



First Capital

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# PROVISIONAL FINANCIAL STATEMENTS

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Six Months ended  
30<sup>th</sup> September 2021  
FIRST CAPITAL EQUITY FUND

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## REPORT OF THE MANAGER

We have pleasure in presenting the Unaudited Interim Financial Statements of First Capital Equity Fund (the Fund) for the six months ended 30<sup>th</sup> September 2021.

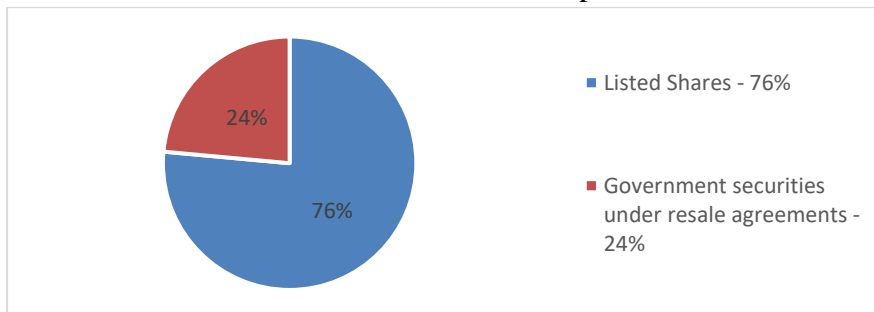
### Fund Performance

First Capital Equity Fund reported a Profit after Tax of Rs. 4.2Mn for the first six months ended 30<sup>th</sup> September 2021 compared to Rs. 22.1Mn in the corresponding period of previous year. The lower Profit after Tax reported for the period under review is as a result of the decrease in fair valuation gain on equity portfolios. Fair valuation gain for the first six months of 2021/22 was Rs. 0.5Mn (2020/21 – Rs. 21.6Mn).

The Fund reported a return of 5.24% for the six months ended 30<sup>th</sup> September 2021 compared to Equity Market return of 32.84% (All Share Price Index perspective). The Return reported in the corresponding period of the previous year (2020/21) was 52.41% compared to the Equity Market return of 30.91%. The Funds Under Management as at 30<sup>th</sup> September 2021 was Rs. 84.0Mn compared to Rs.78.9Mn at the beginning of the year (The Fund's yield is variable and subject to change. Past performance is not an indicator of future performance).

### Asset Allocation as at 30<sup>th</sup> September 2021 (%)

The asset allocation of the Fund as at 30<sup>th</sup> September 2021 is as follows.



### Appreciations

We take this opportunity to thank our valued unitholders for the trust and confidence placed in us. We also place on record our appreciation for the support extended by the Securities and Exchange Commission of Sri Lanka and our Trustee, Bank of Ceylon.

We express our sincere thanks to the Board of Directors, Management Team and Staff of the First Capital Asset Management Limited for their contribution towards our performance.

**FIRST CAPITAL EQUITY FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

<b>For Six Months ended 30<sup>th</sup> September</b>	<b>2021</b>	<b>2020</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Income</b>	<b>5,890,864</b>	<b>1,378,108</b>
Direct expenses	(1,479)	-
<b>Net trading income</b>	<u><b>5,889,385</b></u>	<u><b>1,378,108</b></u>
Unrealised gain on fair valuation of financial assets recognised through profit or loss - measured at fair value	510,241	21,566,090
	<u><b>6,399,626</b></u>	<u><b>22,944,198</b></u>
Administration and other operating expenses	(2,218,403)	(891,400)
<b>Profit before taxation</b>	<u><b>4,181,223</b></u>	<u><b>22,052,798</b></u>
Income tax expenses	-	-
<b>Profit for the period</b>	<u><b>4,181,223</b></u>	<u><b>22,052,798</b></u>
<b>Increase in net assets attributable to unit holders</b>	<u><b>4,181,223</b></u>	<u><b>22,052,798</b></u>

Figures in brackets indicate deductions.  
The notes form an integral part of these financial statements.

**FIRST CAPITAL EQUITY FUND  
STATEMENT OF FINANCIAL POSITION**

<b>As at</b>	<b>30.09.2021 Unaudited Rs.</b>	<b>31.03.2021 Audited Rs.</b>
<b>Assets</b>		
Cash at bank	1,277,857	895,544
Financial assets recognised through profit or loss - measured at fair value	63,537,159	72,964,302
Financial assets - at amortised cost	19,566,103	3,192,230
Dividend receivables	70,000	2,915,999
<b>Total Assets</b>	<b>84,451,119</b>	<b>79,968,075</b>
<b>Unit holders' funds and liabilities</b>		
<b>Liabilities</b>		
Accruals and other payables	459,932	1,023,111
<b>Total Liabilities</b>	<b>459,932</b>	<b>1,023,111</b>
<b>Unit holders' funds</b>		
Net assets attributable to unit holders	83,991,187	78,944,964
	<b>83,991,187</b>	<b>78,944,964</b>
<b>Total unit holders' funds and liabilities</b>	<b>84,451,119</b>	<b>79,968,075</b>
<b>Net assets per unit (Rs.)</b>	<b>1,429.91</b>	<b>1,358.67</b>

The notes form an integral part of these financial statements.

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

Approved by the Managing Company on 20<sup>th</sup> December 2021.



**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

**FIRST CAPITAL EQUITY FUND  
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS**

**For Six Months ended 30<sup>th</sup> September 2021**

	<b>Unitholders' Capital Rs.</b>	<b>Retained Earnings/ (Loss) Rs.</b>	<b>Total Rs.</b>
<b>Balance as at 1<sup>st</sup> April 2020 (Audited)</b>	<b>61,918,125</b>	<b>(19,838,158)</b>	<b>42,079,967</b>
Capital infused during the period	-	-	-
Capital withdrawals made during the period	-	-	-
Increase in net assets attributable to unit holders	-	22,052,798	22,052,798
<b>Balance as at 30<sup>th</sup> September 2020 (Unaudited)</b>	<b>61,918,125</b>	<b>2,214,640</b>	<b>64,132,765</b>
<b>Balance as at 1<sup>st</sup> April 2021 (Audited)</b>	<b>58,717,242</b>	<b>20,227,722</b>	<b>78,944,964</b>
Capital infused during the period	865,000	-	865,000
Capital withdrawals made during the period	-	-	-
Increase in net assets attributable to unit holders	-	4,181,223	4,181,223
<b>Balance as at 30<sup>th</sup> September 2021 (Unaudited)</b>	<b>59,582,242</b>	<b>24,408,945</b>	<b>83,991,187</b>

Figures in brackets indicate deduction.

The notes form an integral part of these financial statements.

**FIRST CAPITAL EQUITY FUND  
STATEMENT OF CASH FLOWS**

**For Six Months ended 30<sup>th</sup> September**

	<b>2021</b>	<b>2020</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	4,181,223	22,052,798
Adjustment for :		
Unrealised gain on fair valuation of financial assets - at fair value through profit and loss	(510,241)	(21,566,090)
<b>Operating profit before working capital changes</b>	<b>3,670,982</b>	<b>486,708</b>
(Increase)/ decrease in financial assets -at fair value through profit or loss	9,937,384	(4,406,226)
(Increase)/ decrease in financial assets -at amortised cost	(16,373,873)	3,288,821
Decrease in dividend receivables	2,845,999	656,524
Increase/ (decrease) in accruals and other payables	(563,179)	1,114,780
<b>Cash flows generated from/ (used in) operations</b>	<b>(482,687)</b>	<b>1,140,607</b>
<b>Net cash flows from/ (used in) operating activities</b>	<b>(482,687)</b>	<b>1,140,607</b>
<b>Net cash flows from/ (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from/ (used in) financing activities</b>		
Capital infused by unit holders	865,000	-
<b>Net cash flows from financing activities</b>	<b>865,000</b>	<b>-</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>382,313</b>	<b>1,140,607</b>
Cash and cash equivalents at the beginning of the period	895,544	1,007,680
<b>Cash and cash equivalents at the end of the period</b>	<b>1,277,857</b>	<b>2,148,287</b>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

**FIRST CAPITAL EQUITY FUND  
NOTES TO THE FINANCIAL STATEMENTS**

1. The number of Units represented by unitholders' funds as at 30<sup>th</sup> September 2021 is 58,739.
2. The above figures are subject to audit. The same accounting policies as in the Audited Financial Statements for the year ended 31<sup>st</sup> March 2021 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<sup>st</sup> March 2021).
4. There have been no material events after the reporting period which require adjustments/disclosures in these financial statements.



**FIRST CAPITAL EQUITY FUND****INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2021****NOTES TO THE FINANCIAL STATEMENTS****5 Financial instruments- Fair Value Measurement**

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements in accordance with SLFRS 13.

**Level - 1**

Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**Level - 2**

Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

**Level - 3**

Financial Instruments that are not supported by observable market prices information.

Due to the nature of the short term maturity, Carrying value of the financial asset at amortised cost are approximated to their fair value.

**5.1 Fair values versus the Carrying amounts**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position are as follows;

	As at 30.09.2021		As at 31.03.2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs.	Rs.	Rs.	Rs.
<b>Financial assets measured at fair value</b>				
Financial assets recognised through profit or loss - measured at fair value	<b>63,537,159</b>	<b>63,537,159</b>	72,964,302	72,964,302
	<b>63,537,159</b>	<b>63,537,159</b>	72,964,302	72,964,302
<b>Financial assets not measured at fair value</b>				
Cash at banks	<b>1,277,857</b>	<b>1,277,857</b>	895,544	895,544
Financial assets at amortised cost	<b>19,566,103</b>	<b>19,566,103</b>	3,192,230	3,192,230
Dividend receivable	<b>70,000</b>	<b>70,000</b>	2,915,999	2,915,999
	<b>20,913,960</b>	<b>20,913,960</b>	7,003,773	7,003,773
<b>Total financial assets</b>	<b>84,451,119</b>	<b>84,451,119</b>	79,968,075	79,968,075
<b>Financial liabilities measured at fair value</b>				
	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Accruals and other payables	<b>459,932</b>	<b>459,932</b>	1,023,111	1,023,111
<b>Total financial liabilities</b>	<b>459,932</b>	<b>459,932</b>	<b>1,023,111</b>	<b>1,023,111</b>

**FIRST CAPITAL EQUITY FUND**

**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**5.2 Financial instruments- Fair Value**

The following tables show an analysis of financial instruments at fair value and by level of fair value hierarchy.

As at 30<sup>th</sup> September 2021

**Financial assets measured at fair value**

**Financial assets recognised through profit or loss - measured at fair value**

Investment in listed shares

**Financial assets not measured at fair value**

Cash at Bank

Financial assets - at amortised cost

Dividend receivable

**Total financial assets**

**Financial liabilities not measured at fair value**

Accruals and other payables

**Total financial liabilities**

As at 31<sup>st</sup> March 2021

**Financial assets measured at fair value**

**Financial assets - at fair value through profit or loss**

Investment in listed shares

**Financial assets not measured at fair value**

Cash at bank

Financial assets at amortised cost

Dividend receivables

**Total financial assets**

**Financial liabilities not measured at fair value**

Accruals and other payables

**Total financial liabilities**

	Level 1	Level 2	Level 3	Total Fair Value
	Rs.	Rs.	Rs.	Rs.
<b>Financial assets measured at fair value</b>				
<b>Financial assets recognised through profit or loss - measured at fair value</b>				
Investment in listed shares	63,537,159	-	-	63,537,159
	<b>63,537,159</b>	-	-	<b>63,537,159</b>
<b>Financial assets not measured at fair value</b>				
Cash at Bank	-	-	1,277,857	1,277,857
Financial assets - at amortised cost	-	-	19,566,103	19,566,103
Dividend receivable	-	-	70,000	70,000
	-	-	<b>20,913,960</b>	<b>20,913,960</b>
<b>Total financial assets</b>	<b>63,537,159</b>	-	<b>20,913,960</b>	<b>84,451,119</b>
<b>Financial liabilities not measured at fair value</b>				
Accruals and other payables	-	-	459,932	459,932
<b>Total financial liabilities</b>	-	-	<b>459,932</b>	<b>459,932</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Fair Value</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Financial assets measured at fair value</b>				
<b>Financial assets - at fair value through profit or loss</b>				
Investment in listed shares	72,964,302	-	-	72,964,302
	<b>72,964,302</b>	-	-	<b>72,964,302</b>
<b>Financial assets not measured at fair value</b>				
Cash at bank	-	-	895,544	895,544
Financial assets at amortised cost	-	-	3,192,230	3,192,230
Dividend receivables	-	-	2,915,999	2,915,999
	-	-	<b>7,003,773</b>	<b>7,003,773</b>
<b>Total financial assets</b>	<b>72,964,302</b>	-	<b>7,003,773</b>	<b>79,968,075</b>
<b>Financial liabilities not measured at fair value</b>				
Accruals and other payables	-	-	1,023,111	1,023,111
<b>Total financial liabilities</b>	-	-	<b>1,023,111</b>	<b>1,023,111</b>

### 5.3 Financial instruments - Accounting classifications

As at 30<sup>th</sup> September 2021

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.
<b>Financial assets measured at fair value</b>				
Financial assets - FVTPL	63,537,159	-	63,537,159	63,537,159
	<b>63,537,159</b>	<b>-</b>	<b>63,537,159</b>	<b>63,537,159</b>
<b>Financial assets not measured at fair value</b>				
Cash at banks	-	1,277,857	1,277,857	1,277,857
Financial assets - at amortised cost	-	19,566,103	19,566,103	19,566,103
Dividend receivable	-	70,000	70,000	70,000
	<b>-</b>	<b>20,913,960</b>	<b>20,913,960</b>	<b>20,913,960</b>
<b>Total financial assets</b>	<b>63,537,159</b>	<b>20,913,960</b>	<b>84,451,119</b>	<b>84,451,119</b>
<b>Financial liabilities not measured at fair value</b>				
Accruals and other payables	-	459,932	459,932	459,932
<b>Total Financial Liabilities</b>	<b>-</b>	<b>459,932</b>	<b>459,932</b>	<b>459,932</b>

As at 31<sup>st</sup> March 2021

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.
<b>Financial assets measured at fair value</b>				
Financial assets - FVTPL	72,964,302	-	72,964,302	72,964,302
	<b>72,964,302</b>	<b>-</b>	<b>72,964,302</b>	<b>72,964,302</b>
<b>Financial assets not measured at fair value</b>				
Cash at banks	-	895,544	895,544	895,544
Financial assets at amortised cost	-	3,192,230	3,192,230	3,192,230
Dividend receivable	-	2,915,999	2,915,999	2,915,999
	<b>-</b>	<b>7,003,773</b>	<b>7,003,773</b>	<b>7,003,773</b>
<b>Total financial assets</b>	<b>72,964,302</b>	<b>7,003,773</b>	<b>79,968,075</b>	<b>79,968,075</b>
<b>Financial liabilities not measured at fair value</b>				
Accruals and other payables	-	1,023,111	1,023,111	1,023,111
<b>Total Financial Liabilities</b>	<b>-</b>	<b>1,023,111</b>	<b>1,023,111</b>	<b>1,023,111</b>