



First Capital

---

# PROVISIONAL FINANCIAL STATEMENTS

---

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

FIRST CAPITAL GILT - EDGED FUND

# CONTENTS

	<b>Pages</b>
Fund Manager's Report	1
<u>Financial Reports</u>	
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Unitholders' Funds	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-9

## **REPORT OF THE MANAGER**

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

### **Fund Performance**

First Capital Gilt - Edged Fund reported a Profit after Tax of Rs. 1.11Mn for the six months ended 30<sup>th</sup> September 2021 compared to Rs. 1.28Mn in the corresponding period of the previous year.

The Fund reported an Annualised return of 4.18% for the six months ended 30<sup>th</sup> September 2021 compared to the benchmark one-year average treasury bill yield of 5.41% published by the Central Bank of Sri Lanka. The Annualised Return reported in the corresponding period of the previous year (2020/21) was 5.02% compared to the benchmark one-year average treasury bill yield of 5.92% published by the Central Bank of Sri Lanka. The Funds Under Management as at 30<sup>th</sup> September 2021 was Rs. 54.7Mn compared to Rs. 53.6Mn 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 entire investment of the Fund comprised Repo Investments against Government Securities as at 30<sup>th</sup> September 2021.

### **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 GILT-EDGED 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>1,366,326</b>	<b>1,452,704</b>
Direct expenses	-	-
<b>Net trading income</b>	<b>1,366,326</b>	<b>1,452,704</b>
Administration and other operating expenses	(253,704)	(173,974)
<b>Profit before taxation</b>	<b>1,112,622</b>	<b>1,278,730</b>
Income tax expenses	-	-
<b>Profit for the period</b>	<b>1,112,622</b>	<b>1,278,730</b>
<b>Increase in net assets attributable to unit holders</b>	<b>1,112,622</b>	<b>1,278,730</b>

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	30.09.2021 Unaudited Rs.	31.03.2021 Audited Rs.
<b>Assets</b>		
Cash at bank	834,169	802,330
Financial assets - at amortised cost	54,034,027	53,035,003
<b>Total assets</b>	<u>54,868,196</u>	<u>53,837,333</u>
<b>Unit holders' funds and liabilities</b>		
<b>Liabilities</b>		
Accrued expenses and other liabilities	161,965	243,724
<b>Total liabilities</b>	<u>161,965</u>	<u>243,724</u>
<b>Unit holders' funds</b>		
Net assets attributable to unit holders	54,706,231	53,593,609
	<u>54,706,231</u>	<u>53,593,609</u>
<b>Total unit holders' funds and liabilities</b>	<u>54,868,196</u>	<u>53,837,333</u>
<b>Net assets per unit</b>	<b>1,532.89</b>	<b>1,501.71</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 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 GILT-EDGED FUND**  
**STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS**

<b>For Six Months ended 30<sup>th</sup> September 2021</b>	<b>Unitholders' Capital Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Rs.</b>
<b>Balance as at 1<sup>st</sup> April 2020 (Audited)</b>	<b>7,325,335</b>	<b>44,083,267</b>	<b>51,408,602</b>
Capital infused during the period	-	-	-
Capital withdrawals made during the period	-	-	-
Increase in net assets attributable to unit holders	-	1,278,730	1,278,730
<b>Balance as at 30<sup>th</sup> September 2020 (Unaudited)</b>	<b><u>7,325,335</u></b>	<b><u>45,361,997</u></b>	<b><u>52,687,332</u></b>
<b>Balance as at 1<sup>st</sup> April 2021 (Audited)</b>	<b>7,319,319</b>	<b>46,274,290</b>	<b>53,593,609</b>
Capital infused during the period	-	-	-
Capital withdrawals made during the period	-	-	-
Increase in net assets attributable to unit holders	-	1,112,622	1,112,622
<b>Balance as at 30<sup>th</sup> September 2021 (Unaudited)</b>	<b><u>7,319,319</u></b>	<b><u>47,386,912</u></b>	<b><u>54,706,231</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<sup>th</sup> September

	2021 Unaudited Rs.	2020 Unaudited Rs.
<b>Cash flows from operating activities</b>		
Profit before taxation	1,112,622	1,278,730
<b>Operating profit before working capital changes</b>	<u>1,112,622</u>	<u>1,278,730</u>
Increase in financial assets -at amortised cost	(999,024)	(1,252,704)
Decrease in accruals and other payables	(81,759)	(1,193)
<b>Net cash flows from operating activities</b>	<u>31,839</u>	<u>24,833</u>
<b>Net cash flows from/(used in) investing activities</b>	<u>-</u>	<u>-</u>
<b>Net cash flows from/ (used in) financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<u>31,839</u>	<u>24,833</u>
Cash and cash equivalents at the beginning of the period	802,330	124,095
<b>Cash and cash equivalents at the end of the period</b>	<u>834,169</u>	<u>148,928</u>

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<sup>th</sup> September 2021 is 35,688.
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 GILT - EDGED 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 not measured at fair value</b>				
Cash at banks	834,169	834,169	802,330	802,330
Financial assets - at amortised cost	54,034,027	54,034,027	53,035,003	53,035,003
	<b>54,868,196</b>	<b>54,868,196</b>	53,837,333	53,837,333
<b>Total financial assets</b>	<b>54,868,196</b>	<b>54,868,196</b>	53,837,333	53,837,333
<b>Financial liabilities measured at fair value</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other liabilities	161,965	161,965	243,724	243,724
<b>Total financial liabilities</b>	<b>161,965</b>	<b>161,965</b>	243,724	243,724

**FIRST CAPITAL GILT - EDGED 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

	Level 1	Level 2	Level 3	Total Fair Value
	Rs.	Rs.	Rs.	Rs.
<b>Financial assets not measured at fair value</b>				
Cash at banks	-	-	834,169	834,169
Financial assets - at amortised cost	-	-	54,034,027	54,034,027
	-	-	<b>54,868,196</b>	<b>54,868,196</b>
<b>Total financial assets</b>	-	-	<b>54,868,196</b>	<b>54,868,196</b>
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other liabilities	-	-	161,965	161,965
<b>Total financial liabilities</b>	-	-	<b>161,965</b>	<b>161,965</b>

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

	Level 1	Level 2	Level 3	Total Fair Value
	Rs.	Rs.	Rs.	Rs.
<b>Financial assets not measured at fair value</b>				
Cash at banks	-	-	802,330	802,330
Financial assets - at amortised cost	-	-	53,035,003	53,035,003
	-	-	<b>53,837,333</b>	<b>53,837,333</b>
<b>Total financial assets</b>	-	-	<b>53,837,333</b>	<b>53,837,333</b>
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other liabilities	-	-	243,724	243,724
<b>Total financial liabilities</b>	-	-	<b>243,724</b>	<b>243,724</b>

**FIRST CAPITAL GILT - EDGED FUND**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**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 not measured at fair value</b>				
Cash at banks	-	834,169	834,169	834,169
Financial assets - at amortised cost	-	54,034,027	54,034,027	54,034,027
	-	<b>54,868,196</b>	<b>54,868,196</b>	<b>54,868,196</b>
<b>Total financial assets</b>	-	<b>54,868,196</b>	<b>54,868,196</b>	<b>54,868,196</b>
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other liabilities		161,965	161,965	161,965
<b>Total Financial Liabilities</b>	-	<b>161,965</b>	<b>161,965</b>	<b>161,965</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 not measured at fair value</b>				
Cash at banks	-	802,330	802,330	802,330
Financial assets - at amortised cost	-	53,035,003	53,035,003	53,035,003
	-	<b>53,837,333</b>	<b>53,837,333</b>	<b>53,837,333</b>
<b>Total financial assets</b>	-	<b>53,837,333</b>	<b>53,837,333</b>	<b>53,837,333</b>
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other liabilities	-	243,724	243,724	243,724
<b>Total Financial Liabilities</b>	-	<b>243,724</b>	<b>243,724</b>	<b>243,724</b>