



First Capital

PROVISIONAL

FINANCIAL

STATEMENTS

QUARTER ENDED 31 DECEMBER 2016

FIRST CAPITAL TREASURIES PLC



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	October ~ December		April ~ December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income	703,626	283,544	1,981,288	611,779
Direct income	703,593	283,509	1,977,739	605,315
Direct expenses	(550,549)	(158,068)	(1,595,442)	(451,330)
Net trading income	153,044	125,441	382,297	153,985
Other income	33	35	3,549	6,464
Gain/ (loss) on fair valuation of financial investments - held for trading	(246,753)	59,842	(268)	7,857
	(93,676)	185,318	385,578	168,306
Less:				
Administrative expenses	(3,879)	(36,085)	(83,679)	(105,621)
Sales and distribution expenses	(4,086)	(5,111)	(14,803)	(11,990)
Other operating expenses	(5,530)	(6,232)	(23,329)	(9,397)
	(13,495)	(47,428)	(121,811)	(127,008)
Profit/ (loss) before taxation	(107,171)	137,890	263,767	41,298
Income tax expense	-	-	-	-
Profit/ (loss) for the period	(107,171)	137,890	263,767	41,298
Other comprehensive income/ (expense)				
Items that will never be reclassified to profit or loss	-	-	-	-
Items that are or may be reclassified to profit or loss	-	-	-	-
Other comprehensive income/ (expense)	-	-	-	-
Total comprehensive income/ (expense) for the period	(107,171)	137,890	263,767	41,298
Earnings/ (loss) per share (Rs.)	(6.96)	8.96	17.14	2.68

Figures in bracket indicate deductions.

Note: All values are in Rupees '000 unless otherwise stated.



STATEMENT OF FINANCIAL POSITION

As at	Note	31 Dec 2016 (Unaudited)	31 Dec 2015 (Unaudited)	31 Mar 2016 (Audited)
ASSETS				
Cash at banks and in hand		5,579	12,624	1,382
Derivative financial instruments		1,933	-	40,861
Financial investments - Held for trading		15,633,384	9,760,392	9,206,856
Financial investments - Available for sale		1,000	1,000	1,000
Financial investments - Loans and receivables		8,393,044	2,529,124	5,903,738
Receivable from related companies		1,430	762	422
Taxes receivable		12,093	13,059	12,093
Other assets		133,889	134,665	137,591
Property, plant and equipment		3,092	9,409	5,697
Intangible assets		1,114	1,959	1,552
Total Assets		24,186,558	12,462,994	15,311,192
LIABILITIES				
Bank overdrafts		16,890	68,783	1,532
Derivative financial instruments		1,563	3,801	20,835
Securities sold under re-purchase agreements		21,847,023	10,308,182	13,271,621
Creditors and accrued charges		226,952	101,326	54,028
Payable to related companies		5,102	3,362	3,495
Retirement benefit obligations		13,616	11,016	12,327
Borrowings on listed debentures	4	498,903	498,341	509,953
Total Liabilities		22,610,049	10,994,811	13,873,791
EQUITY				
Stated capital	5	256,500	256,500	256,500
Risk reserve		897,639	873,486	871,262
Retained earnings		422,370	338,197	309,639
Total Equity		1,576,509	1,468,183	1,437,401
Total Equity & Liabilities		24,186,558	12,462,994	15,311,192

Note: All values are in Rupees '000 unless otherwise stated.
The above figures are subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)
Mangala Jayashantha
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

(Sgd.)
Manjula Mathews (Ms.)
Chairperson

(Sgd.)
Dinesh Schaffter
Managing Director

14 February 2017
Colombo

STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2016

	Stated Capital	Risk Reserve	Retained Earnings	Total Equity
Balance as at 01 April 2015 (Audited)	256,500	870,141	300,244	1,426,885
<u>Total comprehensive income for the period</u>				
Profit for the period	-	-	41,298	41,298
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	41,298	41,298
<u>Transactions with equity holders</u>				
Distribution to equity holders	-	-	-	-
Transfer to risk reserve	-	3,345	(3,345)	-
Total transactions with equity holders	-	3,345	(3,345)	-
Balance as at 31 December 2015 (unaudited)	256,500	873,486	338,197	1,468,183
Balance as at 01 April 2016 (Audited)	256,500	871,262	309,639	1,437,401
<u>Total comprehensive income for the period</u>				
Profit for the period	-	-	263,767	263,767
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	263,767	263,767
<u>Transactions with equity holders</u>				
Distribution to equity holders	-	-	-	-
Interim Dividend 2016/17	-	-	(124,659)	(124,659)
Total distribution to equity holders	-	-	(124,659)	(124,659)
Transfer to risk reserve	-	26,377	(26,377)	-
Total transactions with equity holders	-	26,377	(151,036)	(124,659)
Balance as at 31 December 2016 (unaudited)	256,500	897,639	422,370	1,576,509

Figures in bracket indicate deductions.

Note: All values are in Rupees '000 unless otherwise stated.

STATEMENT OF CASH FLOWS

For the period

Cash flows from operating activities

Interest receipts and gains realized
Interest payments and other direct cost
Other receipts
Cash payments to employees and suppliers

Operating profit before changes in operating assets and liabilities

(Increase)/ Decrease in financial investments - held for trading
(Increase)/ Decrease in financial investments - loans and receivables
(Increase)/ Decrease in receivable from related companies
(Increase)/ Decrease in other assets
Increase/ (Decrease) in creditors and accrued charges
Increase/ (Decrease) in payable to related companies
Increase/ (Decrease) in borrowings against re-purchase agreements

Cash generated from/ (used in) operations

Tax paid

Net cash from/ (used in) operating activities

Cash flow from investing activities

Purchase of property, Plant and equipment
Sale of property, plant and equipment

Net cash from/ (used in) investing activities

Cash flow from financing activities

Net cash used in financing activities

Net cash outflow for the period

Cash and cash equivalents at the beginning of the period (Note A)

Cash and cash equivalents at the end of the period (Note B)

Note A

Cash at bank and in hand
Bank overdraft

Note B

Cash at bank and in hand
Bank overdraft

April ~ December	
2016 (Unaudited)	2015 (Unaudited)
1,971,193	601,798
(1,266,287)	(269,805)
42	6,464
(115,626)	(113,854)
589,322	224,603
(6,407,142)	(1,098,028)
(2,482,760)	4,794,758
(1,008)	(537)
3,702	(77,577)
766	(4,505)
1,607	(1,926)
8,282,697	(3,891,794)
(12,816)	(55,006)
-	(2,004)
(12,816)	(57,010)
(1,852)	(1,269)
3,507	-
1,655	(1,269)
-	-
(11,161)	(58,279)
(150)	2,120
(11,311)	(56,159)
1,382	2,120
(1,532)	-
(150)	2,120
5,579	12,624
(16,890)	(68,783)
(11,311)	(56,159)

Figures in bracket indicate deductions.

Note: All values are in Rupees '000 unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

1 Market Price per Share

Market value is not available since the shares of the company are not publicly traded.

	As at 31-Dec-16 Rs.	As at 31-Mar-16 Rs.
Net assets per share	102.44	93.40

- 2 The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31 March 2016 have been followed in the preparation of the above provisional financial statements.
- 3 The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.
- 4 The debentures represent 5,000,000 rated, subordinated, unsecured, redeemable debentures at a face value of Rs. 100/- interest payable at a rate of 9.5% annually.
- 5 The number of shares represented by stated capital as at 31 December 2016 is 15,390,000 shares (31 March 2016 - 15,390,000 shares).
- 6 There have been no significant changes in the nature of the Contingent Liabilities which were disclosed in the Annual Report for the year ended 31 March 2016 other than the following :

In September 2016, the Department of Inland Revenue issued an assessment on Financial VAT for 2013/14 amounting to Rs. 60.8 Mn. The Company submitted its appeal against the said assessment. Based the tax consultant's opinion, the Board of Directors of the Company is of the view that no liability would arise since the assessment is outside the scope of chargeability of Financial VAT.
- 7 There have been no material events subsequent to the reporting date which require disclosures/adjustments in the provisional financial statements.

INVESTOR INFORMATION

Information on listed debentures

Market value as at 31 December 2016

Debentures with 5 year maturity have not been traded during the quarter ended 31 December 2016. Hence, par value is non recognised as its market value.

5 year fixed rate (9.50% p.a. payable annually)

Highest price
Lowest price
Last traded price

As at 31-Dec-16	As at 31-Dec-15	As at 31-Mar-16
-	-	95.37
-	-	95.37
-	-	95.37

Hence, yield to maturity on trade done is also not applicable.

Debt Ratios

Debt/ equity ratio (times)
Quick asset ratio (times)
Interest cover (times)

As at 31-Dec-16	As at 31-Dec-15	As at 31-Mar-16
14.09	7.41	9.59
1.10	1.19	1.14
1.17	1.09	1.02

Debenture Interest Yield

5 year fixed rate (9.50 % p.a. payable annually)

As at 31-Dec-16	As at 31-Dec-15	As at 31-Mar-16
9.50%	9.67%	9.96%

Yield of comparable Government Securities

5 Year treasury bond

As at 31-Dec-16	As at 31-Dec-15	As at 31-Mar-16
11.90%	9.36%	12.19%