

COLOMBO TRUST FINANCE PLC

AUDITED FINANCIAL STATEMENTS

COLOMBO TRUST FINANCE PLC

For the year ended 31st March 2017

Selected Performance Indicators

Statement of Profit or Loss (Audited)		
For the year ended 31st March	2017 Rs. '000	2016 Rs. '000
Interest income	172,195	163,872
Interest expense	(75,481)	(72,246)
Net interest income	96,714	91,626
Fee and commission income	1,923	1,650
Fee and commission expenses	(343)	(452)
Net fee and commission income	1,580	1,198
Net gain/(loss) from financial instruments at fair value through profit or loss	143	(167)
Other operating income	6,638	9,696
Total operating income	105,075	102,353
Impairment expenses for loans and advances and other losses	(143)	(22,893)
Net operating income	104,932	79,460
Personnel cost	(50,906)	(45,172)
Depreciation and amortization	(6,905)	(5,261)
Other expenses	(31,446)	(31,696)
Operating profit/(loss) before Value Added Tax (VAT) on financial services	15,675	(2,669)
Value Added Tax (VAT) on financial services	(6,678)	(3,321)
Operating profit/(loss) after VAT on financial services	8,997	(5,990)
Share of profits of associates and joint ventures		(5.000)
Profit / (loss) for the year	8,997	(5,990)
Tax expenses	(4,252)	2,896
Profit/(loss) for the Year	4,745	(3,094)
Earning / (loss) per share for the year	0.10	(0.07)
(Figures in brackets indicate deductions)		

Statement of Comprehensive Income (Audited)				
As at 31st March	2017 Rs. '000	2016 Rs. '000		
Profit/(Loss) for the Period	4,745	(3,094)		
Other comprehensive income, net of tax Actuarial gains on defined benefit obligation Deferred tax on actuarial gain Total comprehensive income for the year	133 (37) 4,841	846 (237) (2,485)		

Statement of Financial Position (Audited)				
As at 31st March	2017 Rs. '000	2016 Rs. '000		
Assets	40.557	40.507		
Cash and cash equivalents	16,557	19,507		
Securities purchased under repurchase agreements	31,536	51,888		
Asset held for sale	696	1,723		
Financial assets at fair value through profit or loss	1,343	1,908		
Loans and receivables-Leases	301,130 47,534	263,723 105,797		
Loans and receivables-Hire purchase Loans and receivables-Other	778,722	547,168		
Financial investments - Available-for-sale	346	346		
Financial investments - Available-lor-sale Financial investments - Held to Maturity	43.534	40,137		
Property, plant and equipment	44,650	46,796		
Intangible assets	7,904	8.478		
Other assets	16,876	22,072		
Deferred tax assets	6.949	9,055		
Total assets	1,297,777	1,118,598		
10101 00010	1,207,777	1,110,000		
Liabilities				
Due to banks	254,144	25,658		
Due to customers	577,660	617,229		
Retirement Benefit Obligations	4,380	3,289		
Other liabilities	14,407	30,077		
Total liabilities	850,591	676,253		
Equity				
Stated capital	309,889	309,889		
Statutory reserve fund	11,361	11,123		
Retained earnings	51,749	47,146		
Other reserves	74,187	74,187		
Total equity	447,186	442,345		
Total equity and liabilities	1,297,777	1,118,598		

Note: Amounts stated are in net of impairment and depreciation

Certification

We, the undersigned, being the Chief Executive Officer and Manager Finance of Colombo Trust Finance PLC certify jointly that:

(a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka:

(b) The information contained in these statements have been extracted from the audited financial statements of the Licensed Finance Company.

(Sgd.) K. M. U. Koswatta Manager - Finance Date: 29th May 2017

(Sgd.) W. L. S. Fonseka Chief Executive Officer Date: 29th May 2017

(Sgd.) E. M. M. Boyagoda Director Date: 29th May 2017 (Sgd.) P. S. Mathavan Director Date: 29th May 2017

ITEM	As at 31.03.2017	As at 31.03.2016
Regulatory Capital Adequacy Core Capital (Tier 1 Capital) Rs.'000 Total Capital Base Rs.'000 Risk Weighted Assets, Rs. '000	432,999 432,999 1,179,651	428,158 428,158 981,548
Core Capital Adequacy Ratio (As a % of Risk Weighted Assets - Minimum requirement - 5%) Total Capital Adequacy Ratio (As a % of Risk Weighted Assets - Minimum requirement - 10%)	36.71% 36.71%	43.62% 43.62%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	74.96%	62.92%
Asset Quality (Quality of Loan Portfolio) Gross Non Performing Accommodations, Rs. '000 Gross Non Performing Accommodations Ratio % Net Non Performing Accommodations Ratio %	72,860 6.09% 0.55%	102,196 10.04% 0.41%
Profitability Interest Margin, % Return on Assets (Before Tax), % Return on Equity (Before Tax), %	8.12% 0.74% 1.53%	8.22% -0.53% -1.23%



Number of Branches

Regulatory Liquidity (Rs.'000)

Memorandum Information Number of Employees

Available amount of Liquid Assets

Required minimum amount of Liquid Assets

Available amount of Government Securities

Required minimum amount of Government Securities

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF COLOMBO TRUST FINANCE PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Colombo Trust Finance PLC, ("the Company"), which comprise the statement of financial position as at 31st March 2017, and the statements of profit or loss and other comprehensive income, changes in equity and, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the -financial statements that give a true and fair view in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

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109,588

46,277

90,081

42

02

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company and the financial statements of the Company, comply with the requirements of section 151 of the Companies

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CHARTERED ACCOUNTANTS Colombo 29th May 2017

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Licenced by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011 Date of Incorporation - 25th November 1981.

Head Office: No.21, Kumara Veediya, Kandy. Tel: 081 2 22 46 19
Branches: No.123, Hunupitiya Lake Road, Colombo 2. Tel: 011 4 317 317