

Chairman's Report

For the financial year ended December 31st 2014 Consolidated Finance Co. Limited (CFCL) realised an operating profit before tax of \$5.7 million compared to \$2.1 million in 2013.

It should be noted that operating income consisting of Net Interest Income, Net Lease Rental Income, Fees and Foreign Exchange Income was \$13.5 million in 2014 compared to \$12.8 million in 2013. Reflected in 2014 Net Interest Income was a 5% reduction in funding cost.

Partial recovery of a regional investment which was previously fully written down and an improvement of impairment losses on loans to \$77K in 2014 compared with \$1.9 million in 2013 had a significant impact on our 2014 result.

In the sluggish economic environment we responded to underperformance in our core Asset Finance business by increasing the proportion of used vehicle financing in our new business portfolio. We also successfully introduced the financing of renewable energy photovoltaic systems and electric cars as an expansion of our product range in 2014. Our Foreign Exchange business continued to be impacted by declining foreign exchange volumes in the market but has nevertheless remained an important contributor to our product offering and overall result.

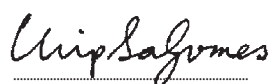
Our capital base as at 31st December 2014 improved to \$52 million from \$47 million in 2013 with a commensurate improvement in our capital adequacy ratio from 20% to 23%, which remains well above the regulatory requirement of 8%.

We have made considerable progress on our plans for the acquisition of CFCL by ANSA Merchant Bank Limited. We expect to have final approval from the respective Central Banks shortly.

We have continued to focus on providing value and excellent service to our customers and are very pleased with the ongoing positive feedback received on the outstanding service provided by our staff. We sincerely thank our many customers for their continued loyal support.

I express my thanks and appreciation to my fellow Directors on the Board and acknowledge the hard work and commitment of the Management and Staff for their part in delivering a result that is progressive compared to recent prior years.

We intend to pursue new customer target markets in 2015 and anticipate continued progressive results as we work closely with other financial services companies in the ANSA McAL Group.



Chip Sa Gomes
Chairman of the Board of Directors

Independent Auditors' Report

To the Shareholder of Consolidated Finance Co. Limited

The accompanying summarized financial statements, which comprise the summarized statement of financial position as of 31 December 2014, and summarized statement of comprehensive income, summarized statement of changes in equity and summarized statement of cash flows for the year then ended, are derived from the audited financial statements of Consolidated Finance Co. Limited for the year ended 31 December 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 27 February 2015. The summarized financial statements do not reflect the effect of events that occurred subsequent to the date of our audit report on the financial statements.

The summarized financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements.

Management's Responsibility for the Summary Financial Statements

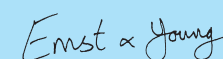
Management is responsible for the preparation of a summary of the audited financial statements on the basis of their established criteria as described in Note 1.

Auditor's Responsibility

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

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements for the year ended 31 December 2014 are consistent, in all material respects, with those financial statements, on the basis of management's established criteria as described in Note 1.



CHARTERED ACCOUNTANTS
Barbados
27 February 2015

Note 1

The summarized financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summarized statement of financial position, summarized statement of comprehensive income, summarized statement of changes in equity and summarized statement of cash flows. These summarized financial statements are derived from the audited financial statements of Consolidated Finance Co. Limited for the year ended 31 December 2014 which are prepared in accordance with International Financial Reporting Standards.

Statement of Financial Position

As at December 31, 2014
(Expressed in Barbados Dollars)

	2014 \$	2013 \$
Assets		
Cash and short-term deposits	23,889,599	36,093,186
Loans and other receivables	134,038,853	132,660,930
Investment securities	18,590,608	15,981,181
Due from parent and fellow subsidiaries	11,820,626	12,647,484
Corporation tax recoverable	632,731	870,283
Inventories	489,359	651,023
Property and equipment	2,165,382	2,353,386
Leased assets	45,785,822	52,083,610
Deferred tax asset	603,707	2,166,210
Employee benefit asset	1,585,253	1,525,253
Total assets	239,601,940	257,032,546
Liabilities		
Accounts payable and accrued liabilities	13,482,370	11,751,330
Due to fellow subsidiaries	57,947	100,974
Fixed deposits and accrued interest	166,433,808	189,247,140
Deferred tax liability	7,900,586	8,385,662
Employee benefit liability	130,000	107,000
Total liabilities	188,004,711	209,592,106
Shareholder's equity		
Stated capital	10,000,000	10,000,000
Reserves	10,707,109	10,780,099
Retained earnings	30,890,120	26,660,341
Total shareholder's equity	51,597,229	47,440,440
Total liabilities and shareholder's equity	239,601,940	257,032,546

Approved by the Board of Directors on February 27, 2015 and signed on its behalf by:



N.V. Mouttet



R.K. Phillips

Statement of Comprehensive Income

 Year ended December 31, 2014
 (Expressed in Barbados Dollars)

	2014 \$	2013 \$
Income		
Interest income from loans	13,368,951	14,334,671
Interest income from investments	1,857,510	1,899,010
Total interest income	<u>15,226,461</u>	<u>16,233,681</u>
Finance costs	(7,596,260)	(8,796,274)
Net interest income	7,630,201	7,437,407
Net lease rental income	4,152,019	3,855,386
Other income	1,714,096	1,553,170
Net interest and other income	<u>13,496,316</u>	<u>12,845,963</u>
General and administrative expenses	(7,719,453)	(8,894,860)
Income before impairment losses on loans and taxation	<u>5,776,863</u>	<u>3,951,103</u>
Impairment losses on loans	(77,567)	(1,892,143)
Income before taxation	<u>5,699,296</u>	<u>2,058,960</u>
Tax charge	(1,469,517)	(653,779)
Net income for the year	<u>4,229,779</u>	<u>1,405,181</u>
Other comprehensive loss not to be reclassified to profit and loss in subsequent periods:		
Revaluation of land and buildings	29,760	-
Re-measurement losses on post retirement plans	(102,750)	(48,749)
Other comprehensive loss for the year, net of tax	<u>(72,990)</u>	<u>(48,749)</u>
Total comprehensive income for the year, net of tax	<u>4,156,789</u>	<u>1,356,432</u>

Statement of Cash Flows

 Year ended December 31, 2014
 (Expressed in Barbados Dollars)

	2014 \$	2013 \$
Cash flows from operating activities		
Income before taxation	5,699,296	2,058,960
Adjustments for:		
Impairment losses on loans	77,567	1,892,143
Reversal of impairment on investments	(307,163)	-
Impairment on inventory	(13,443)	(89,915)
Depreciation	11,556,718	12,364,099
Interest income from investments	(1,857,510)	(1,899,010)
Gain on disposal of property, equipment and leased assets	(990,719)	(1,068,877)
Employee benefits	(174,000)	(180,999)
Changes in operating assets and liabilities	13,990,746	13,076,401
(Increase) decrease in loans and other receivables	(1,455,490)	21,422,698
Increase in cash reserves held at Central Bank	(110,622)	-
Decrease in cash held as administrative agent	-	18,061
Decrease in inventories	175,107	459,217
Decrease in due from parent and fellow subsidiaries	826,858	157,391
Increase (decrease) in accounts payable and accrued liabilities	1,731,040	(2,949,307)
Decrease in other liability	-	(18,061)
Decrease in due to fellow subsidiaries	(43,027)	(275,588)
Decrease in fixed deposits and accrued interest	(22,813,332)	(21,055,882)
Cash (used in) from operating activities	<u>(7,698,720)</u>	<u>10,834,930</u>
Interest income received from investments	1,633,213	1,682,485
Corporation tax paid	-	(79,765)
Withholding tax paid	(120,288)	(128,923)
Net cash (used) in from operating activities	<u>(6,185,795)</u>	<u>12,308,727</u>
Cash flows used in investing activities		
Purchase of property, equipment and leased assets	(11,233,842)	(14,402,061)
Proceeds from disposal of property, equipment and leased asset	7,183,395	7,126,802
Purchase of investments	(3,000,000)	-
Proceeds from disposal/maturities of investments	922,033	889,056
Net cash used in investing activities	<u>(6,128,414)</u>	<u>(6,386,203)</u>
Net (decrease) increase in cash and cash equivalents	<u>(12,314,209)</u>	<u>5,922,524</u>
Cash and cash equivalents – beginning of year	<u>29,496,041</u>	<u>23,573,517</u>
Cash and cash equivalents – end of year	<u>17,181,832</u>	<u>29,496,041</u>

Statement of Changes in Equity

 Year ended December 31, 2014
 (Expressed in Barbados Dollars)

	Stated capital \$	Reserves \$	Retained earnings \$	Total \$
Balance as at December 31, 2012	10,000,000	10,828,848	25,255,160	46,084,008
Total comprehensive income for the year	-	(48,749)	1,405,181	1,356,432
Balance as at December 31, 2013	10,000,000	10,780,099	26,660,341	47,440,440
Total comprehensive income for the year	-	(72,990)	4,229,779	4,156,789
Balance as at December 31, 2014	10,000,000	10,707,109	30,890,120	51,597,229

Board of Directors

Mr. Chip Sa Gomes – Chairman | Mr. S. R. Edghill | Mr. J. W. Gellineau, FCA | Mr. G. N. Hill, MBA, FCCA | Mr. N. V. Mouttet | Mr. R. K. Phillips

Corporate Secretary - Ms. L. R. McCollin, FCCA, FCA