

PROVISIONAL FINANCIAL STATEMENTS

QUARTER ENDED | 30 JUNE 2017



First Capital

FIRST CAPITAL TREASURIES PLC



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	April ~ June	
	2017 (Unaudited)	2016 (Unaudited)
Income	662,363	488,174
Direct income	662,350	488,165
Direct expenses	(474,246)	(419,598)
Net trading income	188,104	68,567
Other income	13	9
Gain/ (loss) on fair valuation of financial investments - held for trading	139,374	(83)
	327,491	68,493
Less:		
Administrative expenses	(27,168)	(27,641)
Sales and distribution expenses	(2,447)	(6,205)
Other operating expenses	(12,422)	(4,103)
	(42,037)	(37,949)
Profit before taxation	285,454	30,544
Income tax expense	-	-
Profit for the period	285,454	30,544
Other comprehensive income for the period		
Items that will never be reclassified to profit or loss	-	-
Items that are or may be reclassified to profit or loss	-	-
Other comprehensive income	-	-
Total comprehensive income for the period	285,454	30,544
Earnings per share (Rs.)	18.55	1.98

Figures in bracket indicate deductions.

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



STATEMENT OF FINANCIAL POSITION

As at	Note	30 June 2017 (Unaudited)	30 June 2016 (Unaudited)	31 March 2017 (Audited)
ASSETS				
Cash at banks and in hand		5,775	4,817	13,731
Derivative financial instruments		2,449	17,332	24,075
Financial investments - Held for trading		15,175,396	12,188,897	15,384,251
Financial investments - Available for sale		1,000	1,000	1,000
Financial investments - Loans and receivables		6,041,495	14,192,988	6,369,562
Receivable from related companies		2,768	446	480
Taxes receivables		12,093	12,093	12,093
Other assets		133,500	138,062	130,835
Property, plant and equipment		2,091	4,410	2,581
Intangible assets		905	1,393	928
Total Assets		21,377,472	26,561,438	21,939,536
LIABILITIES				
Bank overdrafts		1,042	-	-
Derivative financial instruments		9,640	2,819	2,240
Securities sold under re-purchase agreements		18,798,488	24,493,893	19,677,003
Creditors and accrued charges		14,842	16,801	18,931
Payable to related companies		4,664	5,567	525
Taxes payable		71,290	39,934	61,016
Retirement benefit obligations		9,039	12,742	8,600
Borrowings on listed debentures	4	522,096	521,737	510,304
Total Liabilities		19,431,101	25,093,493	20,278,619
EQUITY				
Stated capital	5	256,500	256,500	256,500
Risk reserve		934,184	874,317	905,639
Retained earnings		755,687	337,128	498,778
Total Equity		1,946,371	1,467,945	1,660,917
Total Equity & Liabilities		21,377,472	26,561,438	21,939,536

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.)
Dinesh Schaffter
Managing Director

14 August 2017
Colombo



STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2017

	Stated Capital	Risk Reserve	Retained Earnings	Total Equity
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	-	-	30,544	30,544
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	30,544	30,544
<u>Transactions with equity holders</u>				
Transfer to risk reserve	-	3,055	(3,055)	-
Total transactions with equity holders	-	3,055	(3,055)	-
Balance as at 30 June 2016 (Unaudited)	256,500	874,317	337,128	1,467,945
Balance as at 01 April 2017 (Audited)	256,500	905,639	498,778	1,660,917
<u>Total comprehensive income for the period</u>				
Profit for the period	-	-	285,454	285,454
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	285,454	285,454
<u>Transactions with equity holders</u>				
Transfer to risk reserve	-	28,545	(28,545)	-
Total transactions with equity holders	-	28,545	(28,545)	-
Balance as at 30 June 2017 (Unaudited)	256,500	934,184	755,687	1,946,371

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 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/(used) from operations

Tax 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 banks and in hand
Bank overdrafts

Note B

Cash at banks and in hand
Bank overdrafts

	April ~ June	
	2017	2016
	(Unaudited)	(Unaudited)
	660,293	483,264
	(135,710)	(164,349)
	13	9
	(40,910)	(35,517)
	483,686	283,407
	377,256	(2,976,611)
	330,124	(8,284,349)
	(2,288)	(24)
	(2,667)	(471)
	6,184	2,706
	4,139	2,072
	(1,205,258)	10,978,807
	(8,824)	5,537
	-	-
	(8,824)	5,537
	-	(574)
	(174)	-
	-	4
	(174)	(570)
	-	-
	-	-
	(8,998)	4,967
	13,731	(150)
	4,733	4,817
	13,731	1,382
	-	(1,532)
	13,731	(150)
	5,775	4,817
	(1,042)	-
	4,733	4,817

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 30-06-2017 Rs.	As at 31-03-2017 Rs.
Net assets per share	126.47	107.92

2. The above figures are provisional and 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 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 30 June 2017 is 15,390,000 shares (31 March 2017 - 15,390,000 shares).
6. 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 31 March 2017.
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

Allotment Date	Frequency on Interest Payment	No. of Debentures issued and allotted	Face Value Rs.000	Rate of Interest	Tenure	Date of Maturity
5-Feb-2015	Annually	5,000,000	500,000	9.50% (AER - 9.50%)	5 Years	6-Feb-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 as at 30 June 2017

Debentures with 5 year maturity have not been traded during the quarter ended 30 June 2017. Hence, par value is recognised as its market value.

Debenture Interest Yield

	As at 30-Jun-17	As at 30-Jun-16	As at 31-Mar-17
5 year fixed rate (9.50 % p.a. payable annually)			
Highest price	-	97.01	-
Lowest price	-	97.01	-
Last traded price	-	97.01	-

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

Debt Ratios	As at 30-Jun-17	As at 30-Jun-16	As at 31-Mar-17
Debt/ equity ratio (times)	9.93	17.04	12.15
Quick asset ratio (times)	1.13	1.08	1.11
Interest cover (times)	1.61	1.07	1.17

Debenture Interest Yield	As at 30-Jun-17	As at 30-Jun-16	As at 31-Mar-17
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5 year fixed rate (9.50 % p.a. payable annually)	9.50%	9.79%	9.50%
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Yield of comparable Government Securities	As at 30-Jun-17	As at 30-Jun-16	As at 31-Mar-17
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5 Year treasury bond	11.09%	11.49%	11.98%
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