

**FIRST CAPITAL GILT-EDGED FUND  
INTERIM FINANCIAL STATEMENTS  
FOR SIX MONTHS ENDED 30 SEPTEMBER 2017**



First Capital

## **REPORT OF THE MANAGER**

We have pleasure in presenting the unaudited Interim Financial Statements of First Capital Gilt - Edged Fund for six months ended 30 September 2017.

### **Fund Performance**

First Capital Gilt - Edged Fund reported a net profit after tax of Rs. 2.9Mn for the first half of financial year 2017/18 compared to a net profit after tax of Rs. 3.1Mn in the corresponding period of last year. The fund reported a return of 11.46% (annualised) for period ended 30 September 2017 compared to 13.73% (annualised) return for the similar corresponding period of 2016/17. The Funds under management increased to Rs. 55Mn compared to Rs. 52Mn at the beginning of the year. Unit holders' funds represent 42,641 units as at 30 September 2017.

### **Asset Allocation as at 30 September 2017**

The entire investment of the Fund comprised Resale Agreement against Treasury Bonds.

### **Appreciations**

We would like to extend our sincere gratitude to our valued unit holders for the confidence placed in us. We also place on record our appreciation for the unstinted support and cooperation extended by the Trustee, Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

**FIRST CAPITAL ASSET MANAGEMENT LIMITED**

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Company Reg. No : PB 187

**FIRST CAPITAL GILT-EDGED FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

<b>For Six months ended 30 September</b>	<b>2017</b>	<b>2016</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Income</b>	<b>1,630,169</b>	<b>2,327,879</b>
Direct expenses	(103,272)	(289,380)
<b>Net trading income</b>	<u><b>1,526,897</b></u>	<u><b>2,038,499</b></u>
Gain on fair valuation of financial investments - held for trading	1,760,750	1,623,850
	<u><b>3,287,647</b></u>	<u><b>3,662,349</b></u>
Operating expenses	(226,709)	(186,440)
<b>Profit before taxation</b>	<u><b>3,060,938</b></u>	<u><b>3,475,909</b></u>
Income tax expenses	(164,241)	(347,591)
<b>Profit for the period</b>	<u><u><b>2,896,697</b></u></u>	<u><u><b>3,128,318</b></u></u>
<b>Increase in net assets attributable to unit holders</b>	<u><u><b>2,896,697</b></u></u>	<u><u><b>3,128,318</b></u></u>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

**FIRST CAPITAL GILT-EDGED FUND  
STATEMENT OF FINANCIAL POSITION**

As at	30.09.2017 Unaudited Rs.	31.03.2017 Audited Rs.
<b>Assets</b>		
Cash at bank	134,027	249,030
Financial investments - held for trading	-	49,943,700
Financial Investments - loans and receivables	51,540,550	2,184,286
Tax receivables	3,155,016	3,210,600
<b>Total assets</b>	<b>54,829,593</b>	<b>55,587,616</b>
<b>Liabilities</b>		
Payable under repurchase agreements - government securities	-	3,556,076
Creditors and accruals	131,173	223,838
<b>Total liabilities</b>	<b>131,173</b>	<b>3,779,914</b>
<b>Unit holders' funds</b>		
Net assets attributable to unit holders	54,698,420	51,807,702
	<b>54,698,420</b>	<b>51,807,702</b>
<b>Total unit holders' funds and liabilities</b>	<b>54,829,593</b>	<b>55,587,616</b>
<b>Net assets per unit</b>	<b>1,282.78</b>	<b>1,214.85</b>

The notes form an integral part of these financial statements.

The Management Company of First Capital Gilt-Edged Fund is responsible for the preparation and presentation of these Financial Statements in accordance with the Sri Lanka Accounting Standards.

Approved by the Fund Management Company and the Trustee on 8 December 2017.



**Mangala Jayashantha**  
Chief Financial Officer  
First Capital Asset Management Limited  
Fund Management Company



**Dilshan Wirasekara**  
Director / Chief Executive Officer  
First Capital Asset Management Limited  
Fund Management Company



**Dinesh Schaffter**  
Managing Director  
First Capital Asset management Limited  
Fund Management Company

**Bank of Ceylon**  
Trustee



**FIRST CAPITAL GILT-EDGED FUND**  
**STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS**

<b>For Six months ended 30 September 2017</b>	<b>Unit holders' Capital Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Unit holders' Funds Rs.</b>
<b>Balance as at 01 April 2016 (Audited)</b>	<b>18,692,702</b>	<b>28,453,130</b>	<b>47,145,832</b>
Capital infused during the period	101,000	-	101,000
Capital withdrawals made during the period	(173,429)		(173,429)
Increase in net assets attributable to unit holders	-	3,128,318	3,128,318
<b>Balance as at 30 September 2016 (Unaudited)</b>	<b><u>18,620,273</u></b>	<b><u>31,581,448</u></b>	<b><u>50,201,721</u></b>
<b>Balance as at 01 April 2017 (Audited)</b>	<b>18,508,086</b>	<b>33,299,616</b>	<b>51,807,702</b>
Capital infused during the period	6,000	-	6,000
Capital withdrawals made during the period	(11,979)		(11,979)
Increase in net assets attributable to unit holders	-	2,896,697	2,896,697
<b>Balance as at 30 September 2017 (Unaudited)</b>	<b><u>18,502,107</u></b>	<b><u>36,196,313</u></b>	<b><u>54,698,420</u></b>

Figures in brackets indicate deduction.

The notes form an integral part of these financial statements.

**FIRST CAPITAL GILT-EDGED FUND  
STATEMENT OF CASH FLOWS**

For Six months ended 30 September

	2017 Unaudited Rs.	2016 Unaudited Rs.
<b>Cash flows from operating activities</b>		
Profit before taxation	3,060,938	3,475,909
Adjustment for :		
Gain on fair value of financial investments - held for trading	(1,760,750)	(1,623,850)
<b>Operating profit before working capital changes</b>	<b>1,300,188</b>	<b>1,852,059</b>
Decrease in financial investments - held for trading	51,704,450	116,149
Increase in financial investments - loans and receivables	(49,356,264)	(86,241)
Decrease in payable under repurchase agreements	(3,556,076)	(1,239,558)
Decrease in creditors and accruals	(92,665)	(295,152)
<b>Cash flows generated flows from/ (used in) operations</b>	<b>(367)</b>	<b>347,257</b>
Tax paid	(108,657)	(203,850)
<b>Net cash flows from/ (used in) operating activities</b>	<b>(109,024)</b>	<b>143,407</b>
<b>Net cash flows from/(used in) investing activities</b>	-	-
<b>Cash flows from financing activities</b>		
Net Capital infused by unit holders	(5,979)	(72,429)
<b>Net cash flows from/ (used in) financing activities</b>	<b>(5,979)</b>	<b>(72,429)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(115,003)</b>	<b>70,978</b>
Cash and cash equivalents at the beginning of the period	249,030	464,734
<b>Cash and cash equivalents at the end of the period</b>	<b>134,027</b>	<b>535,712</b>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

**FIRST CAPITAL GILT-EDGED FUND  
NOTES TO THE FINANCIAL STATEMENTS**

1. The number of Units represented by unitholders' funds as at 30 September 2017 is 42,641.
2. The above figures are subject to audit. The same accounting policies as in the Audited Financial Statements for the year ended 31 March 2017 have been followed in the preparation of the above financial statements.
3. There have been no material commitment and contingent liabilities as at the reporting date which require disclosures in the financial statements (No commitment and contingent liabilities as at 31 March 2017).
4. There have been no material events after the reporting period which require adjustments/disclosures in the financial statements.