	(32)
		<hr/>	<hr/>
Net cashflow used in investing activities		(79)	(32)
		<hr/>	<hr/>
Financing activities		17,722	8,742
Bank borrowings			
Rights Issue		2,409	-
Premium on Rights Issue		937	-
Fixed deposits		4,402	5,750
Restatement of retained earning		-	(200)
Dividend paid		(453)	(362)
		<hr/>	<hr/>
Net cashflow from financing activities		25,017	13,930
		<hr/>	<hr/>
Net change in cash and cash equivalents		968	(1,312)
Cash and cash equivalents at the beginning of the year		(1,058)	254
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	24	(90)	(1,058)
		<hr/>	<hr/>

The notes on pages 6 to 32 form an integral part of these financial statements.

The audit report is set forth on page 1.