



COLOMBO TRUST FINANCE PLC

COLOMBO TRUST FINANCE PLC

FINANCIAL STATEMENTS

For the year ended 31st March 2016

Statement of Profit or Loss and Other Comprehensive Income (Audited)

For the year ended 31st March	2016 Rs.	2015 Rs.
Interest income	163,871,924	173,413,528
Interest expense	(72,245,887)	(87,048,368)
Net interest income	91,626,037	86,365,160
Fee and commission income	1,649,745	2,475,706
Fee and commission expenses	(452,390)	(598,849)
Net fee and commission income	1,197,355	1,876,857
Net gains/(losses) from trading	(166,607)	2,910,308
Other operating income	9,695,928	11,146,806
Total operating income	102,352,713	102,299,131
Impairment charge for loans and advances	(22,892,921)	(19,668,687)
Net operating income	79,459,792	82,630,444
Operating Expenses		
Personnel expenses	(39,185,080)	(40,484,308)
Depreciation and amortization	(5,260,662)	(4,401,627)
Other expenses	(37,683,121)	(37,154,448)
Operating profit/(loss) before Value Added Tax (VAT) on financial services	(2,669,071)	590,061
Value Added Tax (VAT) on financial services	(3,320,968)	(2,671,548)
Profit/(loss) before income tax	(5,990,039)	(2,081,487)
Income tax (expenses) reversal	2,895,617	10,847,887
Profit/ (loss) for the year	(3,094,422)	8,766,400
Other comprehensive income, net of income tax		
Items that will never be reclassified to profit or loss		
Actuarial gains on defined benefit obligation	846,428	121,243
Deferred tax on actuarial gain	(237,000)	(33,948)
	609,428	87,295
Items that are or may be reclassified to profit or loss		
Revaluation surplus on property plant and equipment	-	3,500,000
	-	3,500,000
Other comprehensive income, net of tax	609,428	3,587,295
Total comprehensive income for the year	(2,484,994)	12,353,695
Earning / (loss) per Share	(0.07)	0.23

Statement of Financial Position (Audited)

As at 31st March	2016 Rs.	2015 Rs.
Assets		
Cash and cash equivalents	19,506,639	14,744,068
Securities purchased under repurchase agreements	51,888,311	57,373,525
Asset held for sale	1,722,506	1,722,506
Financial assets at fair value through profit or loss	1,908,354	2,074,962
Loans and advances	916,688,860	943,618,257
Financial investments available for sale	345,775	345,775
Financial investments held to maturity	40,136,637	40,565,220
Property, plant and equipment	46,796,046	49,888,588
Intangible assets	8,477,993	10,448,352
Other assets	22,072,418	25,757,238
Deferred tax assets	9,054,732	4,478,232
Total assets	1,118,598,271	1,151,016,723
Liabilities		
Bank overdraft	25,658,498	104,990,538
Deposits from customers	617,229,310	680,438,675
Employee benefits	3,288,532	3,066,225
Other liabilities	30,076,523	32,995,749
Total liabilities	676,252,863	821,491,187
Equity		
Stated capital	309,888,671	193,590,566
Statutory reserve fund	11,123,465	11,123,465
Other reserves	74,187,500	74,187,500
Retained earnings	47,145,772	50,624,005
Total equity	442,345,408	329,525,536
Total equity and liabilities	1,118,598,271	1,151,016,723

Figures in brackets indicate deductions.

The annexed notes to the financial statements form an integral part of these financial statements.

It is certified that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)
K.M.U. Koswatta
Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for on behalf of the Board:

(Sgd.)
E.M.M. Boyagoda
Director

Colombo
19th May 2016

(Sgd.)
W.L.S. Fonseka
Chief Executive Officer

(Sgd.)
P.P. Edirisinghe
Director

Statement of Changes in Equity (Audited)

For the year ended 31st March 2016	Stated capital Rs.	Statutory reserve fund Rs.	Investment reserve fund Rs.	Revaluation reserve Rs.	General reserve Rs.	Retained earnings Rs.	Total Rs.
Balance as at 01st April 2014	193,590,566	10,685,145	1,463,751	10,687,500	60,000,000	40,744,880	317,171,842
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	8,766,400	8,766,400
Other comprehensive income, net of tax	-	-	-	3,500,000	-	87,294	3,587,294
Total comprehensive income for the year	-	-	-	3,500,000	-	8,853,694	12,353,694
Transactions with owners recorded directly in equity							
Transferred to statutory reserve fund	-	438,320	-	-	-	(438,320)	-
Transferred to retained earnings	-	-	(1,463,751)	-	-	1,463,751	-
Total transactions with owners of the Company	-	438,320	(1,463,751)	-	-	1,025,431	-
Balance as at 31 March 2015	193,590,566	11,123,465	-	14,187,500	60,000,000	50,624,005	329,525,536
Balance as at 01 April 2015	193,590,566	11,123,465	-	14,187,500	60,000,000	50,624,005	329,525,536
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(3,094,422)	(3,094,422)
Other comprehensive income, net of tax	-	-	-	-	-	609,428	609,428
Total comprehensive income for the year	-	-	-	-	-	(2,484,994)	(2,484,994)
Transactions with owners recorded directly in equity							
Issue of ordinary shares under right issue	116,298,105	-	-	-	-	-	116,298,105
Expense on right issue	-	-	-	-	-	(993,239)	(993,239)
Total transactions with owners of the Company	116,298,105	-	-	-	-	(993,239)	115,304,866
Balance as at 31 March 2016	309,888,671	11,123,465	-	14,187,500	60,000,000	47,145,772	442,345,408



KPMG
(Chartered Accountants)
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INDEPENDENT AUDITORS' REPORT
**TO THE SHAREHOLDERS OF
COLOMBO TRUST FINANCE PLC
(FORMERLY KNOWN AS CAPITAL
ALLIANCE FINANCE PLC)**
Report on the Financial Statements

We have audited the accompanying financial statements of Colombo Trust Finance PLC, formerly known as Capital Alliance Finance PLC, ("the Company"), which comprise the statement of financial position as at March 31, 2016, 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.

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 March 31, 2016, 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.
- 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 Act No 07 of 2007.

Chartered Accountants
Colombo
19th May 2016

CHARTERED ACCOUNTANTS
Colombo
19th May 2016

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

M.R. Mithul FCA
T.J.S. Rajapakse FCA
Ms. S.M.B. Jayasekera ACA
G.A.U. Kaviratne ACA
R.R. Rajan ACA
P.Y.S. Perera FCA
W.R.J. Perera FCA
W.K.D.C. Abeyaratne ACA
R.M.D.S. Rajapakse ACA
S.R.J. Perera FCA
C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA
Ms. E.K.D.N. Rodrigo ACA
H.S. Goonewardene ACA

Licensed 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.

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