



**Financial Statements**  
**For the Financial Year Ended 31st March 2016**



The first company in the banking and non-banking sector of Sri Lanka to be certified with ISO 9001:2008 Quality Management system and ISO 22301:2012 for Business Continuity Management Systems

# Alliance Finance Company PLC

## STATEMENT OF PROFIT OR LOSS - COMPANY

	Quarter ended			Twelve months ended		
	31.03.2016	31.03.2015	Variance	31.03.2016	31.03.2015	Variance
	Rs. (Unaudited)	Rs. (Audited)	%	Rs. (Unaudited)	Rs. (Audited)	%
<b>Gross Income</b>	1,186,846,693	1,174,655,134	1	4,576,182,127	4,256,664,351	8
Interest income	1,097,186,714	1,081,008,951	1	4,088,411,303	3,570,390,145	15
Interest expenses	(512,540,499)	(418,463,912)	22	(1,868,434,772)	(1,817,341,905)	3
<b>Net Interest Income</b>	584,646,215	662,545,039	(12)	2,219,976,532	1,753,048,240	27
Fee and commission income	78,877,263	80,571,925	(2)	293,843,456	229,331,256	28
Fee and commission expenses	(22,586,710)	(35,420,190)	(36)	(102,524,846)	(80,732,860)	27
<b>Net Fee and Commission Income</b>	56,290,553	45,151,734	25	191,318,610	148,598,396	29
Net gain/(loss) from trading	(34,604,292)	(430,487)	7,938	19,100,295	46,210,376	(59)
Other operating income (net)	45,387,008	13,504,745	236	174,827,073	410,732,574	(57)
<b>Total Operating Income</b>	651,719,484	720,771,031	(10)	2,605,222,510	2,358,589,586	10
Impairment (charges) / reversal for loans and other losses	65,778,383	(88,548,152)	(174)	(165,552,247)	(398,338,720)	(58)
Gold Loan Auction Losses	(74,663,393)	(185,172,585)	(60)	(168,622,218)	(424,360,708)	(60)
<b>Net Operating Income</b>	642,834,474	447,050,294	44	2,271,048,044	1,535,890,157	48
<b>Operating Expenses</b>						
Personnel expenses	(188,049,171)	(144,991,055)	30	(750,965,346)	(524,922,946)	43
Depreciation of property & equipment	(27,919,123)	(23,219,361)	20	(99,934,198)	(85,702,246)	17
Other operating expenses	(185,484,139)	(204,993,375)	(10)	(815,792,386)	(633,633,874)	29
<b>Total operating expenses</b>	(401,452,434)	(373,203,791)		(1,666,691,930)	(1,244,259,066)	
<b>Operating Profit before Value Added Tax on Financial Services</b>	241,382,040	73,846,504	227	604,356,115	291,631,091	107
Value added tax on financial services	(28,720,178)	(13,122,124)	119	(74,625,542)	(30,020,765)	149
<b>Operating Profit after Value Added Tax on Financial Services</b>	212,661,863	60,724,379	250	529,730,573	261,610,326	102
Share of profit from associates	(3,034,748)	(1,972,338)	54	10,879,824	15,835,911	(31)
<b>Profit before Taxation from Operations</b>	209,627,115	58,752,041	257	540,610,397	277,446,236	95
Provision for income taxation	(42,714,307)	(38,543,166)	11	(128,941,706)	(74,543,166)	73
<b>Profit for the Period</b>	166,912,808	20,208,875	726	411,668,691	202,903,070	103
Basic/ Diluted earnings per share	68.69	8.32		169.41	83.50	
Dividend Per Share (Rs./Cts.)	-	-		29.00	23.00	

# Alliance Finance Company PLC

## STATEMENT OF PROFIT OR LOSS - GROUP

	Quarter ended		Twelve months ended		Variance %
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	
	Rs. (Unaudited)	Rs. (Audited)	Rs. (Unaudited)	Rs. (Audited)	
<b>Gross Income</b>	1,202,363,682	-	4,616,818,205	4,588,367,624	1
Interest income	1,097,592,735	-	4,090,190,465	3,575,628,564	14
Interest expenses	(512,544,799)	-	(1,868,486,714)	(1,821,731,464)	3
<b>Net Interest Income</b>	585,047,936	-	2,221,703,752	1,753,897,100	27
Fee and commission income	93,243,242	-	326,083,961	248,799,377	31
Fee and commission expenses	(22,591,412)	-	(102,534,576)	(82,588,840)	24
<b>Net Fee and Commission Income</b>	70,651,830	-	223,549,385	166,210,537	34
Net gain/(loss) from trading	(34,457,365)	-	25,118,643	47,990,393	(48)
Other operating income (net)	45,985,071	-	175,425,136	715,949,290	(75)
<b>Total Operating Income</b>	667,227,471	-	2,645,796,916	2,684,047,320	(1)
Impairment (charges) / reversal for loans and other losses	65,778,383	-	(165,552,247)	(398,338,720)	(58)
Gold loan auction losses	(74,663,393)	-	(168,622,218)	(424,360,708)	(60)
<b>Net Operating Income</b>	658,342,461	-	2,311,622,450	1,861,347,892	24
<b>Operating Expenses</b>					
Personnel expenses	(186,399,922)	-	(758,476,702)	(528,957,748)	43
Depreciation of property & equipment	(28,445,847)	-	(101,019,509)	(86,135,322)	17
Other operating expenses	(226,816,924)	-	(824,491,897)	(646,246,049)	28
<b>Total operating expenses</b>	(441,662,693)	-	(1,683,988,108)	(1,261,339,119)	34
<b>Operating Profit before Value Added Tax on Financial Services</b>	193,688,253	-	627,634,343	600,008,772	5
Value added tax on financial services	(28,720,178)	-	(74,625,542)	(30,020,765)	149
<b>Operating Profit after Value Added Tax on Financial Services</b>	164,968,076	-	553,008,801	569,988,007	(3)
Share of profit from associates	(3,034,748)	-	10,879,824	15,835,911	(31)
<b>Profit before Taxation from Operations</b>	161,933,328	-	563,888,625	585,823,918	(4)
Provision for income taxation	(47,201,767)	-	(135,261,079)	(79,155,981)	71
<b>Profit for the Period</b>	114,731,562	-	428,627,546	506,667,937	(15)
Profit attributable to :					
Equity holders of the Company	111,233,246	-	422,512,184	364,061,201	16
Non controlling interest	3,498,316	-	6,115,362	142,606,738	(96)
<b>Profit for the Period</b>	114,731,562	-	428,627,546	506,667,939	(15)
Basic/ Diluted earnings per share	47.21	-	173.87	149.82	
Dividend per share (Rs./Cts.)	-	-	29.00	23.00	

Above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

# Alliance Finance Company PLC

## STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Quarter ended		Twelve months ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
<b>Profit for the period</b>	105,030,184	59,099,985	411,668,691	202,903,070
<b>Other comprehensive income</b>				
<b>Other comprehensive income to be reclassify to Profit or Loss</b>				
<u>Net Gains and Losses on Available-for-Sale Financial Assets:</u>				
Sri Lanka government securities	(4,281,611)	(17,082,850)	(1,250,070)	9,398,622
Equity securities - Quoted	-	57,425,515		
Equity securities - Un quoted	3,636	3,198,521	(14,366,292)	3,198,521
Share of other comprehensive income of associates	-	-	-	-
Net Change in fair value of available for sale financial assets	-	-	-	-
<b>Net Other comprehensive Income to reclassified to Profit or Loss</b>	<b>(4,277,975)</b>	<b>43,541,186</b>	<b>(15,616,363)</b>	<b>12,597,143</b>
<b>Net Other Comprehensive Income not be classified to profit or loss</b>	<b>(1,854,762)</b>	<b>(9,433,012)</b>	<b>(1,854,762)</b>	<b>(9,433,012)</b>
<b>Total Comprehensive Income for the Period</b>	<b>98,897,447</b>	<b>93,208,160</b>	<b>394,197,566</b>	<b>206,067,201</b>
Attributable to:				
Equity holders of the Company	98,897,447	93,208,162	394,197,566	206,067,203
Non controlling interest	-	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>98,897,447</b>	<b>93,208,162</b>	<b>394,197,566</b>	<b>206,067,203</b>

**Alliance Finance Company PLC****STATEMENT OF COMPREHENSIVE INCOME - GROUP**

	Quarter ended		Twelve months ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
<b>Profit for the period</b>	99,076,284	-	428,627,546	506,667,937
<b>Other comprehensive income</b>				
<b>Other comprehensive income to be reclassify to Profit or Loss</b>				
<u>Net Gains and Losses on Available-for-Sale Financial Assets:</u>				
Sri Lanka government securities	(4,281,611)	-	(1,250,070)	9,398,622
Equity securities - Quoted	-	-	-	-
Equity securities - Un quoted	3,637	-	(14,366,292)	3,198,521
Share of other comprehensive income of associates	-	-	-	-
Net Change in fair value of available for sale financial assets	-	-	-	-
<b>Net Other comprehensive Income to reclassified to Profit or Loss</b>	<b>(4,277,975)</b>	<b>-</b>	<b>(15,616,363)</b>	<b>12,597,143</b>
<b>Net Other Comprehensive Income not be classified to profit or loss</b>	<b>(1,854,762)</b>	<b>-</b>	<b>(1,854,762)</b>	<b>(9,319,123)</b>
<b>Total Comprehensive Income for the Period</b>	<b>92,943,548</b>	<b>-</b>	<b>411,156,421</b>	<b>509,945,956</b>
Attributable to:				
Equity holders of the Company	105,100,509	-	405,041,059	367,339,221
Non controlling Interest	3,498,316	-	6,115,362	142,606,738
<b>Total Comprehensive Income for the period</b>	<b>108,598,825</b>	<b>-</b>	<b>411,156,421</b>	<b>509,945,959</b>

# Alliance Finance Company PLC

## STATEMENT OF FINANCIAL POSITION

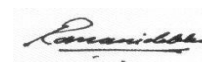
As at	Company		Group	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(Un Audited)	(Audited)	(Un Audited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
<b>Assets</b>				
Cash and cash equivalents	143,982,481	118,573,049	177,180,931	168,247,616
Repurchase agreements	735,591,742	602,960,253	735,591,742	602,960,253
Placements with banks & financial institutions	1,834,356,115	390,218,289	1,834,356,115	390,218,289
Financial investments - held for trading	1,081,001,402	1,360,730,696	1,159,449,583	1,433,160,528
Loans and advances	5,603,981,320	3,729,449,078	5,604,087,835	3,729,589,128
Lease rentals receivable & stock out on hire	13,283,110,373	10,069,293,475	13,283,110,374	10,069,293,475
Hire purchase rentals receivable & stock out on hire	462,569,200	1,124,197,171	462,569,201	1,124,197,171
Financial investments - available for sale	450,254,097	539,714,872	463,754,097	539,714,872
Real estate & other trading stock	207,857,305	290,921,018	207,857,305	290,921,018
Other financial assets	181,511,534	134,825,966	182,658,566	121,319,177
Other non financial assets	113,445,442	127,210,968	114,340,964	128,365,993
Income tax refund due	-	50,348,792	-	50,348,792
Investments in associates	72,324,272	69,875,364	72,324,271	69,875,364
Investments in subsidiaries	16,924,038	16,924,038	-	-
Property, plant & equipment	1,460,365,873	1,133,327,208	1,461,115,814	1,135,162,463
Deferred tax assets	151,123,291	151,123,290	151,420,311	151,398,849
<b>Total Assets</b>	<b>25,798,398,485</b>	<b>19,909,693,527</b>	<b>25,909,817,109</b>	<b>20,004,772,988</b>
	-			
<b>Liabilities</b>				
Due to banks	8,328,978,742	2,929,071,347	8,353,691,241	2,952,033,605
Due to customers	10,464,149,566	10,344,065,933	10,464,149,566	10,344,065,933
Debt instruments issued and other borrowed funds	3,062,414,964	3,203,466,448	3,062,414,964	3,203,466,448
Other financial liabilities	884,210,568	700,836,812	890,225,176	711,730,812
Other non financial liabilities	26,380,403	39,590,147	31,243,739	41,825,211
Income Tax liability	62,264,317	-	62,264,317	-
Retirement benefit liability	109,273,518	99,773,999	110,334,302	100,758,137
Deferred tax liabilities	143,545,449	143,545,449	143,661,186	143,856,645
<b>Total liabilities</b>	<b>23,081,217,527</b>	<b>17,460,350,135</b>	<b>23,117,984,491</b>	<b>17,497,736,791</b>
<b>Shareholders' Funds</b>				
Stated capital	24,300,000	24,300,000	24,300,000	24,300,000
Retained earnings	799,663,432	598,539,503	841,288,735	629,321,313
Reserves	1,893,217,526	1,826,503,889	1,893,217,526	1,826,503,889
<b>Total Equity Attributable to equity holders of the company</b>	<b>2,717,180,958</b>	<b>2,449,343,392</b>	<b>2,758,806,261</b>	<b>2,480,125,202</b>
Non controlling interest	-	-	33,026,357	26,910,995
<b>Total Equity</b>	<b>2,717,180,958</b>	<b>2,449,343,392</b>	<b>2,791,832,619</b>	<b>2,507,036,197</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>25,798,398,485</b>	<b>19,909,693,527</b>	<b>25,909,817,109</b>	<b>20,004,772,988</b>
Net Assets Value Per Share (Rs.)	1,118	1,008	1,135	1,021



Chamindra de Silva  
Chief Financial Officer



Mahinda Gunasekara  
Director



R.K.E.P. de Silva  
Deputy Chairman & Managing Director

**Alliance Finance Company PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Financial year ended 31st March 2016

Company	Stated Capital Rs.	Statutory Reserve Rs.	Capital Reserve Rs.	Dividend Equalization Reserve Rs.	Diversification Risk Reserve Rs.	General Reserve Rs.	Development Reserve Rs.	Investment Fund Reserve Rs.	Available for Sale Reserve Rs.	Non Controlling Interest Rs.	Retained Earnings Rs.	Total Rs.
<b>Balance as at 1 April 2014</b>	24,300,000	377,657,400	479,906,644	7,000,000	255,000,000	453,300,000	108,141,275	83,216,780	108,517,572	-	494,269,442	2,391,309,114
Profit for the year	-	-	-	-	-	-	-	-	-	-	202,903,072	202,903,072
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	12,597,143	-	(9,433,012)	3,164,131
Transfer to statutory reserve	-	40,600,000	-	-	-	-	-	-	-	-	(40,600,000)	-
Transfer of AFS reserve on disposal	-	-	-	-	-	-	-	-	(99,432,926)	-	-	(99,432,926)
Dividend paid	-	-	-	-	-	-	-	-	-	-	(48,600,000)	(48,600,000)
<b>Balances as at 31st March 2015</b>	<u>24,300,000</u>	<u>418,257,400</u>	<u>479,906,644</u>	<u>7,000,000</u>	<u>255,000,000</u>	<u>453,300,000</u>	<u>108,141,275</u>	<u>83,216,780</u>	<u>21,681,789</u>	<u>-</u>	<u>598,539,503</u>	<u>2,449,343,392</u>
Profit for the year	-	-	-	-	-	-	-	-	-	-	411,668,691	411,668,690
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	(15,616,363)	-	(1,854,762)	(17,471,125)
Transfer to statutory reserve	-	82,330,000	-	-	-	-	-	-	-	-	(82,330,000)	-
Transfer to General reserve	-	-	-	(7,000,000)	(255,000,000)	370,141,275	(108,141,275)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(126,360,000)	(126,360,000)
<b>Balances as at 31st March 2016</b>	<u>24,300,000</u>	<u>500,587,400</u>	<u>479,906,644</u>	<u>-</u>	<u>-</u>	<u>823,441,275</u>	<u>-</u>	<u>83,216,780</u>	<u>6,065,426</u>	<u>-</u>	<u>799,663,432</u>	<u>2,717,180,958</u>
<b>Group</b>												
<b>Balance as at 1 April 2014</b>	24,300,000	377,657,400	479,906,644	7,000,000	255,000,000	453,300,000	108,141,275	83,216,780	108,517,572	-	494,269,442	2,391,309,113
Non controlling Interest arising from business combination	-	-	-	-	-	-	-	-	-	16,340,419	-	16,340,419
Profit for the period	-	-	-	-	-	-	-	-	-	142,606,738	364,061,201	506,667,939
Transfer of realized gain/(loss) on available for sale financial assets	-	-	-	-	-	-	-	-	(99,432,926)	-	-	(99,432,926)
Other comprehensive Income, net of tax	-	-	-	-	-	-	-	-	12,597,143	-	(9,319,123)	3,278,020
Transfer to statutory reserve	-	40,600,000	-	-	-	-	-	-	-	-	(40,600,000)	-
Repurchase of shares	-	-	-	-	-	-	-	-	-	(67,118,082)	(118,981,967)	(186,100,049)
Dividend paid	-	-	-	-	-	-	-	-	-	(64,918,080)	(60,108,239)	(125,026,319)
<b>Balances as at 31st March 2015</b>	<u>24,300,000</u>	<u>418,257,400</u>	<u>479,906,644</u>	<u>7,000,000</u>	<u>255,000,000</u>	<u>453,300,000</u>	<u>108,141,275</u>	<u>83,216,780</u>	<u>21,681,789</u>	<u>26,910,995</u>	<u>629,321,313</u>	<u>2,507,036,197</u>
Non controlling Interest arising from business combination	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	6,115,362	422,512,184	428,627,546
Other comprehensive Income, net of tax	-	-	-	-	-	-	-	-	(15,616,363)	-	(1,854,762)	(17,471,125)
Transfer to General reserve	-	-	-	(7,000,000)	(255,000,000)	370,141,275	(108,141,275)	-	-	-	-	-
Transfer to statutory reserve	-	82,330,000	-	-	-	-	-	-	-	-	(82,330,000)	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(126,360,000)	(126,360,000)
<b>Balances as at 31st March 2016</b>	<u>24,300,000</u>	<u>500,587,400</u>	<u>479,906,644</u>	<u>-</u>	<u>-</u>	<u>823,441,275</u>	<u>-</u>	<u>83,216,780</u>	<u>6,065,427</u>	<u>33,026,357</u>	<u>841,288,735</u>	<u>2,791,832,619</u>

# Alliance Finance Company PLC

## STATEMENT OF CASH FLOWS

For the Financial year ended 31st March 2016

Cash Flows From / (Used in) Operating Activities	Company		Group	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Rs.	Rs.	Rs.	Rs.
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Profit before Income Tax Expense	540,610,397	277,446,238	563,888,625	585,823,920
Adjustments for;				
Depreciation of property, plant & equipment	99,934,198	85,702,246	101,019,509	86,135,322
Impairment provision	(153,371,135)	822,699,428	(153,371,135)	822,699,428
Interest on fixed deposits, commercial paper & treasury bills	(177,852,634)	(154,789,653)	(179,631,796)	(160,028,072)
Profit /(loss) on sale of securities	(8,235,404)	(24,555,392)	(8,235,404)	(24,555,392)
Fair value gain or loss on equity investments (FVTPL)	(261,767)	4,528,350	(261,767)	4,528,350
Profit /(loss) on AFS financial assets	(27,801,222)	(193,390,454)	(27,801,222)	(584,243,570)
Diminution/(appreciation) in value of investments	32,924,518	(4,959,690)	32,924,518	(4,959,690)
Loss/(Profit) on disposal of property & equipment	(19,658,346)	2,363,398	(19,658,346)	2,363,398
Provision/(reversal) for defined benefit plans	50,148,384	26,769,758	50,433,637	26,629,127
Dividend received	(8,517,381)	(113,872,864)	(8,517,381)	(17,845,679)
Gain on bargain purchase	-	-	-	(10,641,616)
Loss on disposal of associate	354,413		354,413	
Share of profit from associates	(10,879,824)	(15,835,911)	(10,879,824)	(15,835,911)
<b>Operating Profit before Working Capital Changes</b>	<b>317,394,196</b>	<b>712,105,455</b>	<b>340,263,826</b>	<b>710,069,616</b>
(Increase)/decrease in trading stock	61,128,172	(197,679,362)	61,128,172	(197,679,362)
(Increase)/decrease in loans and advances	(1,875,266,335)	(575,802,009)	(1,875,232,800)	(575,942,023)
(Increase)/decrease in lease rentals receivable & stock out on hire	(3,100,799,004)	(1,783,268,411)	(3,100,799,005)	(1,783,268,411)
(Increase)/decrease in hire purchase rentals Receivable & Stock out on	703,915,305	542,404,996	703,915,304	542,404,996
(Increase)/decrease in fixed deposits & repurchase agreements	(1,576,769,315)	117,491,319	(1,576,769,315)	117,491,319
(Increase)/decrease in other financial assets	(46,685,568)	28,041,651	(61,339,388)	28,041,651
(Increase)/decrease in other non financial assets	13,765,526	(226,727)	14,025,029	(226,727)
Increase/(decrease) in amounts due to customers	120,083,633	(857,522,573)	120,083,633	(857,522,573)
Increase/(decrease) in other financial liabilities	180,188,813	340,057,734	175,309,421	340,057,734
Increase/(decrease) in other non financial liabilities	(13,209,744)	21,741,004	(10,581,472)	20,637,908
<b>Cash (used in)/ generated from operations</b>	<b>(5,216,254,321)</b>	<b>(1,652,656,923)</b>	<b>(5,209,996,595)</b>	<b>(1,655,935,872)</b>
Retirement benefit liabilities paid	(22,441,626)	(931,907)	(22,441,626)	(931,907)
Investment in gratuity fund	(20,000,000)	(12,550,308)	(20,000,000)	(12,550,308)
Taxes paid	(15,101,198)	-	(15,101,198)	-
<b>Net cash used in operating activities</b>	<b>(5,273,797,145)</b>	<b>(1,666,139,138)</b>	<b>(5,267,539,419)</b>	<b>(1,669,418,087)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>				
Acquisition of property, plant & equipment	(450,672,209)	(106,738,856)	(450,672,209)	(109,007,187)
Proceeds from sales of property, plant & equipment	67,278,343	5,700,310	67,278,343	5,700,310
Net dividend and sales proceeds received from associates	8,076,503	-	8,076,503	-
Proceeds from disposal of AFS financial assets	50,585,099	239,700,429	50,585,099	767,721,672
Net Sales/ (purchases) of financial investments held -for- trading	240,200,749	141,925,407	234,182,399	69,495,574
Net Sale/(purchase) of financial investments - available- for- sale	64,872,166	(400,915,910)	44,627,269	(400,915,910)
Dividend received	8,517,381	113,872,864	8,517,381	17,845,679
Interest on fixed deposits, commercial paper & treasury bills	177,852,634	154,789,653	179,631,796	160,028,073
<b>Net cash flows from/(used in) investing activities</b>	<b>166,710,666</b>	<b>148,333,899</b>	<b>142,226,582</b>	<b>510,868,211</b>
<b>Cash Flows from / (Used in) Financing Activities</b>				
Proceeds from debentures and increase in borrowed funds	(141,051,484)	803,093,386	(141,051,484)	803,093,387
Cost of share repurchases	-	-	-	(186,100,000)
Net increase /(decrease) in other borrowings	5,399,907,395	744,354,862	5,401,657,636	767,317,120
Net increase /(decrease) in investments in subsidiaries and associates	-	-	-	(70,016,736)
Dividends paid	(126,360,000)	(48,600,000)	(126,360,000)	(125,026,319)
<b>Net cash flows from/(used in) financing activities</b>	<b>5,132,495,911</b>	<b>1,498,848,248</b>	<b>5,134,246,152</b>	<b>1,189,267,452</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>25,409,432</b>	<b>(18,956,991)</b>	<b>8,933,315</b>	<b>30,717,576</b>
Cash and cash equivalents at the beginning of the year	118,573,049	137,530,040	168,247,616	137,530,040
Cash and cash equivalents at the end of the year	143,982,481	118,573,049	177,180,931	168,247,616
<b>Movement in Cash and Cash Equivalent</b>	<b>25,409,432</b>	<b>(18,956,991)</b>	<b>8,933,314</b>	<b>30,717,576</b>

Note : Reporting cash flows from operating activities

The Company reports cash flows from operating activities by using the indirect method. The indirect method – whereby profit or loss is adjusted for the effects of non-cash items, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows – is shown in the above.



## **Alliance Finance Company PLC**

### **SEGMENT REPORT**

	Leasing	Hire Purchase & Consuer Durables	Loans	Pawning	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
For the Financial year ended 31 st March 2016										
REVENUE										
External Sales	8,559,446,796	814,600,803	1,208,541,818	101,533,619	47,698,979	11,629,489	130,315,656	100,481,730	185,128,325	11,159,377,215
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	8,559,446,796	814,600,803	1,208,541,818	101,533,619	47,698,979	11,629,489	130,315,656	100,481,730	185,128,325	11,159,377,215
Total income	2,689,946,108	197,586,713	1,233,935,002	101,533,619	47,698,979	11,629,489	180,088,754	19,044,494	135,355,048	4,616,818,205
RESULTS										
Segment results	1,752,453,669	177,818,037	706,440,122	(201,497,766)	22,017,489	(21,768,748)	141,765,821	19,044,494	135,099,590	2,731,372,708
Unallocated company expenses										(309,877,193)
Operating profit										2,421,495,514
Interest expense	(1,022,752,892)	(35,616,205)	(404,237,598)	(27,167,052)	(16,982,807)	(17,268,462)	(135,324,499)	(138,091)	(208,999,108)	(1,868,486,714)
Share of Profits of Associates before tax										10,879,824
Income taxes										(135,261,079)
Net Profit										428,627,546
OTHER INFORMATION										
Segment assets	13,283,110,374	462,569,201	5,250,078,166	352,834,929	220,565,986	224,275,954	1,757,541,117	1,793,477	2,714,397,826	24,267,167,029
Investment in Associates										72,324,271
Unallocated company assets										1,570,325,809
Total assets										25,909,817,109
Segment liabilities	11,892,425,675	408,219,777	4,633,221,871	311,378,699	194,650,654	197,924,721	1,551,039,372	1,582,753	2,395,470,501	21,585,914,023
Unallocated company liabilities										1,532,070,467
Total liabilities										23,117,984,491
41 For the Financial year ended 31st March 2015	Leasing	Hire Purchase & Consuer Durables	Loans	Pawning	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
REVENUE										
External Sales	392,077,039	829,228,813	706,590,784	126,890,596	52,791,721	631,604,331	115,946,579	80,867,797	128,958,582	3,064,956,241
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	392,077,039	829,228,813	706,590,784	126,890,596	52,791,721	631,604,331	115,946,579	80,867,797	128,958,582	3,064,956,241
Total income	2,436,263,938	381,116,289	707,729,078	126,890,596	52,791,721	631,604,331	137,177,497	7,549,292	107,244,882	4,588,367,624
RESULTS										
Segment results	1,570,187,441	258,727,376	452,409,116	(201,894,677)	8,307,925	636,185,719	132,063,876	7,549,292	105,309,588	2,968,845,656
Unallocated company expenses										(577,126,186)
Operating profit										2,391,719,471
Interest expense	(980,965,717)	(109,520,979)	(295,131,631)	(68,145,503)	(21,438,474)	(25,536,410)	(156,060,289)	(889,371)	(164,043,090)	(1,821,731,464)
Share of Profits of Associates before tax										15,835,911
Income taxes										(79,155,981)
Net Profit										506,667,936
OTHER INFORMATION										
Segment assets	10,069,293,475	1,124,197,171	3,029,430,037	699,491,390	220,058,947	262,122,927	1,601,908,018	9,129,100	1,683,848,877	18,699,479,942
Investment in Associates and Subsidiaries										69,875,364
Unallocated company assets										1,235,417,683
Total assets										20,004,772,988
Segment liabilities	8,822,597,326	972,962,657	2,621,890,869	605,391,135	190,455,147	226,860,400	1,386,408,649	7,900,993	1,457,326,276	16,291,793,451
Unallocated company liabilities										1,205,943,341
Total liabilities										17,497,736,791

# **Alliance Finance Company PLC**

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## **NOTES TO THE FINANCIAL STATEMENTS**

- 1 The figures given in the statements for the financial year ended 31st March 2016 are provisional and subject to audit.
- 2 The Accounting Policies and methods of computation disclosed in the Annual Report for the year ended 31st March 2015 were consistently followed during the said period.
- 3 The Financial Statements for the financial year ended 31st March 2016 have been presented in the same format adopted in the audited accounts as at 31st March 2015, and are in accordance with the Sri Lanka Accounting Standards, LKAS 34, and Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 4 All known expenses including management fees and other similar expenses have been provided for in full for the financial year ended 31st March 2016.
- 5 The Board decided to consolidate the Reserves, thereby Dividend Equalization Reserve of Rs. 7,000,000/- Diversification Risk Reserve of Rs. 255,000,000/- and Development Reserve of Rs. 108,141, 275/- were transferred to the General Reserve increasing the Reserve from Rs.453,300,000 to 823,441,275 .
- 6 The Board decided to recommend an Interim Dividend of Rs. 29/- per share amounting to Rs. 70,470,000/- which was approved by the Central Bank of Sri Lanka and was paid out on 2nd February 2016.
- 7 Except for notes disclosed above there have been no significant events subsequent to the reporting date, which requires adjustments to or disclosures in the interim financial statements.
- 9 There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the financial year ended 31st March 2016.

# Alliance Finance Company PLC

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## INFORMATION ON ORDINARY SHARES

### Market Price per share

	Quarter ended 01st January – 31st March <b>2016</b>	Quarter ended 01st January – 31st March <b>2015</b>
Highest Price	740	770
Lowest Price	740	769
Last Traded	740	770

### Issued Capital

As at 31st March 2016 the Stated Capital was Rs. 24,300,000/- of 2,430,000 Ordinary shares were issued.

## INFORMATION ON DEBENTURE

### Debenture Investor Indicators

	<b>31.03.2016</b>
Debt/equity ratio times	7.99
Interest cover times	2.19
Liquid assets ratio (%)	25.37%

### **Debenture 2012-2017 Market Price (Rs.)**

	<b>Lowest</b>	<b>Highest</b>	<b>Last Traded</b>
3 Years - 18.5% p.a payable quarterly		Has not been traded	
5 Years - 20.0% p.a payable monthly		Has not been traded	

### **Debenture 2013-2018 Market Price (Rs.)**

	<b>Lowest</b>	<b>Highest</b>	<b>Last Traded</b>
3 Years - 15.5% p.a payable semi annually		Has not been traded	
4 Years - 16.00% p.a payable semi annually		Has not been traded	
5 Years - 16.5% p.a payable semi annually		Has not been traded	
5 Years - 16.5% p.a payable at maturity		Has not been traded	

### **Debenture 2014-2019 Market Price (Rs.)**

	<b>Lowest</b>	<b>Highest</b>	<b>Last Traded</b>
4 Years - 9% p.a payable annually		Has not been traded	
5 Years - 9.35% p.a payable annually		Has not been traded	

### **Interest yield as at last trade done during the quarter (%)**

There were no trades during the quarter ended 31st March 2016.

### **Yield to maturity of last trade done during the quarter (%)**

There were no trades during the quarter ended 31st March 2016.

### **Yield of comparable government securities (%)**

	<b>31.03.2016</b>
03 year treasury bonds	12.00%
04 year treasury bonds	12.20%
05 year treasury bonds	12.25%

# Alliance Finance Company PLC

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## SHAREHOLDERS' INFORMATION

### Directors Shareholding as at 31st March 2016

<u>No</u>	<u>Name of Director</u>	<u>No of Shares</u>
1	Mr.S. Karunanayake	119
2	Mr.R.K.E.P. de Silva *	644,068
3	Mrs.R.N. Ponnambalam	200
4	Mr.A.R. Samarasinghe	100
5	Mr.E.C.S.R. Muttupulle (retd 14/2/2016)	-
6	Mr.J.M. Gunasekera	-
	* Jt Holding with Mr.J.E.P.A. de Silva	151,530

### Twenty Largest Ordinary Shareholders as at 31st March 2016

<u>No.</u>	<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>
1	Mr.R.K.E.P. de Silva	644,068	26.50
2	Motor Service Station (Pvt) Ltd.,	327,564	13.48
3	Miss D.M.E.P. Perera	182,181	7.50
4	Mr.R.K.E.P. de Silva & Mr.J.E.P.A. de Silva	151,530	6.24
5	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	99,630	4.10
6	Orient Hotels Ltd.,	97,956	4.03
7	Mr.N. Amarasinghe	74,340	3.06
8	Janashakthi PLC A/c No. 1	50,551	2.08
9	Mrs.S.E. Canekaratne	44,154	1.82
10	Mr.D.L.S.R. Perera	39,920	1.64
11	Mrs.S.R.L. Marcelline	36,936	1.52
12	Trading Partners (Pvt) Ltd.	30,020	1.24
13	Seylan Bank PLC/Janashakthi Ltd.,	27,287	1.12
14	Mrs.C.R. Cooray	27,000	1.11
15	Mr. D.F.W. Perera	23,292	0.96
16	Ms.D.D.P.T. Perera	21,460	0.88
17	Mrs.P. Weththasinghe	21,397	0.88
18	Mrs.A.S. Wijewardena	19,440	0.80
19	Mrs.L.S. Semage	17,958	0.74
20	Ms.D.C.M.A. Perera	17,000	0.70

### Public Shareholding as at 31st March 2016

No of Shares	%
1,305,573	53.73

### No of Shareholders

The percentage of ordinary shares held by the public as at 31st March 2016 was 53.73% and the number of shareholders representing the public holding was 671