



Financial Statements

For the financial year ended 31st March 2012



**The First
ISO 9001:2008 certified
Finance Company in Sri Lanka**

Ram rating : BBB P2

Income Statement

For The Financial Year Ended 31st March 2012

	Quarter ended 31st March			Year ended 31st March		
	2012 (Unaudited)	2011 (Audited)	Variance	2012 (Unaudited)	2011 (Audited)	Variance
	Rs.	Rs.	%	Rs.	Rs.	%
Income	749,640,960	575,329,084	30	2,427,658,561	1,869,414,058	30
Interest Income	609,415,488	386,159,383	58	2,040,346,686	1,403,531,160	45
Interest Expenses	(312,942,756)	(213,526,108)	47	(1,014,447,043)	(858,690,558)	18
Net Interest Income	296,472,733	172,633,274	72	1,025,899,644	544,840,602	88
Operating Income	90,111,484	176,822,732	(49)	308,619,554	441,127,865	(30)
Other Income	50,113,988	12,346,970	306	78,692,321	24,755,033	218
	436,698,205	361,802,976	21	1,413,211,518	1,010,723,499	40
Less: Non-Interest Expenses						
Personnel Costs	104,757,168	55,877,642	87	299,350,130	224,587,295	33
Premises, Equipment and Establishment Expenses	111,903,308	90,722,052	23	402,325,727	297,380,883	35
Provision for Retirement Benefits	24,373,156	(1,038,443)	(2,447)	24,857,663	7,961,557	212
Other Operational Expenses	39,399,565	24,734,422	59	130,850,293	127,293,037	3
	280,433,197	170,295,673	65	857,383,813	657,222,772	30
Profit Before Loan Losses & Provisions	156,265,008	191,507,303	(18)	555,827,705	353,500,727	57
Loan Losses & Provisions	(24,218,699)	(22,843,118)	6	(34,639,234)	(92,686,670)	(63)
Operating Profit Before Taxation and Value Added Tax	132,046,309	168,664,185	(22)	521,188,471	260,814,058	100
Less: Value Added Tax	(3,341,015)	(14,735,841)	(77)	(40,367,312)	(26,019,227)	55
Profit Before Taxation	128,705,294	153,928,344	(16)	480,821,159	234,794,831	105
Less : Provision for Taxation	(11,000,000)	(43,000,900)	(74)	(67,680,757)	(50,000,900)	35
Net Profit for the Year	117,705,294	110,927,444	6	413,140,403	184,793,931	124
Basic/ Diluted Earnings Per Share				170.02	114.07	

28th May 2012

ALLIANCE FINANCE COMPANY PLC

Balance Sheet

31st March 2012

31st March 2011

	(Un Audited)	(Audited)
	Rs.	Rs.
<u>ASSETS</u>		
Cash & Cash Equivalent	118,658,857	138,900,445
Government Treasury Bills	415,076,781	563,805,033
Government Treasury Bonds	92,020,052	100,000,000
Bank Deposits	191,341,826	40,133,336
Inventories	5,137,617	4,236,797
Real Estate & Other Trading Stocks	277,034,840	162,622,637
Dealing Securities	86,997,137	332,776,283
Investment Securities	85,370,429	65,003,681
Lease Receivable within one year	2,331,522,453	1,459,565,101
Lease Receivable after one year	3,904,395,298	2,092,243,381
Hire Purchase & Consumer Durable Receivable within one year	715,561,327	448,264,079
Hire Purchase & Consumer Durable Receivable after one year	1,303,309,067	704,551,699
Term Loan Receivable within one year	158,405,100	129,274,972
Term Loan Receivable after one year	122,809,221	79,789,296
Other Loans & Advances	1,498,138,251	835,675,062
Other Assets	260,875,551	439,613,883
Deferred Tax Assets	109,897,562	109,897,562
Property Plant & Equipment	754,086,002	623,247,777
Total Assets	12,430,637,369	8,329,601,024

LIABILITIES

Bank Overdraft	362,722,295	107,273,729
Deposits	6,737,801,379	5,007,040,800
Borrowings	3,377,566,890	1,592,981,108
Finance Lease Obligations	70,758,028	7,653,951
Other Liabilities	456,926,295	509,197,982
Provision for Retirement Benefit	38,691,194	27,122,561
Deferred Tax Liability	136,564,013	136,564,013
Total Liabilities	11,181,030,093	7,387,834,145

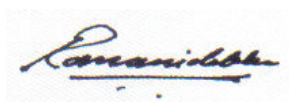
SHAREHOLDERS' FUNDS

Stated Capital	24,300,000	16,200,000
Statutory Reserve Fund	129,257,400	129,257,400
Capital Reserves	224,954,309	233,054,309
General Reserves	871,095,567	563,255,170
Total shareholders' funds	1,249,607,276	941,766,879
Total Liabilities & Shareholders' Funds	12,430,637,369	8,329,601,024

Net Asset Value Per Share

514.24

581.34



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



D.L.S.R. Perera
Finance Director



G.C. de Silva
Chief Financial Officer

28th May 2012

ALLIANCE FINANCE COMPANY PLC

Statement of Changes in Equity
For the Financial year ended 31st March 2012

	<u>Stated Capital</u>	<u>Capital Reserve</u>	<u>General Reserve</u>	<u>Reserve Fund</u>	<u>Development Reserve</u>	<u>Dividend Equalization Reserve</u>	<u>Investment Fund Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2010	16,200,000	233,054,309	153,300,000	92,257,400	108,141,275	7,000,000		152,689,964	762,642,948
Net Profit/(Loss) for the year	-	-	-	-	-	-	-	184,793,931	184,793,931
Transferred	-	-	70,000,000	37,000,000	-	-	8,866,786.00	(115,866,786)	-
Dividends Paid	-	-	-	-	-	-	-	(5,670,000)	(5,670,000)
Balance as at 31st March 2011	16,200,000	233,054,309	223,300,000	129,257,400	108,141,275	7,000,000	8,866,786	215,947,109	941,766,879
Balance as at 1st April 2011	16,200,000	233,054,309	223,300,000	129,257,400	108,141,275	7,000,000	8,866,786	215,947,109	941,766,879
Net Profit/(Loss) for the year	-	-	-	-	-	-	-	413,140,403	413,140,403
Transferred	8,100,000	(8,100,000)	-	-	-	-	17,779,607	(17,779,607)	-
Dividends Paid	-	-	-	-	-	-	-	(105,300,000)	(105,300,000)
Balance as at 31st March 2012	24,300,000	224,954,309	223,300,000	129,257,400	108,141,275	7,000,000	26,646,393	506,007,905	1,249,607,282

Statement of Cash Flow

For the Financial Year Ended 31st March 2012

	31st March 2012 (Unaudited)	31st March 2011 (Audited)
Cash Flow from Operating Activities	Rs.	Rs.
Net Profit Before Taxation	480,821,159	234,794,831
Adjustments for:		
Depreciation	46,965,337	46,369,939
Provision for Gratuity	24,857,663	7,961,557
Loan Losses & Fall in value of investment Provisions	(30,360,767)	92,686,670
Dividend Received	(8,706,354)	(9,104,313)
Interest on Fixed Deposits, Commercial Paper & Treasury Bills	(50,852,202)	(44,934,205)
Profit / (Loss) on Sale of Assets	(4,316,355)	3,736,449
Transfer to Gratuity Trust Fund	(5,844,023)	(4,456,513)
Operating Profit before changes in Operating Assets	452,564,459	327,054,415
Changes in Operating Assets		
Change in Lease, Hire Purchase & Loan Receivable	(4,254,416,358)	(1,894,860,239)
Change in Other Assets	91,296,296	(139,556,235)
Change in Share Investment Trading	245,779,147	(122,415,816)
Change in Inventories	(900,820)	(2,170,116)
Change in Deposits	1,730,760,580	830,049,773
Change in Finance Lease Obligations	63,104,077	(28,122,904)
Change in Sundry Creditors	(211,108,443)	236,995,781
Change in Accrued Expenses	111,728,618	82,200,568
Net Cash Used in Operating Activities Before Income Tax	(1,771,192,447)	(710,824,773)
Income Tax Paid	-	-
Gratuity Paid	(7,445,007)	(35,067,914)
ESC Paid	(42,934,559)	(28,467,727)
WHT Paid	(4,608,235)	(1,090,583)
Net Cash Used in Operating Activities	(1,826,180,247)	(775,450,997)
Cash Flow from Investing Activities		
Purchase of Property Plant & Equipment	(235,436,760)	(84,855,885)
Investments in Shares	(20,366,748)	4,529,022
Investments in Government Securities	156,708,200	(97,689,457)
Investments in Fixed Deposits	(151,208,490)	(3,717,353)
Sale Proceeds of Property Plant & Equipment	61,949,553	66,129,554
Dividend Received	8,706,354	9,104,313
Interest on Fixed Deposits, Commercial Paper & Treasury Bills	50,852,202	44,934,205
Net Cash Used in Investing Activities	(128,795,690)	(61,565,601)
Cash Flow from Financing Activities		
Increase / (Decrease) in Borrowings	1,784,585,783	715,261,449
Dividend Paid	(105,300,000)	(5,670,000)
Net Cash Flows from Financing Activities	1,679,285,783	709,591,449
Net Increase/(Decrease) in Cash & Cash Equivalents	(275,690,155)	(127,425,147)
Cash and Cash Equivalent at the Beginning of the Period	31,626,716	159,051,862
Cash and Cash Equivalent at the End of the Period	(244,063,439)	31,626,715
Cash and Cash Equivalent		
Cash and Bank Balances	118,658,857	138,900,445
Bank Overdraft	(362,722,295)	(107,273,729)
Cash and Cash Equivalent Reflected on Balance Sheet at the End of the Period	(244,063,438)	31,626,716

Financial Reporting By Segment

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NOTES TO THE FINANCIAL STATEMENTS

- 1 The figures given in the statements for the financial year ended 31st March 2012 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 2011 were consistently followed during the said period.
- 3 The Financial Statements for the year ended 31st March 2012 have been presented in the same format adopted in the audited published accounts as at 31st March 2011, and are in accordance with the Sri Lanka Accounting Standards, SLAS 35, and interim Financial Reporting.
- 4 As at 31st March 2012 the Stated Capital was Rs. 24,300,000/- after 2,430,000 Ordinary shares were issued.
- 5 The liability as to management fees and other similar expenditure are provided for in full for the year ended 31st March 2012.
- 6 There were no funds raised through either IPO/Rights or Debenture issue during the quarter ended 31st March 2012.
- 7 No circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements.
- 8 There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the Annual Report for the year ended 31st March 2011.
- 9 Market Price per share

	01st January – 31st March 2012	01st January – 31st March 2011
Highest Price	824.90	1,100.00
Lowest Price	516.00	700.00
Last Traded	630.00	850.10

10. Directors Shareholding as at 31st March 2012

No	<u>Name of Director</u>	<u>No of Shares</u>
	Name of Director	No. of Shares
1	Mrs.K.S.K. de Silva	1,930
2	Mr.R.K.E.P. de Silva	625,789
3	Mr.D.L.S.R. Perera	39,920
4	Mrs.R.N. Ponnambalam	200
5	Mr.A.R. Samarasinghe	100
6	Mr.S. Karunanayake	119

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	625,789	25.76
2	Motor Service Station Ltd.,	295,164	12.15
3	Miss D.M.E.P. Perera	258,132	10.62
4	Mr.J.E.P.A. de Silva	151,530	6.24
5	Mr.D.F.W.S.K. Perera	99,630	4.10
6	Orient Hotels Ltd.,	97,956	4.03
7	Mr.N. Amarasinghe	67,500	2.78
8	Mrs.S.E. Canekaratne	44,154	1.82
9	Mr.D.L.S.R. Perera	39,920	1.64
10	Mrs.S.R.L. Marcelline	36,936	1.52
11	Auto Sales & Finance Co.Ltd.	32,400	1.33
12	Mrs.C.R. Cooray	27,000	1.11
13	Master D.F.W. Perera	22,842	0.94
14	Ms.D.D.P.T. Perera	21,460	0.88
15	Mrs.P. Weththasinghe	21,398	0.88
16	Mrs.A.S. Wijewardena	19,440	0.80
17	Mrs.L.S. Semage	17,958	0.74
18	Ms.D.C.M.A.P. Perera	17,000	0.70
19	Dr.S. Maine	16,500	0.68
20	Miss R.E.W Jayasuriya	15,480	0.64
		<u>1,928,189</u>	<u>79.37</u>

11. Public Shareholding as at 31st March 2012.

No of Shares	%
1,193,184	49.1

CORPORATE INFORMATION

Name of Company

Alliance Finance Company PLC

Statutory Status

Quoted Public Limited Liability Company

Incorporated on 18th July 1956.

Approved and Registered under the Finance Companies

Act No.78 of 1988 and Finance Leasing Act No. 56 of 2000.

An approved Credit Agency under the Mortgage Act No.6 of 1949 and the Trust Receipt Ordinance No. 12 of 1947.

Company Registration

Registered under the companies Act No 7 of 2007

Company registration number is PQ 93

Registered Office

Alliance House, No.84, Ward Place, Colombo 7

Tel: 2673673 Fax: 2697205

E-mail: info@alliancefinance.lk

Board of Directors

Pratap Kumar de Silva, F.I.C.M. (SL), F.I.C.M. (Eng) J.P.

Chairman & Jt. Managing Director

Romani de Silva – *Deputy Chairman & Jt. Managing Director*

D.L.S.R. Perera, F.C.A. – *Finance Director*

J.F.R. de Saram

R.M. Canekaratne

B. Ponnambalam

Mrs. K.S.K. de Silva

Advisory Council

Abbas Akbarally – Chairman,

Akbar Brothers Group of Companies

Mr. K. Kanag Isvaran, L.L.B. (London) Of Lincoln's Inn –
Barrister, President's Counsel

S.P. Morawake – Former Registrar of Companies

Audit Committee

Mr. R.M. Canekaratne – Chairman

Mr. B. Ponnambalam

Mr. D.L.S.R Perera

Remuneration Committee

Mr. B. Ponnambalam – Chairman

Mr. R.M. Canekaratne

Mr. D.L.S.R. Perera

Auditors

M/s HLB Edirisinghe & Co. Chartered Accountants,
No.45, (2nd Floor), Braybrooke Street,
Colombo 2.

Internal Auditors

M/s Nihal Hettiarachchi & Co., Chartered Accountants,
RNH House, 622 B,
Kotte Road,
Kotte Capital City.

Legal Consultants

Gunawardene Ranasinghe Associates

Paul Ratnayake Associates

Sudath Perera Associates

Secretaries

Alliance Management Services (Pvt) Ltd.,
No. 84, Ward Place,
Colombo 7

Bankers

Sampath Bank PLC.

Seylan Bank PLC.

Standard Chartered Bank Ltd.

Public Bank Berhad

Peoples Bank

Hatton National Bank PLC

Commercial Bank PLC.

Bank of Ceylon

Pan Asia Banking Corporation PLC

Nations Trust Bank PLC

ALLIANCE FINANCE COMPANY PLC