

**FIRST CAPITAL GILT-EDGED FUND  
INTERIM FINANCIAL STATEMENTS  
FOR SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2022**



First Capital

## 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 2022.

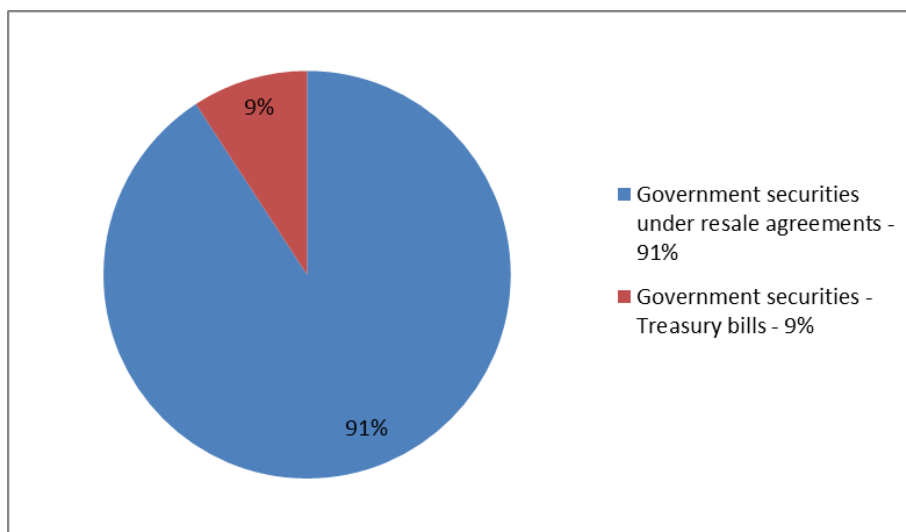
### Fund Performance

First Capital Gilt - Edged Fund reported a Profit after Tax of Rs. 399Mn for the six months ended 30<sup>th</sup> September 2022 compared to Rs. 1Mn in the corresponding period of the previous year. The increase in Profit after Tax for the period under review is due to substantial growth in Funds under Management.

The Fund reported an Annualised return of 19.93% for the six months ended 30<sup>th</sup> September 2022 compared to the benchmark one-year average treasury bill yield of 20.54% published by the Central Bank of Sri Lanka. The Annualised Return reported in the corresponding period of the previous year (2021/22) was 4.18% compared to the benchmark one-year average treasury bill yield of 5.41% published by the Central Bank of Sri Lanka. The Funds under Management as at 30<sup>th</sup> September 2022 was Rs. 2,680Mn compared to Rs. 56Mn 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 2022

The Asset Allocation of the Fund as at 30<sup>th</sup> September 2022 is as follows.



FIRST CAPITAL ASSET MANAGEMENT LIMITED

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Company Reg. No: PB 187

## **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**

For Six Months ended 30 <sup>th</sup> September	2022 Unaudited Rs.	2021 Unaudited Rs.
<b>Income</b>	412,093,984	1,366,326
Direct expenses	(5,178)	-
<b>Net trading income</b>	<u>412,088,806</u>	<u>1,366,326</u>
Unrealised gain on fair valuation of financial assets recognised through profit or loss - measured at fair value	1,129,000	-
	<u>413,217,806</u>	<u>1,366,326</u>
Administration and other operating expenses	(14,276,017)	(253,704)
<b>Profit before taxation</b>	<u>398,941,789</u>	<u>1,112,622</u>
Income tax expenses	-	-
<b>Profit for the period</b>	<u>398,941,789</u>	<u>1,112,622</u>
<b>Increase in net assets attributable to unitholders</b>	<u>398,941,789</u>	<u>1,112,622</u>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

**FIRST CAPITAL GILT-EDGED FUND  
STATEMENT OF FINANCIAL POSITION**

<b>As at</b>	<b>30.09.2022</b>	<b>31.03.2022</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Assets</b>		
Cash at bank	3,629,619	1,890,938
Financial assets recognised through profit or loss - measured at fair value	246,809,250	-
Financial assets - at amortised cost	2,435,334,343	54,586,229
<b>Total assets</b>	<b><u>2,685,773,212</u></b>	<b><u>56,477,167</u></b>
<b>Unitholders' funds and liabilities</b>		
<b>Liabilities</b>		
Accrued expenses and other liabilities	5,312,646	252,752
<b>Total liabilities</b>	<b><u>5,312,646</u></b>	<b><u>252,752</u></b>
<b>Unit holders' funds</b>		
Net assets attributable to unitholders	2,680,460,566	56,224,415
	<b><u>2,680,460,566</u></b>	<b><u>56,224,415</u></b>
<b>Total unitholders' funds and liabilities</b>	<b><u>2,685,773,212</u></b>	<b><u>56,477,167</u></b>
<b>Net assets per unit</b>	<b>1,725.09</b>	<b>1,574.86</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 22<sup>nd</sup> December 2022.



**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**



**Chandana de Silva**  
**Director**  
**First Capital Asset management Limited**  
**Fund Management Company**

**FIRST CAPITAL GILT-EDGED FUND  
STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS**

**For Six Months ended 30<sup>th</sup> September 2022**

**Unitholders' Funds**

	<b>Rs.</b>
<b>Balance as at 1<sup>st</sup> April 2021 (Audited)</b>	<b>53,593,609</b>
Capital infused during the period	-
Capital withdrawals made during the period	-
Increase in net assets attributable to unitholders	1,112,622
<b>Balance as at 30<sup>th</sup> September 2021 (Unaudited)</b>	<b><u>54,706,231</u></b>
<b>Balance as at 1<sup>st</sup> April 2022 (Audited)</b>	<b>56,224,415</b>
Capital infused during the period	17,883,618,190
Capital withdrawals made during the period	(15,658,323,828)
Increase in net assets attributable to unitholders	398,941,789
<b>Balance as at 30<sup>th</sup> September 2022 (Unaudited)</b>	<b><u>2,680,460,566</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**

	<b>2022</b>	<b>2021</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	398,941,789	1,112,622
Adjustment for :		
Unrealised gain on fair valuation of financial assets recognised through profit or loss - measured at fair value	(1,129,000)	-
<b>Operating profit before working capital changes</b>	<b>397,812,789</b>	<b>1,112,622</b>
Increase in financial assets -at Fair Value through profit or loss	(245,680,250)	-
Increase in financial assets -at amortised cost	(2,380,748,114)	(999,024)
Increase/ (Decrease) in accrued expenses and other liabilities	5,059,894	(81,759)
<b>Net cash flows generated from/ (used in) operating activities</b>	<b>(2,223,555,681)</b>	<b>31,839</b>
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>-</b>
Capital infused during the period	17,883,618,190	-
Capital redeemed during the period	(15,658,323,828)	-
<b>Net cash flows generated from financing activities</b>	<b>2,225,294,362</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,738,681</b>	<b>31,839</b>
Cash and cash equivalents at the beginning of the period	1,890,938	802,330
<b>Cash and cash equivalents at the end of the period</b>	<b>3,629,619</b>	<b>834,169</b>

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 2022 is 1,553,807.
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 2022 have been followed in the preparation of the above interim financial statements.
3. There have been no material capital 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 2022).
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 2022****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 30.09.2022		As at 31.03.2022	
	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	246,809,250	246,809,250	-	-
<b>Financial assets not measured at fair value</b>				
Cash at banks	3,629,619	3,629,619	1,890,938	1,890,938
Financial assets at amortised cost	2,435,334,343	2,435,334,343	54,586,229	54,586,229
	2,685,773,212	2,685,773,212	56,477,167	56,477,167
<b>Total financial assets</b>	2,685,773,212	2,685,773,212	56,477,167	56,477,167
<b>Financial liabilities measured at fair value</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other liabilities	5,312,646	5,312,646	252,752	252,752
<b>Total financial liabilities</b>	5,312,646	5,312,646	252,752	252,752

**FIRST CAPITAL GILT - EDGED FUND**

**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2022**

**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 2022

	Level 1	Level 2	Level 3	Total 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	246,809,250	-	-	246,809,250
<b>Financial assets not measured at fair value</b>				
Cash at banks	-	-	3,629,619	3,629,619
Financial assets at amortised cost	-	-	2,435,334,343	2,435,334,343
	-	-	<b>2,438,963,962</b>	<b>2,438,963,962</b>
<b>Total financial assets</b>	<b>246,809,250</b>	<b>-</b>	<b>2,438,963,962</b>	<b>2,685,773,212</b>
<b>Financial liabilities measured at fair value</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other liabilities	-	-	5,312,646	5,312,646
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,312,646</b>	<b>5,312,646</b>

As at 31<sup>st</sup> March 2022

	Level 1	Level 2	Level 3	Total Fair Value
	Rs.	Rs.	Rs.	Rs.
<b>Financial assets measured at fair value</b>	-	-	-	-
<b>Financial assets not measured at fair value</b>				
Cash at banks	-	-	1,890,938	1,890,938
Financial assets at amortised cost	-	-	54,586,229	54,586,229
	-	-	<b>56,477,167</b>	<b>56,477,167</b>
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>56,477,167</b>	<b>56,477,167</b>
<b>Financial liabilities measured at fair value</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other liabilities	-	-	252,752	252,752
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>252,752</b>	<b>252,752</b>

**FIRST CAPITAL GILT - EDGED FUND**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

**5.3 Financial instruments - Accounting classifications**

As at 30<sup>th</sup> September 2022

**Financial assets not measured at fair value**

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

**Financial assets not measured at fair value**

Cash at banks

Financial assets at amortised cost

**Total financial assets**

**Financial liabilities measured at fair value**

**Financial liabilities not measured at fair value**

Accrued expenses and other liabilities

**Total financial liabilities**

Financial assets / FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
Rs.	Rs.	Rs.	Rs.
246,809,250	-	246,809,250	246,809,250
-	3,629,619	3,629,619	3,629,619
-	2,435,334,343	2,435,334,343	2,435,334,343
<b>246,809,250</b>	<b>2,438,963,962</b>	<b>2,685,773,212</b>	<b>2,685,773,212</b>
<b>246,809,250</b>	<b>2,438,963,962</b>	<b>2,685,773,212</b>	<b>2,685,773,212</b>
-	-	-	-
-	5,312,646	5,312,646	5,312,646
<b>-</b>	<b>5,312,646</b>	<b>5,312,646</b>	<b>5,312,646</b>

As at 31<sup>st</sup> March 2022

**Financial assets not measured at fair value**

Cash at banks

Financial assets at amortised cost

**Total financial assets**

**Financial liabilities measured at fair value**

**Financial liabilities not measured at fair value**

Accrued expenses and other liabilities

**Total financial liabilities**

Financial assets / FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
Rs.	Rs.	Rs.	Rs.
-	1,890,938	1,890,938	1,890,938
-	54,586,229	54,586,229	54,586,229
<b>-</b>	<b>56,477,167</b>	<b>56,477,167</b>	<b>56,477,167</b>
<b>-</b>	<b>56,477,167</b>	<b>56,477,167</b>	<b>56,477,167</b>
-	-	-	-
-	252,752	252,752	252,752
<b>-</b>	<b>252,752</b>	<b>252,752</b>	<b>252,752</b>