



First Capital

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PROVISIONAL

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FINANCIAL

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STATEMENTS

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QUARTER ENDED 30 JUNE 2016

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**FIRST CAPITAL TREASURIES PLC**

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	April ~ June	
	2016 (Unaudited)	2015 (Unaudited)
<b>Income</b>	<b>488,174</b>	<b>274,162</b>
Direct income	488,165	274,111
Direct expenses	(419,598)	(166,209)
<b>Net trading income</b>	<b>68,567</b>	<b>107,902</b>
Other income	9	51
Gain/ (loss) on fair valuation of financial investments - held for trading	(83)	41,912
	<b>68,493</b>	<b>149,865</b>
Less:		
Administrative expenses	(27,641)	(34,256)
Sales and distribution expenses	(6,205)	(2,894)
Other operating expenses	(4,103)	(5,952)
	<b>(37,949)</b>	<b>(43,102)</b>
<b>Profit before taxation</b>	<b>30,544</b>	<b>106,763</b>
Income tax expense	-	-
<b>Profit for the period</b>	<b>30,544</b>	<b>106,763</b>
<b>Other comprehensive income/ (expense)</b>		
<b>Items that will never be reclassified to profit or loss</b>	-	-
<b>Items that are or may be reclassified to profit or loss</b>	-	-
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the period</b>	<b>30,544</b>	<b>106,763</b>
<b>Earnings per share (Rs.)</b>	<b>1.98</b>	<b>6.94</b>

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

# STATEMENT OF FINANCIAL POSITION

As at	Note	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)	31 March 2016 (Audited)
<b>ASSETS</b>				
Cash at banks and in hand		4,817	2,994	1,382
Derivative financial instruments		17,332	1,602	40,861
Financial investments - Held for trading		12,188,897	8,267,801	9,206,856
Financial investments - Available for sale		1,000	1,000	1,000
Financial investments - Loans and receivables		14,192,988	2,265,489	5,903,738
Receivable from related companies		446	354	422
Taxes receivable		12,093	12,051	12,093
Other assets		138,062	60,173	137,591
Property, plant and equipment		4,410	16,356	5,697
Intangible assets		1,393	2,556	1,552
<b>Total Assets</b>		<b>26,561,438</b>	<b>10,630,376</b>	<b>15,311,192</b>
<b>LIABILITIES</b>				
Bank overdrafts		-	203	1,532
Derivative financial instruments		2,819	290	20,835
Securities sold under re-purchase agreements		24,493,893	8,494,066	13,271,621
Creditors and accrued charges		16,801	35,831	16,670
Payable to related companies		5,567	1,223	3,495
Taxes payable		39,934	38,418	37,358
Retirement benefit obligations		12,742	9,882	12,327
Borrowings on listed debentures	4	521,737	516,815	509,953
<b>Total Liabilities</b>		<b>25,093,493</b>	<b>9,096,728</b>	<b>13,873,791</b>
<b>EQUITY</b>				
Stated capital	5	256,500	256,500	256,500
Risk reserve		874,317	886,354	871,262
Retained earnings		337,128	390,794	309,639
<b>Total Equity</b>		<b>1,467,945</b>	<b>1,533,648</b>	<b>1,437,401</b>
<b>Total Equity &amp; Liabilities</b>		<b>26,561,438</b>	<b>10,630,376</b>	<b>15,311,192</b>

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.)  
Nishan Fernando  
Director

12 August 2016  
Colombo

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Stated Capital	Risk Reserve	Retained Earnings	Total Equity
<b>Balance as at 1 April 2015 (Audited)</b>	<b>256,500</b>	<b>870,141</b>	<b>300,244</b>	<b>1,426,885</b>
<b><u>Total comprehensive income for the period</u></b>				
Profit for the period	-	-	106,763	106,763
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>106,763</b>	<b>106,763</b>
<b><u>Transactions with equity holders</u></b>				
Transfer to risk reserve	-	16,213	(16,213)	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>16,213</b>	<b>(16,213)</b>	<b>-</b>
<b>Balance as at 30 June 2015 (Unaudited)</b>	<b>256,500</b>	<b>886,354</b>	<b>390,794</b>	<b>1,533,648</b>
<b>Balance as at 1 April 2016 (Audited)</b>	<b>256,500</b>	<b>871,262</b>	<b>309,639</b>	<b>1,437,401</b>
<b><u>Total comprehensive income for the period</u></b>				
Profit for the period	-	-	30,544	30,544
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>30,544</b>	<b>30,544</b>
Transactions with equity holders				
Transfer to risk reserve	-	3,055	(3,055)	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>3,055</b>	<b>(3,055)</b>	<b>-</b>
<b>Balance as at 30 June 2016 (Unaudited)</b>	<b>256,500</b>	<b>874,317</b>	<b>337,128</b>	<b>1,467,945</b>

Figures in bracket indicate deductions.

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

## STATEMENT OF CASH FLOWS

For the period ended 30 June

### Cash flows from operating activities

Interest receipts and gains realised	483,264	262,942
Interest payments and other direct cost	(164,349)	(15,860)
Other receipts	9	-
Cash payments to employees and suppliers	(35,517)	(38,356)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>283,407</b>	<b>208,726</b>
(Increase)/ Decrease in financial investments - held for trading	(2,976,611)	419,986
(Increase)/ Decrease in financial investments - loans and receivables	(8,284,349)	5,069,562
(Increase) / Decrease in receivable from related companies	(24)	(129)
(Increase) / Decrease in other assets	(471)	(3,085)
Increase / (Decrease) in creditors and accrued charges	2,706	(31,579)
Increase / (Decrease) in payable to related companies	2,072	(4,065)
Increase / (Decrease) in borrowings against re-purchase agreements	10,978,807	(5,656,260)

### Cash generated from operations

Income Tax/ ESC paid

### Net cash flow from operating activities

Cash flow from investing activities

Purchase of property, equipment	(574)	(1,536)
Sale of property plant and equipment	4	51

### Net cash used in investing activities

Cash flow from 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 hand	1,382	2,120
Bank overdraft	(1,532)	-

#### Note B

Cash at bank and hand	4,817	2,994
Bank overdraft	-	(203)

	2016 (Unaudited)	2015 (Unaudited)
<b>Cash flows from operating activities</b>		
Interest receipts and gains realised	483,264	262,942
Interest payments and other direct cost	(164,349)	(15,860)
Other receipts	9	-
Cash payments to employees and suppliers	(35,517)	(38,356)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>283,407</b>	<b>208,726</b>
(Increase)/ Decrease in financial investments - held for trading	(2,976,611)	419,986
(Increase)/ Decrease in financial investments - loans and receivables	(8,284,349)	5,069,562
(Increase) / Decrease in receivable from related companies	(24)	(129)
(Increase) / Decrease in other assets	(471)	(3,085)
Increase / (Decrease) in creditors and accrued charges	2,706	(31,579)
Increase / (Decrease) in payable to related companies	2,072	(4,065)
Increase / (Decrease) in borrowings against re-purchase agreements	10,978,807	(5,656,260)
<b>Cash generated from operations</b>	<b>5,537</b>	<b>3,156</b>
Income Tax/ ESC paid	-	(1,000)
<b>Net cash flow from operating activities</b>	<b>5,537</b>	<b>2,156</b>
<b>Cash flow from investing activities</b>		
Purchase of property, equipment	(574)	(1,536)
Sale of property plant and equipment	4	51
<b>Net cash used in investing activities</b>	<b>(570)</b>	<b>(1,485)</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash inflow / (outflow) for the period</b>	<b>4,967</b>	<b>671</b>
Cash and cash equivalents at the beginning of the period (Note A)	(150)	2,120
<b>Cash and cash equivalents at the end of the period (Note B)</b>	<b>4,817</b>	<b>2,791</b>
<b>Note A</b>		
Cash at bank and hand	1,382	2,120
Bank overdraft	(1,532)	-
	<b>(150)</b>	<b>2,120</b>
<b>Note B</b>		
Cash at bank and hand	4,817	2,994
Bank overdraft	-	(203)
	<b>4,817</b>	<b>2,791</b>

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.

#### Net assets per share

As at 30 June

	2016 Rs.	2015 Rs.
	95.38	99.65

- 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.
- 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.
- 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 number of shares represented by stated capital as at 30 June 2016 is 15,390,000 shares (30 June 2015 - 15,390,000 shares).
- 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.
- 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 30 June 2016

Debentures with 5 year maturity have been traded during the quarter ended 30 June 2016. Traded price is recognised as its respective market value.

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

Highest price

Lowest price

Last traded price

	As at 30-Jun-16	As at 30-Jun-15	As at 31-Mar-16
Highest price	97.01	-	95.37
Lowest price	97.01	-	95.37
Last traded price	97.01	-	95.37

#### Debt Ratios

Debt/ equity ratio (times)

Quick asset ratio (times)

Interest cover (times)

	As at 30-Jun-16	As at 30-Jun-15	As at 31-Mar-16
Debt/ equity ratio (times)	17.04	5.88	9.59
Quick asset ratio (times)	1.08	1.24	1.14
Interest cover (times)	1.07	1.65	1.02

#### Debenture Interest Yield

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

	As at 30-Jun-16	As at 30-Jun-15	As at 31-Mar-16
5 year fixed rate (9.50 % p.a. payable annually)	9.79%	9.5%	9.96%

#### Yield of comparable Government Securities

5 Year treasury bond

	As at 30-Jun-16	As at 30-Jun-15	As at 31-Mar-16
5 Year treasury bond	11.49%	8.33%	12.19%