



First Capital

PROVISIONAL

FINANCIAL

STATEMENTS

QUARTER ENDED 31 MARCH 2017

FIRST CAPITAL TREASURIES PLC



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	January ~ March 2017 (Unaudited)		April ~ March 2016 (Audited)	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income	558,373	244,802	2,539,661	856,581
Direct income	558,370	242,127	2,536,109	847,442
Direct expenses	(479,831)	(170,749)	(2,075,273)	(622,079)
Net trading income	78,539	71,378	460,836	225,363
Other income	3	2,675	3,552	9,139
Gain/ (loss) on fair valuation of financial investments - held for trading	25,155	(63,415)	24,887	(55,558)
	103,697	10,638	489,275	178,944
Less:				
Administrative expenses	(17,928)	(27,883)	(101,607)	(133,504)
Sales and distribution expenses	(214)	(11,694)	(15,017)	(23,684)
Other operating expenses	(6,319)	(1,146)	(29,648)	(10,543)
	(24,461)	(40,723)	(146,272)	(167,731)
Profit/ (loss) before taxation	79,236	(30,085)	343,003	11,213
Income tax expense	-	-	-	-
Profit/ (loss) for the period	79,236	(30,085)	343,003	11,213
Other comprehensive income/ (expense)				
Items that will never be reclassified to profit or loss				
Actuarial gain/ (loss) on defined benefit plans	4,410	(697)	4,410	(697)
Items that are or may be reclassified to profit or loss	-	-	-	-
Other comprehensive income/ (expense)	4,410	(697)	4,410	(697)
Total comprehensive income/ (expense) for the period	83,646	(30,782)	347,413	10,516
Earnings/ (loss) per share (Rs.)	5.15	(1.95)	22.29	0.73

Figures in bracket indicate deductions.
Note: All values are in Rupees '000 unless otherwise stated.



STATEMENT OF FINANCIAL POSITION

As at	Note	31 March 2017 (Unaudited)	31 March 2016 (Audited)
ASSETS			
Cash at banks and in hand		13,731	1,382
Derivative financial instruments		24,075	40,861
Financial investments - Held for trading		15,384,251	9,206,856
Financial investments - Available for sale		1,000	1,000
Financial investments - Loans and receivables		6,369,562	5,903,738
Receivable from related companies		470	422
Taxes receivable		12,093	12,093
Other assets		130,935	137,591
Property, plant and equipment		2,601	5,697
Intangible assets		910	1,552
Total Assets		21,939,628	15,311,192
LIABILITIES			
Bank overdrafts		-	1,532
Derivative financial instruments		2,240	20,835
Securities sold under re-purchase agreements		19,677,003	13,271,621
Creditors and accrued charges		80,801	54,028
Payable to related companies		525	3,495
Retirement benefit obligations		8,600	12,327
Borrowings on listed debentures	4	510,304	509,953
Total Liabilities		20,279,473	13,873,791
EQUITY			
Stated capital	5	256,500	256,500
Risk reserve		905,562	871,262
Retained earnings		498,093	309,639
Total Equity		1,660,155	1,437,401
Total Equity & Liabilities		21,939,628	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.)
Nishan Fernando
Chairman

(Sgd.)
Dinesh Schaffter
Managing Director

16 May 2017
Colombo



STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	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 year</u>				
Profit for the year	-	-	11,213	11,213
Other comprehensive expense for the year	-	-	(697)	(697)
Total comprehensive income	-	-	10,516	10,516
<u>Transactions with equity holders</u>				
Distribution to equity holders	-	-	-	-
Transfer to risk reserve	-	1,121	(1,121)	-
Total transactions with equity holders	-	1,121	(1,121)	-
Balance as at 31 March 2016 (Audited)	256,500	871,262	309,639	1,437,401
Balance as at 01 April 2016 (Audited)	256,500	871,262	309,639	1,437,401
<u>Total comprehensive income for the year</u>				
Profit for the year	-	-	343,003	343,003
Other comprehensive income for the year	-	-	4,410	4,410
Total comprehensive income	-	-	347,413	347,413
<u>Transactions with equity holders</u>				
Distribution to equity holders	-	-	-	-
Dividend paid (Interim 2016/17)	-	-	(124,659)	(124,659)
Total distribution to equity holders	-	-	(124,659)	(124,659)
Transfer to risk reserve	-	34,300	(34,300)	-
Total transactions with equity holders	-	34,300	(158,959)	(124,659)
Balance as at 31 March 2017 (Unaudited)	256,500	905,562	498,093	1,660,155

Figures in bracket indicate deductions.

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



STATEMENT OF CASH FLOWS

For the year ended 31 March

Cash flows from operating activities

Interest receipts and gains realised
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 operations

Tax paid

Gratuity paid

Net cash from operating activities

Cash flow from investing activities

Purchase of property, Plant and equipment
Purchase of intangible assets
Proceeds from disposal of property, plant and equipment

Net cash from/ (used in) investing activities

Cash flow from financing activities

Dividend Paid

Net cash used in financing activities

Net cash inflow/ (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 ~ March	
	2017 (Unaudited)	2016 (Audited)
	2,533,983	845,152
	(1,787,352)	(409,517)
	46	9,065
	(138,670)	(147,566)
	608,007	297,134
	(6,154,318)	1,422,434
	(463,697)	(635,251)
	(48)	(80,503)
	6,656	(196)
	25,443	(947,780)
	(2,970)	(1,793)
	6,117,812	(51,799)
	136,885	2,246
	-	(1,041)
	-	(693)
	136,885	512
	(1,448)	(2,316)
	(404)	(676)
	3,507	210
	1,655	(2,782)
	(124,659)	-
	(124,659)	-
	13,881	(2,270)
	(150)	2,120
	13,731	(150)
	1,382	2,120
	(1,532)	-
	(150)	2,120
	13,731	1,382
	-	(1,532)
	13,731	(150)

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 31-03-2017 Rs.	As at 31-03-2016 Rs.
Net assets per share	107.87	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.

The funds raised through listed debentures were fully utilised for the objectives stated in the prospectus on the Debenture Issue – 2015.
- 5 The number of shares represented by stated capital as at 31 March 2017 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 on 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 March 2017

Debentures with 5 year maturity have not been traded during the quarter ended 31 March 2017. Hence, par value is recognised as its market value.

5 Year fixed rate (9.5 % payable annually)

Highest price
Lowest price
Last traded price

	As at 31-Mar-17	As at 31-Mar-16
Highest price	-	95.37
Lowest price	-	95.37
Last traded price	-	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-Mar-17	As at 31-Mar-16
Debt/ equity ratio (times)	12.16	9.59
Quick asset ratio (times)	1.11	1.14
Interest cover (times)	1.17	1.02

Debenture Interest Yield

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

	As at 31-Mar-17	As at 31-Mar-16
5 year fixed rate (9.50 % p.a. payable annually)	9.50%	9.96%

Yield of comparable Government Securities (%)

5 Year treasury bond

	As at 31-Mar-17	As at 31-Mar-16
5 Year treasury bond	11.98%	12.19%