



First Capital

A Janashakthi Group Company

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# PROVISIONAL FINANCIAL STATEMENTS

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Six Months ended  
30<sup>th</sup> September 2023

**FIRST CAPITAL EQUITY FUND**

Managed by

**FIRST CAPITAL ASSET MANAGEMENT LIMITED**

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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 2023.

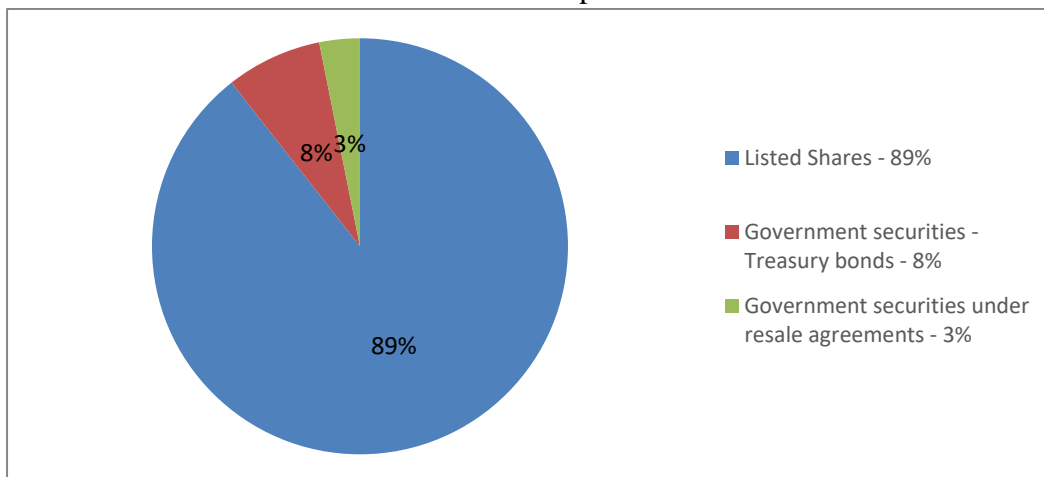
### Fund Performance

First Capital Equity Fund reported a Profit after Tax of Rs. 32.9Mn for the first six months ended 30<sup>th</sup> September 2023 compared to Rs. 12.3Mn in the corresponding period of previous year. The higher Profit after Tax reported for the period under review is mainly as a result of the increase in fair valuation gain recorded on the equity portfolio. Fair valuation gain for the first six months of 2023/24 was Rs. 22.01Mn (2022/23 – Rs. 6.16Mn).

The Fund reported a return of 41.37% (inclusive of the marked to market gain) for the six months ended 30<sup>th</sup> September 2023 compared to the All Share Price Index (ASPI), the main index of the Colombo Stock Exchange of 22.72%. The Return reported in the corresponding period of the previous year (2022/23) was 13.13% compared to the ASPI return of 17.23%. The Funds under Management as at 30<sup>th</sup> September 2023 was Rs. 136Mn compared to Rs. 104Mn 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 2023 (%)

The asset allocation of the Fund as at 30<sup>th</sup> September 2023 is as follows.



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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 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>2023</b>	<b>2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Income</b>	<b>15,915,362</b>	<b>7,575,038</b>
Direct expenses	(1,405,880)	(365,090)
<b>Net trading income</b>	<b>14,509,482</b>	<b>7,209,948</b>
Gain on fair valuation of financial assets recognised through profit or loss - measured at fair value	22,014,120	6,161,501
	<b>36,523,602</b>	<b>13,371,449</b>
Administration and other operating expenses	(3,608,460)	(1,084,730)
<b>Profit before taxation</b>	<b>32,915,142</b>	<b>12,286,719</b>
Income tax expenses	-	-
<b>Profit for the period</b>	<b>32,915,142</b>	<b>12,286,719</b>
<b>Increase in net assets attributable to unitholders</b>	<b>32,915,142</b>	<b>12,286,719</b>

Figures in brackets indicate deductions.

The notes form an integral part of these provisional financial statements.

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

<b>As at</b>	<b>30.09.2023</b>	<b>31.03.2023</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Assets</b>		
Cash at bank	399,386	430,139
Financial assets recognised through profit or loss - measured at fair value	132,689,539	52,120,461
Financial assets at amortised cost	4,309,542	51,111,781
Dividend receivables	-	1,632,972
<b>Total Assets</b>	<b><u>137,398,467</u></b>	<b><u>105,295,353</u></b>
<b>Unitholders' funds and liabilities</b>		
<b>Liabilities</b>		
Accrued expenses and other payables	1,673,106	836,880
<b>Total Liabilities</b>	<b><u>1,673,106</u></b>	<b><u>836,880</u></b>
<b>Unitholders' funds</b>		
Net assets attributable to unitholders	135,725,361	104,458,473
	<b><u>135,725,361</u></b>	<b><u>104,458,473</u></b>
<b>Total unitholders' funds and liabilities</b>	<b><u>137,398,467</u></b>	<b><u>105,295,353</u></b>
<b>Net assets value per unit</b>	<b>2,505.40</b>	<b>1,772.17</b>

The notes form an integral part of these provisional financial statements.

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

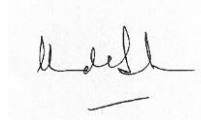
Approved by the Managing Company on 15<sup>th</sup> December 2023.



**Mangala Jayashantha**  
Chief Financial Officer  
First Capital Asset Management Limited  
Fund Management Company



**Dilshan Wirasekara**  
Managing Director/ CEO  
First Capital Asset Management Limited  
Fund Management Company



**Chandana de Silva**  
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 2023**

	<b>Unitholders' Funds Rs.</b>
<b>Balance as at 1<sup>st</sup> April 2022 (Audited)</b>	<b>91,588,667</b>
Increase due to unit creation during the period	2,393,194
Decrease due to unit redemption during the period	(245,708)
Increase in net assets attributable to unitholders	12,286,719
<b>Balance as at 30<sup>th</sup> September 2022 (Unaudited)</b>	<b><u>106,022,872</u></b>
<b>Balance as at 1<sup>st</sup> April 2023 (Audited)</b>	<b>104,458,473</b>
Increase due to unit creation during the period	26,508,857
Decrease due to unit redemption during the period	(28,157,111)
Increase in net assets attributable to unitholders	32,915,142
<b>Balance as at 30<sup>th</sup> September 2023 (Unaudited)</b>	<b><u>135,725,361</u></b>

Figures in brackets indicate deduction.

The notes form an integral part of these provisional financial statements.

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

<b>For Six Months ended 30<sup>th</sup> September</b>	<b>2023</b>	<b>2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	32,915,142	12,286,719
Adjustment for :		
Gain on fair valuation of financial assets - at fair value through profit and loss	(22,014,120)	(6,161,501)
<b>Operating profit before working capital changes</b>	<b>10,901,022</b>	<b>6,125,218</b>
(Increase) / Decrease in financial assets - at fair value through profit or loss	(58,554,958)	(9,833,147)
(Increase) / Decrease in financial assets - at amortised cost	46,802,239	(1,137,751)
Decrease in dividend receivables	1,632,972	1,977,938
Increase/ (Decrease) in accruals and other payables	836,226	203,705
<b>Cash flows generated from / (used in) operations</b>	<b>1,617,501</b>	<b>(2,664,037)</b>
<b>Net cash flows from / (used in) operating activities</b>	<b>1,617,501</b>	<b>(2,664,037)</b>
<b>Net cash flows from investing activities</b>	-	-
<b>Cash flows from/ (used in) financing activities</b>		
Proceeds from units creations	26,508,857	2,393,194
Payments for units redemptions	(28,157,111)	(245,708)
<b>Net cash flows from / (used in) financing activities</b>	<b>(1,648,254)</b>	<b>2,147,486</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(30,753)</b>	<b>(516,551)</b>
Cash and cash equivalents at the beginning of the period	430,139	1,876,745
<b>Cash and cash equivalents at the end of the period</b>	<b>399,386</b>	<b>1,360,194</b>

Figures in brackets indicate deductions.

The notes form an integral part of these provisional financial statements.



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

1. The number of Units represented by unitholders' funds as at 30<sup>th</sup> September 2023 is 54,173.
2. The above figures are provisional. The same accounting policies as in the Audited Financial Statements for the year ended 31<sup>st</sup> March 2023 have been followed in the preparation of the above provisional 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 2023).
4. There have been no material events after the reporting period which require adjustments/disclosures in the following provisional financial statements.

**FIRST CAPITAL EQUITY FUND**  
**NOTES TO THE PROVISIONAL 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 30.09.2023		As at 31.03.2023	
	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>132,689,539</b>	<b>132,689,539</b>	52,120,461	52,120,461
	<b>132,689,539</b>	<b>132,689,539</b>	52,120,461	52,120,461
<b>Financial assets not measured at fair value</b>				
Cash at bank	399,386	399,386	430,139	430,139
Financial assets at amortised cost	4,309,542	4,309,542	51,111,781	51,111,781
Dividend receivable	-	-	1,632,972	1,632,972
	<b>4,708,928</b>	<b>4,708,928</b>	53,174,892	53,174,892
<b>Total financial assets</b>	<b>137,398,467</b>	<b>137,398,467</b>	105,295,353	105,295,353
<b>Financial liabilities measured at fair value</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other payables	1,673,106	1,673,106	836,880	836,880
<b>Total financial liabilities</b>	<b>1,673,106</b>	<b>1,673,106</b>	<b>836,880</b>	<b>836,880</b>

**FIRST CAPITAL EQUITY FUND**  
**NOTES TO THE PROVISIONAL 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 2023

	Carrying	Level 1	Level 2	Level 3	Total Fair
	Amount				Value
	Rs.	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	122,488,303	122,488,303	-	-	122,488,303
Investment in Government Securities	10,201,236	10,201,236	-	-	10,201,236
	<b>132,689,539</b>	<b>132,689,539</b>	-	-	<b>132,689,539</b>
<b>Financial assets not measured at fair value</b>					
Cash at Bank	399,386	-	-	399,386	399,386
Financial assets - at amortised cost	4,309,542	-	-	4,309,542	4,309,542
	<b>4,708,928</b>	-	-	<b>4,708,928</b>	<b>4,708,928</b>
<b>Total financial assets</b>	<b>137,398,467</b>	<b>132,689,539</b>	-	<b>4,708,928</b>	<b>137,398,467</b>
<b>Financial liabilities measured at fair value</b>					
	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>					
Accrued expenses and other payables	1,673,106	-	-	1,673,106	1,673,106
<b>Total financial liabilities</b>	<b>1,673,106</b>	-	-	<b>1,673,106</b>	<b>1,673,106</b>

As at 31<sup>st</sup> March 2023

	Carrying	Level 1	Level 2	Level 3	Total Fair
	Amount				Value
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Financial assets measured at fair value</b>					
<b>Financial assets - at fair value through profit or loss</b>					
Investment in listed shares	52,120,461	52,120,461	-	-	52,120,461
	<b>52,120,461</b>	<b>52,120,461</b>	-	-	<b>52,120,461</b>
<b>Financial assets not measured at fair value</b>					
Cash at bank	430,139	-	-	430,139	430,139
Financial assets at amortised cost	51,111,781	-	-	51,111,781	51,111,781
Dividend receivables	1,632,972	-	-	1,632,972	1,632,972
	<b>53,174,892</b>	-	-	<b>53,174,892</b>	<b>53,174,892</b>
<b>Total financial assets</b>	<b>105,295,353</b>	<b>52,120,461</b>	-	<b>53,174,892</b>	<b>105,295,353</b>
<b>Financial liabilities measured at fair value</b>					
	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>					
Accrued expenses and other payables	836,880	-	-	836,880	836,880
<b>Total financial liabilities</b>	<b>836,880</b>	-	-	<b>836,880</b>	<b>836,880</b>

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

**5.3 Financial instruments - Accounting classifications**

As at 30<sup>th</sup> September 2023

	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	132,689,539	-	132,689,539	132,689,539
	<b>132,689,539</b>	<b>-</b>	<b>132,689,539</b>	<b>132,689,539</b>
<b>Financial assets not measured at fair value</b>				
Cash at bank	-	399,386	399,386	399,386
Financial assets - at amortised cost	-	4,309,542	4,309,542	4,309,542
	<b>-</b>	<b>4,708,928</b>	<b>4,708,928</b>	<b>4,708,928</b>
<b>Total financial assets</b>	<b>132,689,539</b>	<b>4,708,928</b>	<b>137,398,467</b>	<b>137,398,467</b>
<b>Financial liabilities measured at fair value</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other payables	-	1,673,106	1,673,106	1,673,106
<b>Total financial liabilities</b>	<b>-</b>	<b>1,673,106</b>	<b>1,673,106</b>	<b>1,673,106</b>

As at 31<sup>st</sup> March 2023

	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	52,120,461	-	52,120,461	52,120,461
	<b>52,120,461</b>	<b>-</b>	<b>52,120,461</b>	<b>52,120,461</b>
<b>Financial assets not measured at fair value</b>				
Cash at bank	-	430,139	430,139	430,139
Financial assets at amortised cost	-	51,111,781	51,111,781	51,111,781
Dividend receivable	-	1,632,972	1,632,972	1,632,972
	<b>-</b>	<b>53,174,892</b>	<b>53,174,892</b>	<b>53,174,892</b>
<b>Total financial assets</b>	<b>52,120,461</b>	<b>53,174,892</b>	<b>105,295,353</b>	<b>105,295,353</b>
<b>Financial liabilities measured at fair value</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Accrued expenses and other payables	-	836,880	836,880	836,880
<b>Total Financial Liabilities</b>	<b>-</b>	<b>836,880</b>	<b>836,880</b>	<b>836,880</b>

**FIRST CAPITAL EQUITY FUND**  
**RECONCILIATION FOR THE NET ASSET VALUE REPORTED AS AT 30TH SEPTEMBER 2023**

	<b>Rs.</b>
<b>Net Asset Value of the Fund as per Monthly Return</b>	<b>135,697,794</b>
<b>Add : Reversal of over provision of WHT</b>	<b>27,567</b>
<b>Net Asset Value of the Fund as per Unaudited Financial Statements</b>	<b>135,725,361</b>