

## Cash Flow Statement

Year ended 31st December 2008	Notes	Group		Company	
		2008 Rs.	2007 Rs.	2008 Rs.	2007 Rs.
<b>Cash Flows from Operating Activities</b>					
Contribution (Premium) received from Participants		981,194,862	–	981,194,862	895,098,613
Retakaful (Reinsurance) Premium Paid		(239,671,831)	–	(239,671,831)	(322,232,814)
Claims, Benefits and Expenses Paid		(426,916,113)	–	(426,916,113)	(493,544,199)
Retakaful (Reinsurance) Receipts in respect of Claims		34,471,961	–	34,471,961	179,289,501
Cash Paid to and on behalf of Employees		(125,322,941)	–	(123,042,941)	(96,983,006)
Profits received from Investments and Other Income		63,790,656	–	56,875,734	38,058,481
Dividends Received		1,869,259	–	1,869,259	2,010,303
Finance Cost Paid	29	(1,450,024)	–	(1,450,024)	(1,336,002)
Other Operating Cash Payments		(241,478,012)	–	(239,375,480)	(188,115,195)
Cash Flows from Operating Activities (Note A)		46,487,817	–	43,955,427	12,245,682
Gratuity Paid		(1,119,375)	–	(1,119,375)	(118,750)
Income Tax Paid		–	–	–	–
<b>Net Cash Flows from Operating Activities</b>		<b>45,368,442</b>	<b>–</b>	<b>42,836,052</b>	<b>12,126,932</b>
<b>Cash Flows from Investing Activities</b>					
Purchase of Liquid Investments		(26,513,031)	–	(26,513,031)	(3,076,250)
Purchase of Other Investments		(508,876,046)	–	(482,056,046)	(486,826,393)
Sale of Liquid Investments		24,589,298	–	24,589,298	5,311,000
Sale of Other Investments		507,839,040	–	507,839,040	170,482,269
Investment in Subsidiary		–	–	(27,125,000)	–
Purchase of Property, Plant & Equipment		(20,363,945)	–	(19,127,850)	(27,525,924)
Purchase of Intangible Assets		(17,667,723)	–	(17,667,723)	(12,554,548)
Disposal of Property, Plant & Equipment		48,226	–	48,226	195,978
<b>Net Cash Flows from Investing Activities</b>		<b>(40,944,181)</b>	<b>–</b>	<b>(40,013,086)</b>	<b>(353,993,868)</b>
<b>Cash Flows from Financing Activities</b>					
Repayment of Extended Murabaha Facility		(670,139)	–	(670,139)	(549,534)
Repayment of Lease Facility		(4,424,630)	–	(4,424,630)	(2,250,353)
Loan Obtained		70,000,000	–	70,000,000	47,154,068
Repayment of Loan		(22,154,055)	–	(22,154,055)	(25,000,013)
Proceeds from Rights Issue		–	–	–	375,000,270
<b>Net Cash Flows from Financing Activities</b>		<b>42,751,176</b>	<b>–</b>	<b>42,751,176</b>	<b>394,354,438</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents (Note B)</b>		<b>47,175,437</b>	<b>–</b>	<b>45,574,142</b>	<b>52,487,502</b>

## Cash Flow Statement

Year ended 31st December 2008		Group		Company	
Notes	2008 Rs.	2007 Rs.	2008 Rs.	2007 Rs.	
<b>NOTE A</b>					
<b>Reconciliation of Operating Loss with Cash Flows from Operations</b>					
Operating Loss before Finance Cost & Taxation	(47,669,207)	–	(51,067,731)	(151,740,540)	
Depreciation	26 24,788,790	–	24,625,438	19,158,148	
Amortisations	3,574,221	–	3,574,221	5,340,043	
Provision for Gratuity	(2,233,383)	–	(2,233,383)	3,843,400	
Unrealised Capital (Gain)/Loss	1,410,366	–	1,410,366	(8,029,011)	
(Increase)/Decrease in Debtors and Other Assets	(53,663,820)	–	(52,522,834)	94,972,003	
Increase in Family Takaful (Long-Term Insurance) Fund	60,817,872	–	60,817,872	60,880,790	
Increase in Net Unearned Contribution (Premium)	15,126,987	–	15,126,987	44,265,458	
Increase/(Decrease) in IBNR & General Reserve Provision	269,000	–	269,000	11,278,593	
Increase/(Decrease) in Claims Provision	10,902,146	–	10,902,146	(5,635,817)	
Increase in Creditors	34,633,883	–	34,522,383	(60,646,823)	
Profit on Sale of Property, Plant & Equipment	(19,014)	–	(19,014)	(104,560)	
Finance Cost Paid	29 (1,450,024)	–	(1,450,024)	(1,336,002)	
<b>Cash Flows from Operating Activities</b>	<b>46,487,817</b>	<b>–</b>	<b>43,955,427</b>	<b>12,245,682</b>	
<b>NOTE B</b>					
<b>Increase/(decrease) in Cash and Cash Equivalents</b>					
Cash at Bank and in Hand and Cash Equivalents	12.1 288,604,785	–	287,003,490	215,780,803	
Overdrafts	12.1 (135,633,641)	–	(135,633,641)	(109,985,096)	
Cash and Cash Equivalents at the end of the Year	152,971,144	–	151,369,849	105,795,707	
Cash and Cash Equivalents at the beginning of the Year	105,795,707	–	105,795,707	53,308,205	
<b>Increase/(decrease) in Cash and Cash Equivalents</b>	<b>47,175,437</b>	<b>–</b>	<b>45,574,142</b>	<b>52,487,502</b>	

The Accounting Policies and Notes as set out on pages 48 through 72 form an integral part of the Financial Statements.

Colombo  
5th March 2009