

**FIRST CAPITAL EQUITY FUND
INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 30TH SEPTEMBER 2020**



First Capital

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 30th September 2020.

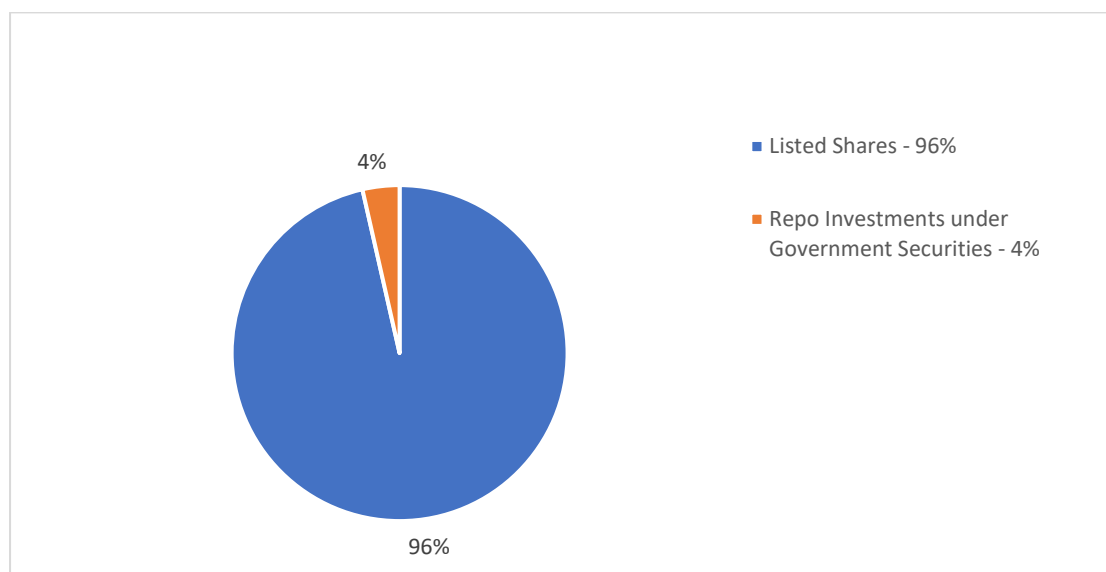
Fund Performance

First Capital Equity Fund reported a Profit after Tax of Rs. 22.1Mn for the six months ended 30th September 2020 compared to Rs.4.3Mn in the corresponding period of the previous year.

The Fund reported a Return of 52.41% for the six months ended 30th September 2020 compared to the Equity Market return of 30.91% (All Share Price Index perspective). The Return reported in the corresponding period of the previous year (2019/20) was 9.56%. The Funds Under Management increased to Rs. 64.1Mn as at 30th September 2020 compared to Rs. 42.1Mn as at 31st March 2020.

Asset Allocation as at 30th September 2020 (%)

The Asset Allocation of the Fund as at 30th September 2020 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 and cooperation 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 ASSET MANAGEMENT LIMITED

No. 2, Deal Place, Colombo 3, Sri Lanka.

Tel : +94-11-2639898, 2576878 Fax : +94-11-2576866, 2639899 E-mail : info@firstcapital.lk Web : www.firstcapital.lk
Company Reg. No: PB 187

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

For Six Months ended 30th September

	2020 Unaudited Rs.	2019 Unaudited Rs.
Income	1,378,108	1,190,095
Direct expenses	-	-
Net trading income	<u>1,378,108</u>	<u>1,190,095</u>
Gain on fair valuation of financial assets	21,566,090	3,664,942
- fair value through profit or loss	<u>22,944,198</u>	<u>4,855,037</u>
Administration and other operating expenses	(891,400)	(525,119)
Profit before taxation	<u>22,052,798</u>	<u>4,329,918</u>
Income tax expenses	-	-
Profit for the period	<u>22,052,798</u>	<u>4,329,918</u>
Increase in net assets attributable to unit holders	<u>22,052,798</u>	<u>4,329,918</u>

Figures in brackets indicate deductions.

The notes form an integral part of these financial statements.

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

As at	30.09.2020 Unaudited Rs.	31.03.2020 Audited Rs.
Assets		
Cash at bank	2,148,287	1,007,680
Financial assets - at fair value through profit or loss	61,565,561	35,593,245
Financial assets - at amortised cost	2,269,972	5,558,793
Other receivables	-	656,524
Total Assets	<u>65,983,820</u>	<u>42,816,242</u>
Liabilities		
Accruals and other payables	1,851,055	736,275
Total Liabilities	<u>1,851,055</u>	<u>736,275</u>
Unit holders' funds		
Net assets attributable to unit holders	64,132,765	42,079,967
	<u>64,132,765</u>	<u>42,079,967</u>
Total unit holders' funds and liabilities	<u>65,983,820</u>	<u>42,816,242</u>
Net assets per unit (Rs.)	1,051.14	689.69

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 and the Trustee on 21st December 2020.


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

FOR BANK OF CEYLON


Authorised Signatory
Bank of Ceylon
Trustee


Dinesh Schaffter
Managing Director
First Capital Asset Management Limited
Fund Management Company

FIRST CAPITAL EQUITY FUND
STATEMENT OF CHANGES IN UNIT HOLDERS' FUNDS

For Six Months ended 30th September 2020

	Unit holders' Capital Rs.	Retained Earnings Rs.	Unit holders' Funds Rs.
Balance as at 01st April 2019 (Audited)	64,825,004	(13,376,315)	51,448,689
Capital infused during the period	-	-	-
Capital withdrawals made during the period	(3,738,800)	-	(3,738,800)
Increase in net assets attributable to unit holders	-	4,329,918	4,329,918
Balance as at 30th September 2019 (Unaudited)	<u>61,086,204</u>	<u>(9,046,397)</u>	<u>52,039,807</u>
Balance as at 01st April 2020 (Audited)	61,918,125	(19,838,158)	42,079,967
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
Balance as at 30th September 2020 (Unaudited)	<u>61,918,125</u>	<u>2,214,640</u>	<u>64,132,765</u>

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 30th September

	2020 Unaudited Rs.	2019 Unaudited Rs.
Cash flows from operating activities		
Profit before taxation	22,052,798	4,329,918
Adjustment for :		
Gain on fair valuation of financial assets - at fair value through profit or loss	(21,566,090)	(3,664,942)
Operating profit before working capital changes	<u>486,708</u>	<u>664,976</u>
Increase in financial assets -at Fair Value through profit or loss	(4,406,226)	(72,957)
Decrease in financial assets -at amortised cost	3,288,821	2,935,638
Decrease in other receivables	656,524	240,856
Increase in accruals and other payables	1,114,780	20,468
Cash flows generated from operations	<u>1,140,607</u>	<u>3,788,981</u>
Tax paid	-	-
Net cash flows from operating activities	<u>1,140,607</u>	<u>3,788,981</u>
Net cash flows from/ (used in) investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Capital infused/ (redeemed) by unit holders (Net)	-	(3,738,800)
Net cash flows from/ (used in) financing activities	<u>-</u>	<u>(3,738,800)</u>
Net increase in cash and cash equivalents during the period	<u>1,140,607</u>	<u>50,181</u>
Cash and cash equivalents at the beginning of the period	1,007,680	456,855
Cash and cash equivalents at the end of the period	<u>2,148,287</u>	<u>507,036</u>

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 30th September 2020 is 61,013.
2. The above figures are subject to audit. The same accounting policies as in the Audited Financial Statements for the year ended 31st March 2020 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 31st March 2020).
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 30TH SEPTEMBER 2020****NOTES TO THE FINANCIAL STATEMENTS****1 Financial instruments- Fair Value Measurement**

The Company 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

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

1.1 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;

Company**Financial assets measured at fair value**

Financial assets - at fair value through profit or loss

Financial assets not measured at fair value

Cash at banks and in hand

Financial assets at amortised cost

Trade and other receivables

Total financial investments**Financial liabilities measured at fair value****Financial liabilities not measured at fair value**

Accruals and other payables

Total financial liabilities

As at 30.09.2020		As at 31.03.2020	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
61,565,561	61,565,561	35,593,245	35,593,245
61,565,561	61,565,561	35,593,245	35,593,245
2,148,287	2,148,287	1,007,680	1,007,680
2,269,972	2,269,972	5,558,793	5,558,793
-	-	656,524	656,524
4,418,259	4,418,259	7,222,997	7,222,997
65,983,820	65,983,820	42,816,242	42,816,242
-	-	-	-
1,851,055	1,851,055	736,275	736,275
1,851,055	1,851,055	736,275	736,275



FIRST CAPITAL EQUITY FUND
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30TH SEPTEMBER 2020
NOTES TO THE FINANCIAL STATEMENTS
1.2 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 30th September 2020

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

Investment in listed shares

Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
61,565,561	61,565,561	-	-	61,565,561
61,565,561	61,565,561	-	-	61,565,561
2,269,972	-	-	2,269,972	2,269,972
2,269,972	-	-	2,269,972	2,269,972
63,835,533	61,565,561	-	2,269,972	63,835,533

Financial assets not measured at fair value

Financial assets at amortised cost

Total financial assets

As at 31st March 2020

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

Investment in listed shares

Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
35,593,245	35,593,245	-	-	35,593,245
35,593,245	35,593,245	-	-	35,593,245
5,558,793	-	-	5,558,793	5,558,793
5,558,793	-	-	5,558,793	5,558,793
41,152,038	-	-	5,558,793	41,152,038

Financial assets not measured at fair value

Financial assets at amortised cost

Total financial assets

1.3 Financial instruments - Accounting classifications

As at 30th September 2020

Financial assets measured at fair value

Financial assets - FVTPL

Financial assets not measured at fair value

Cash at banks and in hand

Financial assets at amortised cost

Total financial assets

Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
61,565,561	-	61,565,561	61,565,561
61,565,561	-	61,565,561	61,565,561
-	2,148,287	2,148,287	2,148,287
-	2,269,972	2,269,972	2,269,972
-	4,418,259	4,418,259	4,418,259
61,565,561	4,418,259	65,983,820	65,983,820

As at 31st March 2020

Financial assets measured at fair value

Financial assets - FVTPL

Financial assets not measured at fair value

Cash at banks and in hand

Financial assets at amortised cost

Trade and other receivables

Total financial assets

Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Total carrying amount	Fair value
35,593,245	-	35,593,245	35,593,245
35,593,245	-	35,593,245	35,593,245
-	1,007,680	1,007,680	1,007,680
-	5,558,793	5,558,793	5,558,793
-	656,524	656,524	656,524
-	7,222,997	7,222,997	7,222,997
35,593,245	7,222,997	42,816,242	42,816,242

