



## **Financial Statements**

### **For the Financial Year Ended 31st March 2018**



The first company in the banking and non-banking sector of Sri Lanka to be certified with ISO 9001:2015 Quality Management system and ISO 22301:2012 for Business Continuity Management Systems

# Alliance Finance Company PLC

## STATEMENT OF PROFIT OR LOSS - COMPANY

	Quarter ended			Financial year ended		
	31.03.2018	31.03.2017	Variance	31.03.2018	31.03.2017	Variance
	(Unaudited)	(Audited)		(Unaudited)	(Audited)	
	Rs.	Rs.	%	Rs.	Rs.	%
<b>Gross Income</b>	1,851,668,155	1,454,911,651	27	6,872,124,417	5,376,833,125	28
Interest income	1,746,188,894	1,383,507,360	26	6,478,637,880	4,983,138,526	30
Interest expenses	(808,333,952)	(688,352,593)	17	(3,206,900,561)	(2,462,431,850)	30
<b>Net Interest Income</b>	937,854,942	695,154,767	35	3,271,737,319	2,520,706,676	30
Fee and commission income	54,408,557	25,679,517	112	202,891,784	193,915,241	5
Fee and commission expenses	(67,600,850)	(18,884,349)	258	(161,977,815)	(45,489,412)	256
<b>Net Fee and Commission Income</b>	(13,192,293)	6,795,168	(294)	40,913,969	148,425,829	(72)
Net gain/(loss) from trading	991,775	(12,170,546)	(108)	3,333,736	12,309,545	(73)
Other operating income (net)	50,078,929	57,895,320	(14)	187,261,017	187,469,813	(0)
<b>Total Operating Income</b>	975,733,353	747,674,709	31	3,503,246,041	2,868,911,863	22
Impairment (charges) / reversal for loans and other losses	(99,859,956)	40,853,388	(344)	(512,894,347)	(73,680,699)	596
<b>Net Operating Income</b>	875,873,397	788,528,097	11	2,990,351,694	2,795,231,164	7
<b>Operating Expenses</b>						
Personnel expenses	(167,959,787)	(99,233,843)	69	(800,789,586)	(739,979,466)	8
Other operating expenses	(305,071,351)	(273,406,124)	12	(1,053,075,259)	(935,662,243)	13
Depreciation of property & equipment	(29,574,790)	(25,467,015)	16	(116,078,627)	(117,774,125)	(1)
<b>Total operating expenses</b>	(502,605,928)	(398,106,982)	26	(1,969,943,472)	(1,793,415,834)	10
<b>Operating Profit before Value Added Tax on Financial Services</b>	373,267,468	390,421,115	(4)	1,020,408,222	1,001,815,330	2
Value added tax on financial services	(63,110,341)	(78,621,116)	(20)	(220,369,251)	(178,588,251)	23
<b>Operating Profit after Value Added Tax on Financial Services</b>	310,157,127	311,799,999	(1)	800,038,971	823,227,079	(3)
Share of profit from associates	(3,871,523)	(59,733)	6,381	(359,463)	10,899,751	(103)
Loss on change of interest in associate	(11,040,075)	-		(11,040,075)	-	
<b>Profit before Taxation from Operations</b>	295,245,529	311,740,266	(5)	788,639,433	834,126,830	(5)
Provision for income taxation	(31,712,549)	(74,670,012)	(58)	(79,310,326)	(184,670,012)	(57)
<b>Profit for the Period</b>	263,532,981	237,070,254	11	709,329,107	649,456,818	9
Basic/ Diluted earnings per share	7.82	7.04		21.05	19.27	
Dividend Per Share (Rs./Cts.)	-	2.20		4.15	5.90	

**Alliance Finance Company PLC**
**STATEMENT OF PROFIT OR LOSS - GROUP**

	Quarter ended			Financial year ended		
	31.03.2018	31.03.2017	Variance	31.03.2018	31.03.2017	Variance
	(Unaudited) Rs.	(Audited) Rs.	%	(Unaudited) Rs.	(Audited) Rs.	%
<b>Gross Income</b>	1,862,112,664	1,499,362,702	24	6,913,712,166	5,448,105,866	27
Interest income	1,741,493,010	1,385,911,085	26	6,481,420,530	4,990,739,316	30
Interest expenses	(803,518,302)	(688,309,924)	17	(3,202,130,796)	(2,462,431,850)	30
<b>Net Interest Income</b>	937,974,708	697,601,161	34	3,279,289,734	2,528,307,466	30
Fee and commission income	107,136,840	74,303,770	44	279,284,773	262,118,381	7
Fee and commission expenses	(67,599,328)	(18,882,449)	258	(161,985,713)	(45,496,812)	256
<b>Net Fee and Commission Income</b>	39,537,512	55,421,321	(29)	117,299,060	216,621,569	(46)
Net gain/(loss) from trading	991,775	(12,170,546)	(108)	3,333,736	13,818,243	(76)
Other operating income (net)	12,491,039	51,318,393	(76)	149,673,127	181,429,926	(18)
<b>Total Operating Income</b>	990,995,034	792,170,329	25	3,549,595,657	2,940,177,204	21
Impairment (charges) / reversal for loans and other losses	(99,859,956)	40,853,388	(344)	(512,894,347)	(73,680,699)	596
<b>Net Operating Income</b>	891,135,078	833,023,716	7	3,036,701,310	2,866,496,504	6
<b>Operating Expenses</b>						
Personnel expenses	(190,521,181)	(119,480,312)	59	(830,828,634)	(767,464,744)	8
Other operating expenses	(326,791,543)	(292,673,666)	12	(1,083,513,649)	(961,983,979)	13
Depreciation of property & equipment	(29,551,889)	(25,221,051)	17	(116,236,757)	(118,323,088)	(2)
<b>Total operating expenses</b>	(546,864,612)	(437,375,029)	25	(2,030,579,039)	(1,847,771,811)	10
<b>Operating Profit before Value Added Tax on Financial Services</b>	344,270,466	395,648,687	(13)	1,006,122,271	1,018,724,694	(1)
Value added tax on financial services	(63,110,341)	(78,621,116)	(20)	(220,369,251)	(178,588,251)	23
<b>Operating Profit after Value Added Tax on Financial Services</b>	281,160,125	317,027,571	(11)	785,753,020	840,136,443	(6)
Share of profit from associates	(11,040,075)	-		(359,463)	10,899,751	(103)
<b>Profit before Taxation from Operations</b>	270,120,050	317,027,571	(15)	774,353,482	851,036,194	(9)
Provision for income taxation	(33,430,293)	(80,027,897)	(58)	(86,233,145)	(191,534,940)	(55)
<b>Profit for the Period</b>	236,689,757	236,999,675	(0)	688,120,337	659,501,255	4
Profit attributable to :						
Equity holders of the Company	230,059,913	234,421,868	(2)	681,934,161	653,314,165	4
Non controlling interest	2,758,321	2,518,074	10	6,186,176	6,187,089	(0)
<b>Profit for the Period</b>	232,818,234	236,939,942	(2)	688,120,337	659,501,254	4
Basic/ Diluted Earnings Per Share	6.83	6.96		20.24	19.96	
Dividend Per Share (Rs./Cts.)	-	2.20		4.15	5.90	

# Alliance Finance Company PLC

## STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Quarter ended		Financial year ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
<b>Profit for the Year</b>	263,532,981	237,070,254	709,329,107	649,456,818
<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	(4,988,572)	(9,053,018)	(1,505,120)	798,159
Net other comprehensive income to reclassified to profit or loss	(4,988,572)	(9,053,018)	(1,505,120)	798,159
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss</b>				
Actuarial gains /( losses ) on defined benefit plans	(829,525)	9,311,656	(829,525)	9,311,656
Deferred tax effect on above	232,267	(2,607,264)	232,267	(2,607,264)
	(597,258)	6,704,392	(597,258)	6,704,392
Surplus from revaluation of property, plant & equipment	-	798,388,667	-	798,388,667
Deferred tax effect on above	-	(889,723)	-	(889,723)
Deferred tax impact on revaluation of lands	(328,206,042)	-	(328,206,042)	-
	(328,206,042)	797,498,944	(328,206,042)	797,498,944
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	(328,803,300)	804,203,336	(328,803,300)	804,203,336
<b>Total Comprehensive Income for the Year</b>	(70,258,891)	1,032,220,572	379,020,687	1,454,458,313

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

	Quarter ended		Financial year ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
<b>Profit for the Year</b>	<u>242,324,211</u>	<u>247,114,691</u>	<u>688,120,337</u>	<u>659,501,255</u>
<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	<u>(4,988,572)</u>	<u>(9,053,018)</u>	<u>(1,505,120)</u>	<u>798,159</u>
Net other comprehensive income to reclassified to profit or loss	<u>(4,988,572)</u>	<u>(9,053,018)</u>	<u>(1,505,120)</u>	<u>798,159</u>
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss</b>				
Actuarial gains /( losses ) on defined benefit plans	(784,570)	9,427,504	(784,570)	9,427,504
Deferred tax effect on above	<u>232,267</u>	<u>(2,607,264)</u>	<u>232,267</u>	<u>(2,607,264)</u>
	<u>(552,303)</u>	<u>6,820,240</u>	<u>(552,303)</u>	<u>6,820,240</u>
	-	-	-	-
Surplus from revaluation of property, plant & equipment	-	798,388,667	-	798,388,667
Deferred tax effect on above	-	(889,723)	-	(889,723)
Deferred tax impact on revaluation of lands	<u>(328,206,042)</u>	<u>-</u>	<u>(328,206,042)</u>	<u>-</u>
	<u>(328,206,042)</u>	<u>797,498,944</u>	<u>(328,206,042)</u>	<u>797,498,944</u>
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	<u>(328,758,345)</u>	<u>804,319,184</u>	<u>(328,758,345)</u>	<u>804,319,184</u>
<b>Total Comprehensive Income for the Year</b>	<u>(91,422,706)</u>	<u>1,042,380,857</u>	<u>357,856,872</u>	<u>1,464,618,598</u>
Attributable to:				
Equity holders of the Company	351,654,485	1,458,389,733	351,654,485	1,458,389,733
Non controlling interest	<u>6,202,387</u>	<u>6,228,864</u>	<u>6,202,387</u>	<u>6,228,864</u>
<b>Total Comprehensive Income for the Year</b>	<u>357,856,872</u>	<u>1,464,618,597</u>	<u>357,856,872</u>	<u>1,464,618,597</u>

# Alliance Finance Company PLC

## STATEMENT OF FINANCIAL POSITION

As at	Company		Group	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.	Rs.	Rs.	Rs.
<b>Assets</b>				
Cash and cash equivalents	510,364,191	250,196,373	551,552,815	294,565,160
Repurchase agreements	638,820,384	175,849,048	638,820,384	175,849,048
Placements with banks & financial institutions	476,510,425	1,218,793,508	476,510,425	1,273,186,055
Financial investments - held for trading	751,264,686	1,251,615,776	751,264,686	1,251,615,776
Loans and advances	7,877,246,355	7,478,467,024	7,877,373,054	7,478,583,487
Lease rentals receivable & stock out on hire	17,553,965,443	15,837,430,513	17,553,965,443	15,837,430,513
Hire purchase rentals receivable & stock out on hire	62,388,835	167,597,495	62,388,835	167,597,495
Financial investments - available for sale	381,521,952	488,124,253	400,570,342	501,624,253
Other trading stocks	140,786,132	9,775,936	140,786,132	9,775,936
Other financial assets	323,549,421	255,778,986	349,638,381	291,558,200
Other non financial assets	115,538,483	118,339,278	115,985,991	118,358,589
Investments in associates	57,362,904	68,762,442	57,362,904	68,762,442
Investments in subsidiaries	16,924,038	16,924,038	-	-
Property, plant & equipment	2,167,727,899	2,122,913,196	2,168,021,698	2,123,236,675
Intangible assets	56,746,867	49,498,623	56,746,867	49,498,623
Deferred tax assets	647,838,785	511,884,241	648,285,324	512,240,973
<b>Total Assets</b>	<b>31,778,556,800</b>	<b>30,021,950,730</b>	<b>31,849,273,281</b>	<b>30,153,883,225</b>
<b>Liabilities</b>				
Due to banks	11,042,104,540	11,717,899,354	11,053,987,058	11,749,382,430
Due to customers	13,256,951,431	10,087,821,914	13,256,951,431	10,087,821,914
Debt instruments issued and other borrowed funds	1,645,799,918	2,548,225,806	1,645,799,918	2,548,225,806
Other financial liabilities	456,262,778	888,031,757	473,689,206	902,782,092
Other non financial liabilities	36,923,025	51,661,019	36,923,025	51,661,019
Derivative financial liabilities	39,238,389	17,736,580	39,238,389	17,736,580
Income tax liability	25,004,302	108,212,452	26,636,671	111,659,369
Retirement benefit liability	64,596,330	80,145,738	66,191,109	81,419,780
Deferred tax liabilities	981,828,524	457,419,634	981,871,560	457,460,593
<b>Total liabilities</b>	<b>27,548,709,237</b>	<b>25,957,154,254</b>	<b>27,581,288,367</b>	<b>26,008,149,583</b>
<b>Shareholders' Funds</b>				
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	1,499,976,696	1,147,080,447	1,518,254,751	1,192,724,704
Reserves	2,115,890,867	2,303,736,029	2,115,890,867	2,303,736,029
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>4,229,847,563</b>	<b>4,064,796,476</b>	<b>4,248,125,618</b>	<b>4,110,440,733</b>
Non controlling interest	-	-	19,859,296	35,292,909
<b>Total Equity</b>	<b>4,229,847,563</b>	<b>4,064,796,476</b>	<b>4,267,984,914</b>	<b>4,145,733,642</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>31,778,556,800</b>	<b>30,021,950,730</b>	<b>31,849,273,281</b>	<b>30,153,883,225</b>
Net Assets Value Per Share (Rs.)	126	121	126	122

Chamindra de Silva  
Chief Financial Officer

Kusal Jayawardana  
Finance Director

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

30th May 2018  
Colombo

**Alliance Finance Company PLC**
**STATEMENT OF CHANGES IN EQUITY**
**For the Financial Year ended 31st March 2018**

Company	Stated Capital Rs.	Statutory Reserve Rs.	Capital Reserve Rs.	General Reserve Rs.	Investment Fund Reserve Rs.	Available for Sale Reserve Rs.	Non Controlling Interest Rs.	Retained Earnings Rs.	Total Rs.
<b>Balances as at 01st April 2016</b>	24,300,000	501,317,400	479,906,644	823,441,275	83,216,780	6,065,427	-	803,805,837	2,722,053,363
Profit for the year	-	-	-	-	-	-	-	649,456,818	649,456,818
Other comprehensive income, net of tax	-	-	-	-	-	798,159	-	6,704,392	7,502,551
Revaluation Surplus	-	-	797,498,944	-	-	-	-	-	797,498,944
Transfer to statutory reserve	-	129,891,400	-	-	-	-	-	129,891,400	-
Reserves capitalization	518,400,000	-	-	(435,183,220)	(83,216,780)	-	-	-	-
Right issue	71,280,000	-	-	-	-	-	-	-	71,280,000
Dividend paid	-	-	-	-	-	-	-	(182,995,200)	(182,995,200)
<b>Balances as at 31st March 2017</b>	<b>613,980,000</b>	<b>631,208,800</b>	<b>1,277,405,588</b>	<b>388,258,055</b>	<b>-</b>	<b>6,863,586</b>	<b>-</b>	<b>1,147,080,447</b>	<b>4,064,796,476</b>
<b>Balances as at 01st April 2017</b>	613,980,000	631,208,800	1,277,405,588	388,258,055	-	6,863,586	-	1,147,080,447	4,064,796,476
Profit for the year	-	-	-	-	-	-	-	709,329,107	709,329,107
Other comprehensive income, net of tax	-	-	-	-	-	1,505,120	-	597,258	(2,102,378)
Revaluation surplus	-	-	-	-	-	-	-	-	-
Deferred tax impact on revalued lands	-	-	(328,206,042)	-	-	-	-	-	(328,206,042)
Transfer to statutory reserve	-	141,866,000	-	-	-	-	-	141,866,000	-
Dividend paid	-	-	-	-	-	-	-	(213,969,600)	(213,969,600)
<b>Balances as at 31st March 2018</b>	<b>613,980,000</b>	<b>773,074,800</b>	<b>949,199,546</b>	<b>388,258,055</b>	<b>-</b>	<b>5,358,466</b>	<b>-</b>	<b>1,499,976,697</b>	<b>4,229,847,564</b>
<b>Group</b>									
<b>Balance as at 1st April 2016</b>	24,300,000	501,317,400	479,906,644	823,441,275	83,216,780	6,065,427	33,075,720	845,518,674	2,796,841,920
Profit for the year	-	-	-	-	-	-	6,187,089	653,314,165	659,501,254
Other comprehensive income, net of tax	-	-	-	-	-	798,159	41,775	6,778,465	7,618,399
Revaluation surplus	-	-	797,498,944	-	-	-	-	-	797,498,944
Transfer to statutory reserve	-	129,891,400	-	-	-	-	-	(129,891,400)	-
Reserves capitalization	518,400,000	-	-	(435,183,220)	(83,216,780)	-	-	-	-
Right issue	71,280,000	-	-	-	-	-	-	-	71,280,000
Dividend paid	-	-	-	-	-	-	(4,011,675)	(182,995,200)	(187,006,875)
<b>Balances as at 31st March 2017</b>	<b>613,980,000</b>	<b>631,208,800</b>	<b>1,277,405,588</b>	<b>388,258,055</b>	<b>-</b>	<b>6,863,586</b>	<b>35,292,909</b>	<b>1,192,724,704</b>	<b>4,145,733,642</b>
<b>Balances as at 01st April 2017</b>	613,980,000	631,208,800	1,277,405,588	388,258,055	-	6,863,586	35,292,909	1,192,724,704	4,145,733,642
Profit for the year	-	-	-	-	-	-	6,186,176	681,934,161	688,120,337
Other comprehensive income, net of tax	-	-	-	-	-	(1,505,120)	16,211	(568,514)	(2,057,423)
Revaluation surplus	-	-	-	-	-	-	-	-	-
Deferred tax impact on revalued lands	-	-	(328,206,042)	-	-	-	-	-	(328,206,042)
Transfer to statutory reserve	-	141,866,000	-	-	-	-	-	(141,866,000)	-
Dividend paid	-	-	-	-	-	-	(21,636,000)	(213,969,600)	(235,605,600)
<b>Balances as at 31st March 2018</b>	<b>613,980,000</b>	<b>773,074,800</b>	<b>949,199,546</b>	<b>388,258,055</b>	<b>-</b>	<b>5,358,466</b>	<b>19,859,295</b>	<b>1,518,254,751</b>	<b>4,267,984,914</b>

**Alliance Finance Company PLC**
**STATEMENT OF CASH FLOWS**
**For the financial year ended 31st March 2018**

	<b>Company</b>		<b>Group</b>	
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Cash Flows From / (Used in) Operating Activities</b>				
Profit before Income Tax Expense	788,639,433	834,126,830	774,353,482	851,036,194
Adjustments for;				
Depreciation of property, plant & equipment	108,860,544	110,301,759	109,018,674	110,800,937
Amortization of intangible assets	7,218,083	7,472,368	7,218,083	7,522,153
Impairment (reversal)/provision	415,603,933	(24,269,874)	415,603,933	(24,269,874)
Fixed asset valuation loss	-	3,992,748	-	3,992,748
Interest on fixed deposits, commercial paper & treasury bills	(119,668,726)	(180,917,550)	(122,451,376)	(188,518,340)
(Profit) /loss on sale of securities	(6,378,862)	798,829	(6,378,862)	798,829
Fair value (gain)/loss on equity investments (FVTPL)	514,602	(4,293,334)	514,602	(4,293,334)
Previous year WHT written-off	52,653	-	52,653	-
Bad debt written-off	97,290,414	97,950,573	97,290,414	97,950,573
Diminution/(appreciation) in value of investments	(5,187,779)	10,528,127	(5,187,779)	10,528,127
Loss/(profit) on disposal of property, plant & equipment	(1,746,639)	(13,184,186)	(1,746,639)	(13,329,186)
Provision/(reversal) for defined benefit plans	34,308,582	31,542,560	34,674,274	31,871,666
Loss/(profit) on changes of interest in associate	11,040,075	-	11,040,075	-
Dividend received	(43,453,580)	(13,829,352)	(5,077,580)	(14,725,392)
Share of loss/(profit) from associates	359,463	(10,899,751)	359,463	(10,899,751)
<b>Operating Profit before Working Capital Changes</b>	<b>1,287,452,196</b>	<b>849,319,748</b>	<b>1,309,283,416</b>	<b>858,465,351</b>
(Increase)/decrease in trading stock	(131,010,196)	198,081,369	(131,010,196)	198,081,369
(Increase)/decrease in loans and advances	(686,706,863)	(1,917,468,982)	(686,717,099)	(1,917,478,930)
(Increase)/decrease in lease rentals receivable & stock out on hire	(1,949,130,899)	(2,581,567,444)	(1,949,130,898)	(2,581,567,444)
(Increase)/decrease in hire purchase rentals receivable & stock out on hire	112,837,814	291,521,591	112,837,814	291,521,591
(Increase)/decrease in fixed deposits & repurchase agreements	279,311,747	1,175,305,301	333,704,294	1,120,912,754
(Increase)/decrease in other financial assets	(67,770,434)	(74,067,452)	(58,080,181)	(112,704,584)
(Increase)/decrease in other non financial assets	2,800,795	(4,893,836)	2,372,598	(212,235)
Increase/(decrease) in amounts due to customers	3,169,129,517	(376,327,652)	3,169,129,517	(376,327,652)
Increase/(decrease) in derivative financial liabilities	21,501,809	17,736,580	21,501,809	17,736,580
Increase/(decrease) in other financial liabilities	(431,768,979)	3,821,165	(429,092,886)	12,665,970
Increase/(decrease) in other non financial liabilities	(14,737,994)	15,780,616	(14,737,994)	15,780,616
<b>Cash generated from/(used in) Operations</b>	<b>1,591,908,515</b>	<b>(2,402,758,996)</b>	<b>1,680,060,195</b>	<b>(2,473,126,616)</b>
Retirement benefit liabilities paid	(23,511,922)	(7,672,684)	(23,511,922)	(7,672,684)
Investment in gratuity fund	(27,175,593)	(25,650,000)	(27,175,593)	(25,650,000)
Taxes paid	(102,090,558)	(172,449,963)	(110,915,653)	(181,149,029)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,439,130,442</b>	<b>(2,608,531,643)</b>	<b>1,518,457,027</b>	<b>(2,687,598,329)</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of property, plant & equipment	(193,621,051)	(74,484,502)	(193,749,500)	(74,607,002)
Acquisition of Intangible Assets	(14,466,327)	-	(14,466,327)	-
Proceeds from sales of property, plant & equipment	41,692,436	38,414,606	41,692,436	39,070,215
Net dividend and proceeds received from associates	-	7,972,265	-	7,972,265
Net sales/ (purchases) of financial investments held -for- trading	511,403,133	(177,647,996)	511,403,133	(99,199,815)
Net sale/(purchase) of financial investments - available- for- sale financial asset	105,097,181	(37,271,996)	99,548,791	(37,271,996)
Dividend received	43,453,580	13,829,352	5,077,580	14,725,392
Interest on fixed deposits, commercial paper & treasury bills	119,668,726	180,917,550	122,451,376	188,518,340
<b>Net cash generated from investing activities</b>	<b>613,227,679</b>	<b>(48,270,720)</b>	<b>571,957,489</b>	<b>39,207,400</b>
<b>Cash flows from / (used in) financing activities</b>				
Proceeds from debentures and increase in borrowed funds	(902,425,888)	(514,189,158)	(902,425,888)	(514,189,158)
Net increase /(decrease) in other borrowings	(669,170,833)	3,404,549,742	(688,771,391)	3,411,320,320
Net increase /(decrease) in finance lease	(6,623,982)	(15,629,129)	(6,623,982)	(15,629,129)
Proceeds from right issue	-	71,280,000	-	71,280,000
Dividend paid	(213,969,600)	(182,995,200)	(235,605,600)	(187,006,875)
<b>Net cash generated from/(used in) financing activities</b>	<b>(1,792,190,303)</b>	<b>2,763,016,255</b>	<b>(1,833,426,861)</b>	<b>2,765,775,158</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>260,167,818</b>	<b>106,213,892</b>	<b>256,987,655</b>	<b>117,384,229</b>
Cash and cash equivalents at the beginning of the year	250,196,373	143,982,481	294,565,160	177,180,931
Cash and cash equivalents at the end of the year	510,364,191	250,196,373	551,552,815	294,565,160
<b>Movement in Cash and Cash Equivalent</b>	<b>260,167,818</b>	<b>106,213,892</b>	<b>256,987,655</b>	<b>117,384,229</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

31st March 2018	Leasing	Hire Purchase & Consumer Durables	Loans	Gold Loan	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>										
External sales	11,727,114,616	137,018,890	2,073,864,254	254,261,678	35,098,091	13,223,647	154,005,538	5,266,279	132,880,876	14,532,733,868
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>11,727,114,616</b>	<b>137,018,890</b>	<b>2,073,864,254</b>	<b>254,261,678</b>	<b>35,098,091</b>	<b>13,223,647</b>	<b>154,005,538</b>	<b>5,266,279</b>	<b>132,880,876</b>	<b>14,532,733,868</b>
Total income	4,211,780,546	29,423,993	2,074,348,680	254,261,678	35,098,091	16,656,221	154,005,538	5,256,544	132,880,876	6,913,712,165
<b>RESULTS</b>										
<b>Segment results</b>	<b>3,166,674,103</b>	<b>32,875,477</b>	<b>1,149,570,102</b>	<b>157,765,319</b>	<b>5,448,038</b>	<b>21,421,639</b>	<b>102,239,978</b>	<b>5,256,544</b>	<b>132,880,876</b>	<b>4,774,132,076</b>
Unallocated company expenses										(786,248,260)
Operating profit										3,987,883,816
Interest expense	(1,918,884,812)	(6,819,940)	(811,954,194)	(132,399,190)	(17,952,070)	(24,744,757)	(170,997,993)	(2,674,089)	(115,703,752)	(3,202,130,796)
Share of profits of associates before tax										(359,463)
Loss on change of interest in associate										(11,040,075)
Income taxes										(86,233,145)
<b>Net profit</b>										<b>688,120,337</b>
<b>OTHER INFORMATION</b>										
Segment assets	17,553,965,443	62,388,835	7,427,760,007	1,211,188,288	164,225,601	226,365,132	1,564,290,280	24,462,573	1,058,458,356	29,293,104,515
Investment in associates										57,362,904
Unallocated company assets										2,498,805,863
<b>Total assets</b>										<b>31,849,273,281</b>
Segment liabilities	15,056,309,985	50,799,943	6,048,033,818	986,206,840	133,720,259	184,317,206	1,273,719,197	19,918,585	861,846,899	24,614,872,733
Unallocated company liabilities										2,966,415,635
<b>Total liabilities</b>										<b>27,581,288,368</b>
<b>31st March 2017</b>	<b>Leasing</b>	<b>Hire Purchase &amp; Consumer Durables</b>	<b>Loans</b>	<b>Gold Loan</b>	<b>Hire of Vehicles</b>	<b>Investing in Shares</b>	<b>Investing in Government Securities</b>	<b>Collaboration Finance</b>	<b>Others</b>	<b>Total</b>
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>										
External sales	9,449,654,323	358,713,279	1,654,667,651	113,831,460	49,097,842	11,703,530	170,725,971	22,259,597	208,874,268	12,039,527,922
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>9,449,654,323</b>	<b>358,713,279</b>	<b>1,654,667,651</b>	<b>113,831,460</b>	<b>49,097,842</b>	<b>11,703,530</b>	<b>170,725,971</b>	<b>22,259,597</b>	<b>208,874,268</b>	<b>12,039,527,922</b>
Total income	3,124,219,302	83,808,485	1,692,911,116	113,831,460	49,097,842	(3,765,289)	187,922,625	8,402,711	191,677,614	5,448,105,866
<b>RESULTS</b>										
<b>Segment results</b>	<b>2,324,820,827</b>	<b>67,454,023</b>	<b>1,035,614,926</b>	<b>43,612,358</b>	<b>15,202,219</b>	<b>(15,383,620)</b>	<b>131,419,225</b>	<b>8,402,711</b>	<b>191,677,087</b>	<b>3,802,819,754</b>

# Alliance Finance Company PLC

## NOTES TO THE FINANCIAL STATEMENTS

- 1 The figures given in the statements for the financial year ended 31st March are provisional and subject to audit.
- 2 The Accounting policies and methods of computation disclosed in the Financial Statements for the year ended 31st March 2017 were consistently followed during the said period.
- 3 The Financial Statements for the financial year ended 31st March 2018 have been presented in the same format adopted in the audited accounts as at 31st March 2017, 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 2018.
- 5 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.
- 6 There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Financial Statements as at 31st March 2018.

### INFORMATION ON ORDINARY SHARES

#### Market price per share

	Quarter ended 01st January – 31st March <b>2018</b>	Quarter ended 01st January – 31st March <b>2017</b>
Highest Price	74.00	64.70
Lowest Price	65.30	52.30
Last Traded	65.70	55.00

#### Issued capital

As at 31st March 2018 the Stated Capital was Rs. 613,980,000/- of 33,696,000 Ordinary shares were issued.

# Alliance Finance Company PLC

## INFORMATION ON DEBENTURE

### Debenture Investor Indicators

**31.03.2018**

Debt/equity ratio times	6.24
Interest cover times	2.02
Liquid assets ratio (%)	14.70%

<b>Debenture 2013-2018 Market Price (Rs.)</b>	<b>Lowest</b>	<b>Highest</b>	<b>Last Traded</b>
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

<b>Debenture 2014-2019 Market Price (Rs.)</b>	<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 (%)**

5 Years - 20.0% p.a payable monthly	N/A
4 Years - 16.00% p.a payable semi annually	N/A
5 Years - 16.5% p.a payable semi annually	N/A
5 Years - 16.5% p.a payable at maturity	N/A
4 Years - 9% p.a payable annually	N/A
5 Years - 9.35% p.a payable annually	N/A

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

5 Years - 20.0% p.a payable monthly	N/A
4 Years - 16.00% p.a payable semi annually	N/A
5 Years - 16.5% p.a payable semi annually	N/A
5 Years - 16.5% p.a payable at maturity	N/A
4 Years - 9% p.a payable annually	N/A
5 Years - 9.35% p.a payable annually	N/A

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

**31.03.2018**

03 years treasury bonds	10.00%
04 years treasury bonds	9.94%
05 years treasury bonds	10.39%

# Alliance Finance Company PLC

## SHAREHOLDERS' INFORMATION

### Directors Shareholding as at 31st March 2018

<u>No</u>	<u>Name of Director</u>	<u>No of Shares</u>
1	Mr.S. Karunanayake	1,586
2	Mr.R.K.E.P. de Silva *	8,934,075
3	Mrs.R.N. Ponnambalam	2,666
4	Mr.A.R. Samarasinghe	1,386
5	Mr.J.M. Gunasekera	1,500
6	Dr.L.A.P. Medis	-
7	Mr.W.P.K. Jayawardana **	100
	* Jt Holding with Mr.J.E.P.A. de Silva	2,101,216
	** Purchased October 2017	

### Twenty Largest Ordinary Shareholders as at 31st March 2018

<u>No.</u>	<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>
1	Mr.R.K.E.P. de Silva	8,934,075	26.51
2	Motor Service Station (Pvt) Ltd.,	4,542,220	13.48
3	Miss D.M.E.P. Perera	2,501,443	7.42
4	Mr.R.K.E.P. de Silva & Mr.J.E.P.A. de Silva	2,101,216	6.24
5	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	1,381,536	4.10
6	Orient Hotels Ltd.,	1,358,323	4.03
7	Mrs.S.J. Amarasinghe	908,040	2.69
8	Mrs.S.E. Canekaratne	612,268	1.82
9	Mr.D.L.S.R. Perera	553,556	1.64
10	Mrs.S.R.L. Marcelline	492,480	1.46
11	Mrs.C.R. de Silva	374,400	1.11
12	Elgin Investments Ltd.	324,335	0.96
13	Mr. D.F.W. Perera	310,560	0.92
14	Ms.D.D.P.T. Perera	309,384	0.92
15	Mrs.P. Weththasinghe	299,975	0.89
16	Mrs.A.S. Wijewardena	259,200	0.77
17	Miss R.H. Abdulhussein	253,000	0.75
18	Mr.Y.H. Abdulhussein	250,458	0.74
19	Mrs.L.S. Semage	249,016	0.74
20	Ms.D.C.M.A. Perera	236,632	0.70

### Public Shareholding as at 31st March 2018

<u>No of Shares</u>	<u>%</u>
18,099,971	53.72

### No of Shareholders

The percentage of ordinary shares held by the public as at 31st March 2018 was 53.72% and the number of shareholders representing the public holding was 1,205.

# Alliance Finance Company PLC

## CORPORATE INFORMATION

### Name of the Company

Alliance Finance Company PLC.

### Statutory Status

Quoted Public Limited Liability Company, Incorporated on 18th July 1956. Approved and Registered under the Finance Business Act No.42 of 2011 and Finance Leasing Act No.56 of 2000. An approved Credit Agency under the Mortgage Act No.06 of 1949 and the Trust Receipt Ordinance No.12 of 1947.

### Company Registration

Registered under the Companies Act No.07 of 2007.  
Company Registration number PQ 93

### Registered Office

Alliance House, No.84, Ward Place, Colombo 07.  
Tel : 011 2673673 Fax: 011 2697205  
e mail : info@alliancefinance.lk

### Board of Directors

Sunil Karunanayake - FCA, FCMA (UK), MBA - *Chairman (deceased on 27/05/2018)*  
Romani de Silva - F.I.C.M.(SL) - *Deputy Chairman & Managing Director*  
Lt. Col (Retd) A.R. Samarasinghe, MSc, CS (Security), BIT.  
R.N Ponnambalam  
J.M. Gunasekara, B.Sc. (Agri), MBA, *Executive Director Sustainability*  
L.A.P. Medis, PhD, MBA, B. Com (Sp), MCIM, CMA - *Consultant Director Marketing*  
W.P. Kusal Jayawardana - CFA, MBA, ACMA, CGMA, ACCA - *Director Finance & Operations*

### Secretaries

Alliance Management Services (Pvt) Ltd.  
No. 84, Ward Place  
Colombo 07.

### Audit Committee

Mr. Sunil Karunanayaka - *Chairman (deceased 27/05/2018)*  
Lt.Col (Retd.) A.R. Samarasinghe

### Remuneration Committee

Mrs. R.N. Ponnamlalam - *Chairperson*  
Mr. Athula Smarasinghe  
Mr. Sunil Karunanayaka - *Chairman (deceased 27/05/2018)*

### Auditors

M/s Maker Tilly Edirisinghe & Co.  
Chartered Accountants,  
No.45, 2nd Floor, Bray Brooke Street,  
Colombo 02.

### Legal Consultants

Gunawardena Ranasinghe Associates  
Sudath Perera Associates

### Advisory Council

Abbas Akbarally - Chairman, Akbar Brother Group of Companies  
K. Kanag Isvaran LLB (London) of Lincon's Inn  
Barrister President's Counsel  
S.P. Morawake - Former Registrar of Companies  
B. Ponnambalam

### Bankers

Sampath Bank PLC  
Seylan Bank PLC  
Public Bank Berhad  
Peoples Bank  
Hatton National Bank PLC  
Commercial Bank of Ceylon PLC  
Bank of Ceylon  
Nations Trust Bank PLC  
Union Bank of Colombo PLC  
DFCC Bank  
NDB Bank