

**FIRST CAPITAL GILT-EDGED FUND  
INTERIM FINANCIAL STATEMENTS  
FOR SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2020**



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 2020.

### **Fund Performance**

First Capital Gilt - Edged Fund reported a Profit after Tax of Rs. 1.28Mn for the six months ended 30<sup>th</sup> September 2020 compared to Rs. 1.84Mn in the corresponding period of the previous year.

The Fund reported an Annualised Return of 5.02% for the six months ended 30<sup>th</sup> September 2020 compared to the benchmark one-year average treasury yield of 5.92% published by the Central Bank of Sri Lanka. The Annualised Return reported in the corresponding period of the previous year (2019/20) was 7.28%. The Funds Under Management increased to Rs. 52.7Mn as at 30<sup>th</sup> September 2020 compared to Rs. 51.4Mn as at 31<sup>st</sup> March 2020.

### **Asset Allocation as at 30<sup>th</sup> September 2020**

The entire investment of the Fund comprised Repo Investments against Government Securities as at 30<sup>th</sup> September 2020.

### **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

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Company Reg. No: PB 187

**FIRST CAPITAL GILT-EDGED FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

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

	2020 Unaudited Rs.	2019 Unaudited Rs.
<b>Income</b>	1,452,704	2,100,026
Direct expenses	-	-
<b>Net trading income</b>	<u>1,452,704</u>	<u>2,100,026</u>
Gain/(Loss) on fair valuation of financial assets - fair value through profit or loss	-	-
	<u>1,452,704</u>	<u>2,100,026</u>
Operating expenses	(173,974)	(263,839)
<b>Profit before taxation</b>	<u>1,278,730</u>	<u>1,836,187</u>
Income tax expenses	-	-
<b>Profit for the period</b>	<u>1,278,730</u>	<u>1,836,187</u>
<b>Increase in net assets attributable to unit holders</b>	<u>1,278,730</u>	<u>1,836,187</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**

As at	30.09.2020 Unaudited Rs.	31.03.2020 Audited Rs.
<b>Assets</b>		
Cash at bank	148,928	124,095
Financial assets -at amortised cost	52,796,845	51,544,141
<b>Total assets</b>	<u>52,945,773</u>	<u>51,668,236</u>
<b>Liabilities</b>		
Accrued expenses and other liabilities	258,441	259,634
<b>Total liabilities</b>	<u>258,441</u>	<u>259,634</u>
<b>Unit holders' funds</b>		
Net assets attributable to unit holders	52,687,332	51,408,602
	<u>52,687,332</u>	<u>51,408,602</u>
<b>Total unit holders' funds and liabilities</b>	<u>52,945,773</u>	<u>51,668,236</u>
<b>Net assets per unit</b>	1,476.15	1,440.33

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 and the Trustee on 21<sup>st</sup> 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



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

FOR BANK OF CEYLON



**Bank of Ceylon**  
Trustee

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

<b>For Six Months ended 30<sup>th</sup> September 2020</b>	<b>Unit holders' Capital Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Unit holders' Funds Rs.</b>
<b>Balance as at 01<sup>st</sup> April 2019 (Audited)</b>	<b>7,487,444</b>	<b>43,704,694</b>	<b>51,192,138</b>
Capital infused during the period	2,000	-	2,000
Capital withdrawals made during the period	(14,210)	-	(14,210)
Increase in net assets attributable to unit holders		1,836,187	1,836,187
<b>Balance as at 30<sup>th</sup> September 2019 (Unaudited)</b>	<b><u>7,475,234</u></b>	<b><u>45,540,881</u></b>	<b><u>53,016,115</u></b>
 <b>Balance as at 01<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>

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>2020 Unaudited Rs.</b>	<b>2019 Unaudited Rs.</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	1,278,730	1,836,187
Adjustment for :		
Gain/(Loss) on fair valuation of financial assets - at fair value through profit or loss	-	-
<b>Operating profit before working capital changes</b>	<b>1,278,730</b>	<b>1,836,187</b>
Increase in financial assets -at amortised cost	(1,252,704)	(1,800,026)
Decrease in accruals and other payables	(1,193)	(72,934)
<b>Cash flows generated flows from/ (used in) operations</b>	<b>24,833</b>	<b>(36,773)</b>
Tax paid	-	-
<b>Net cash flows from/ (used in) operating activities</b>	<b>24,833</b>	<b>(36,773)</b>
<b>Net cash flows from/(used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Capital redeemed by unit holders (Net)	-	(12,210)
<b>Net cash flows from/ (used in) financing activities</b>	<b>-</b>	<b>(12,210)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>24,833</b>	<b>(48,983)</b>
Cash and cash equivalents at the beginning of the period	124,095	182,741
<b>Cash and cash equivalents at the end of the period</b>	<b>148,928</b>	<b>133,758</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 2020 is 35,692.
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 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 31<sup>st</sup> March 2020).
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 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;

**Financial assets measured at fair value****Financial assets not measured at fair value**

Cash at banks and in hand

Financial assets at amortised cost

**Total financial investments**

As at 30.09.2020		As at 31.03.2020	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
Rs.	Rs.	Rs.	Rs.
-	-	-	-
148,928	148,928	124,095	124,095
52,796,845	52,796,845	51,544,141	51,544,141
52,945,773	52,945,773	51,668,236	51,668,236
52,945,773	52,945,773	51,668,236	51,668,236





**FIRST CAPITAL GILT - EDGED FUND**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30<sup>TH</sup> 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 30<sup>th</sup> September 2020

**Financial assets measured at fair value**

Financial assets -at fair value through profit and loss

**Financial assets not measured at fair value**

Financial assets at amortised cost

**Total financial assets**

Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Rs.	Rs.	Rs.	Rs.	Rs.
-	-	-	-	-
52,796,845	-	-	52,796,845	52,796,845
52,796,845	-	-	52,796,845	52,796,845
52,796,845	-	-	52,796,845	52,796,845

As at 31<sup>st</sup> March 2020

**Financial assets measured at fair value**

Financial assets -at fair value through profit and loss

**Financial assets not measured at fair value**

Financial assets at amortised cost

**Total financial assets**

Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Rs.	Rs.	Rs.	Rs.	Rs.
-	-	-	-	-
51,544,141	-	-	51,544,141	51,544,141
51,544,141	-	-	51,544,141	51,544,141
51,544,141	-	-	51,544,141	51,544,141



**FIRST CAPITAL GILT - EDGED FUND**

**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

**1.3 Financial instruments - Accounting classifications**

As at 30<sup>th</sup> September 2020

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Financial assets measured at fair value</b>	-	-	-	-	-
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	148,928	-	148,928	148,928
Financial assets at amortised cost	-	52,796,845	-	52,796,845	52,796,845
	-	<b>52,945,773</b>	-	<b>52,945,773</b>	<b>52,945,773</b>
<b>Total financial assets</b>	-	<b>52,945,773</b>	-	<b>52,945,773</b>	<b>52,945,773</b>

As at 31<sup>st</sup> March 2020

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Financial assets measured at fair value</b>	-	-	-	-	-
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	124,095	-	124,095	124,095
Financial assets at amortised cost	-	51,544,141	-	51,544,141	51,544,141
	-	<b>51,668,236</b>	-	<b>51,668,236</b>	<b>51,668,236</b>
<b>Total financial assets</b>	-	<b>51,668,236</b>	-	<b>51,668,236</b>	<b>51,668,236</b>

