



First Capital

PROVISIONAL

FINANCIAL

STATEMENTS

QUARTER ENDED 30TH JUNE 2019

FIRST CAPITAL TREASURIES PLC



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period

	Note	April - June	
		2019 (Unaudited)	2018 (Unaudited)
Income		1,132,224	910,280
Direct income		1,132,529	910,277
Direct expenses		(533,534)	(605,118)
Net trading income		598,995	305,159
Other income/(expense)	1	(305)	3
Gain/ (loss) on fair valuation of financial assets recognised through profit or loss measured at fair value		247,368	(96,960)
		846,058	208,202
Less:			
Administrative expenses		(54,144)	(36,550)
Sales and distribution expenses		(955)	(2,089)
Other operating expenses		(7,742)	(4,794)
		(62,841)	(43,433)
Profit before tax		783,217	164,769
Income tax expense	2	(221,265)	(47,552)
Profit for the period		561,952	117,217
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Loss on fair valuation of financial assets fair value through other comprehensive income		(1,000)	-
Tax effect on other comprehensive income		-	-
Items that are or may be reclassified to profit or loss			
		-	-
Other comprehensive income		(1,000)	-
Total comprehensive income for the period		560,952	117,217
Earnings per share (Rs.)		36.51	7.62

Figures in bracket indicate deductions.

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



STATEMENT OF FINANCIAL POSITION

As at	Note	30 th June 2019 (Unaudited)	30 th June 2018 (Unaudited)	31 st March 2019 (Audited)
ASSETS				
Cash at banks and in hand		4,104	4,644	2,144
Derivative financial instruments		34,453	235	3,454
Financial assets recognised through profit or loss -measured at fair value		30,219,938	23,659,449	29,533,427
Financial assets fair value through other -comprehensive income		-	1,000	-
Financial assets at amortised cost		2,013,446	979,003	1,863,996
Receivable from related companies		12,135	19,964	11,616
Taxes receivable		1,470	12,093	1,468
Deferred tax asset		585,216	800,084	806,482
Other assets		77,633	106,512	97,706
Property, plant and equipment		23,893	1,376	1,255
Intangible assets		1,284	285	1,399
Total Assets		32,973,572	25,584,645	32,322,947
LIABILITIES				
Bank overdrafts		-	5,321	6,660
Derivative financial instruments		22,863	8	2,878
Securities sold under re-purchase agreements		28,498,323	21,685,450	27,482,737
Short term borrowings		-	-	991,384
Creditors and accrued charges		36,584	27,005	7,392
Payable to related companies		6,964	675	716
Taxes payable		88,087	83,714	83,740
Borrowings on listed debentures	4	522,922	522,490	511,111
Retirement benefit obligations		11,994	11,485	11,446
Total Liabilities		29,187,737	22,336,148	29,098,064
EQUITY				
Stated capital	5	256,500	256,500	256,500
Risk reserve		1,138,502	1,084,448	1,082,307
Retained earnings		2,392,833	1,907,549	1,887,076
Fair valuation reserve		(2,000)	-	(1,000)
Total Equity		3,785,835	3,248,497	3,224,883
Total Equity & Liabilities		32,973,572	25,584,645	32,322,947

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.)
Dilshan Wirasekara
Director/Chief Executive Officer

(Sgd.)
Chandana de Silva
Director

9th August 2019
Colombo



STATEMENT OF CHANGES IN EQUITY

For the quarter ended 30th June 2019

	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation	Total Equity
Balance as at 1st April 2018 (Audited)	256,500	1,072,726	1,802,054	-	3,131,280
<u>Total comprehensive income for the period</u>					
Profit for the period	-	-	117,217	-	117,217
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	117,217	-	117,217
<u>Transactions with equity holders</u>					
Dividend paid	-	-	-	-	-
Total distribution to Equity Holders	-	-	-	-	-
Total Transactions with Equity Holders					
Transfer to risk reserve	-	11,722	(11,722)	-	-
Total transactions with equity holders	-	11,722	(11,722)	-	-
Balance as at 30th June 2018 (Unaudited)	256,500	1,084,448	1,907,549	-	3,248,497
Balance as at 1st April 2019 (Audited)	256,500	1,082,307	1,887,076	(1,000)	3,224,883
<u>Total comprehensive income for the period</u>					
Profit for the period	-	-	561,952	(1,000)	561,952
Other comprehensive income	-	-	-	-	(1,000)
Total comprehensive income	-	-	561,952	(1,000)	560,952
<u>Transactions with equity holders</u>					
Transfer to risk reserve	-	56,195	(56,195)	-	-
Total transactions with equity holders	-	56,195	(56,195)	-	-
Balance as at 30th June 2019 (Unaudited)	256,500	1,138,502	2,392,833	(2,000)	3,785,835

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	1,132,529	909,416
Interest payments and other direct cost	(522,030)	(511,067)
Other receipts	2	3
Cash payments to employees and suppliers	(56,097)	(42,491)
Operating profit before changes in operating assets and liabilities	554,404	355,861

(Increase)/ Decrease in financial assets recognised through - Profit or Loss measured at Fair Value	(450,157)	(238,688)
(Increase)/ Decrease in financial assets at amortised cost	(149,450)	(9,255)
(Increase)/ Decrease in receivable from related companies	(519)	(14,725)
(Increase)/ Decrease in other assets	(4,302)	16,851
Increase/ (Decrease) in creditors and accrued charges	29,196	19,691
Increase/ (Decrease) in payable to related companies	6,248	(41,795)
Increase/ (Decrease) in short term borrowings	(991,384)	-
Increase/ (Decrease) in borrowings against re-purchase agreements	1,015,586	(88,625)

Cash generated from/ (used in) operations

Tax paid	(2)	-
Gratuity paid	-	-
Net cash from/ (used in) operating activities	9,620	(685)

Cash flow from investing activities

Purchase of property, Plant and equipment	-	(310)
Purchase of intangible assets	-	-
Investment in Financial assets fair value through other comprehensive income	(1,000)	-
Net cash from/ (used in) investing activities	(1,000)	(310)

Cash flow from financing activities

Dividend paid	-	-
Net cash From/ (used in) financing activities	-	-

Net cash inflow/ (outflow) for the period

Cash and cash equivalents at the beginning of the period	(4,516)	318
Cash and cash equivalents at the end of the period (Note A)	4,104	(677)

Note A

Cash at bank and in hand	4,104	4,644
Bank overdraft	-	(5,321)
4,104	(677)	

Figures in bracket indicate deductions.

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



NOTES TO THE FINANCIAL STATEMENTS

	April - June	
	2019	2018
	Rs'000	Rs'000
1 Other Income		
Exchange gain/(loss)	(307)	-
Miscellaneous income	2	3
	(305)	3

	April - June	
	2019	2018
	Rs'000	Rs'000
2 Income Tax Expenses		
<u>Recognised in profit or loss</u>		
Current Income Tax Expenses	-	-
Deferred Tax Expense	(221,265)	(47,552)
	(221,265)	(47,552)

3 These Provisional Financial Statements for the quarter ended 30th June 2019 have been prepared in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting".

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 30th June 2019 is 15,390,000 shares (31st March 2019 - 15,390,000 shares).

6 The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31st March 2019 have been followed in the preparation of the above provisional financial statements, other than the adoption of "SLFRS 16 - Leases" which became effective for financial reporting periods beginning on or after 1st January 2019.

- SLFRS 16 requires the recognition of lease liabilities and right to use of assets for leases previously classified as operating leases in accordance with LKAS 17. Further, the standard requires to recognise depreciation allowance and finance charges during the lease period. The Company has adopted SLFRS 16 using modified retrospective method from 1st April 2019, without restating comparatives for the year 2018/19 reporting period. Accordingly, following amounts have been recognised in the provisional financial statements.

As at	1st April 2019 (Rs. '000)
Statement of financial position	
<u>Property, plant and equipment</u>	
Recognition of right to use of assets	24,375
	April to June 2019 (Rs. '000)
For the period	
Statement of comprehensive income	
Depreciation allowance in respect of right to use of assets	1,625



NOTES TO THE FINANCIAL STATEMENTS

- 7 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.
- 8 There have been no significant changes in the nature of the Contingent Liabilities which were disclosed in the audited financial statements for the year ended 31st March 2019.
- 9 There have been no material events subsequent to the reporting date which require disclosures/adjustments in the above provisional financial statements. Other than the followings:

- Subsequent to the reporting period, the Company paid an interim dividend of Rs. 16.50 per share amounting to Rs. 253.9Mn for year 2019/20.

- 10 Market value is not available since the shares of the Company are not publicly traded.

11 Net assets per share

As at 30 th June 2019 Rs.	As at 31 st March 2019 Rs.
245.99	210.06



INVESTOR INFORMATION

Information on Listed Debentures

Date of allotment	Frequency on Interest Payment	No. of Debentures issued and allotted	Face Value Rs.000	Rate of Interest	Tenure	Date of Maturity
5 th February 2015	Annually	5,000,000	500,000	9.50% (AER - 9.50%)	5 Years	6 th February 2020

Objectives of the Issue

The Company has achieved the following objectives as stipulated in the prospectus issued to raise Rs. 500Mn via the Debenture Issue made in February 2015.

Objective as per prospectus	Amount allocated as per Prospectus in Rs.	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amount Utilised in Rs. (B)	% of Utilisation against allocation (B/A)
To minimise asset/ liability mismatch in the balance sheet	} 500Mn	} 500Mn	} 100%	} 500Mn	} 100%
To minimise the interest rate risk by issuing Listed Debentures with a fixed interest rate.					

Market value of Listed Debentures as at 30th June 2019

Debentures with 5 year maturity have not been traded during the quarter ended 30th June 2019.

Hence, par value is recognised as its market value. Hence, yield to maturity on trade done is also not applicable.

Debt Ratios

	As at 30 th June 2019	As at 31 st March 2019
Debt/ equity ratio (times)	7.67	8.99
Quick asset ratio (times)	1.13	1.10
Interest cover (times)	2.42	1.06

Debenture Interest Yield

	As at 30 th June 2019	As at 31 st March 2019
5 year fixed rate (9.50 % p.a. payable annually)	9.50%	9.50%

Yield of comparable Government Securities (%)

	As at 30 th June 2019	As at 31 st March 2019
5 Year treasury bond	9.99%	9.99%