



Financial Statements

For the financial year ended 31st March 2019



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

As at 31st March	Quarter ended			Financial year ended		
	2019	2018	Variance %	2019	2018	Variance %
	(unaudited) Rs.	(audited) Rs.		(unaudited) Rs.	(audited) Rs.	
Gross Income	1,844,343,551	1,851,668,155	(0)	7,182,688,869	6,872,124,417	5
Interest income	1,707,659,750	1,746,188,894	(2)	6,832,724,997	6,478,637,880	5
Interest expenses	(809,722,718)	(808,333,952)	0	(3,244,034,169)	(3,206,900,561)	1
Net Interest Income	897,937,032	937,854,942	(4)	3,588,690,828	3,271,737,319	10
Fee and commission income	65,278,416	54,408,557	20	180,053,256	202,891,784	(11)
Fee and commission expenses	(77,180,594)	(67,600,850)	14	(214,596,424)	(161,977,815)	32
Net Fee and Commission Income	(11,902,178)	(13,192,293)	(10)	(34,543,168)	40,913,969	(184)
Net gain/(loss) from trading	1,613,664	991,775	63	(34,804,790)	3,333,736	(1,144)
Other operating income (net)	69,791,721	50,078,929	39	204,715,406	187,261,017	9
Total Operating Income	957,440,239	975,733,353	(2)	3,724,058,276	3,503,246,041	6
Impairment (charges) / reversal for loans and other losses	(44,657,301)	(99,859,956)	(55)	(813,871,361)	(512,894,347)	59
Net Operating Income	912,782,938	875,873,397	4	2,910,186,915	2,990,351,694	(3)
Operating Expenses						
Personnel expenses	(246,469,539)	(167,959,787)	47	(780,351,399)	(800,789,586)	(3)
Other operating expenses	(333,465,860)	(279,204,685)	19	(1,224,874,852)	(1,027,208,593)	19
Depreciation of property & equipment	(35,863,967)	(29,574,790)	21	(137,044,171)	(116,078,627)	18
Total operating expenses	(615,799,366)	(476,739,262)	29	(2,142,270,422)	(1,944,076,806)	10
Operating Profit before Value Added Tax on Financial Services	296,983,571	399,134,134	(26)	767,916,493	1,046,274,888	(27)
Taxes on Financial Services	(108,402,533)	(88,977,007)	22	(221,190,685)	(246,235,917)	(10)
Operating Profit after Value Added Tax on Financial Services	188,581,038	310,157,127	(39)	546,725,808	800,038,971	(32)
Share of profit/(loss) from associates	(3,427,372)	(3,871,523)	(11)	(8,893,804)	(359,463)	2,374
Loss on change of interest in associate	-	-		-	(11,040,075)	
Profit before Taxation from Operations	185,153,666	306,285,604	(40)	537,832,004	788,639,433	(32)
Provision for income taxation	(107,538,378)	(31,712,549)	239	(231,749,630)	(79,310,326)	192
Profit for the Period	77,615,289	274,573,055	(72)	306,082,374	709,329,106	(57)
Basic/ Diluted earnings per share	2.30	8.15		9.08	21.05	
Dividend Per Share (Rs./Cts.)	-	2.25		-	6.40	

Alliance Finance Company PLC

STATEMENT OF PROFIT OR LOSS - GROUP

As at 31st March	Quarter ended			Financial year ended		
	2019	2018	Variance %	2019	2018	Variance %
	(unaudited) Rs.	(audited) Rs.		(unaudited) Rs.	(audited) Rs.	
Gross Income	1,883,042,342	1,862,112,664	1	7,263,150,690	6,913,712,166	5
Interest income	1,708,391,970	1,741,493,010	(2)	6,835,674,145	6,481,420,530	5
Interest expenses	(809,722,718)	(803,518,302)	1	(3,244,034,169)	(3,202,130,796)	1
Net Interest Income	898,669,252	937,974,708	(4)	3,591,639,976	3,279,289,734	10
Fee and commission income	103,217,544	107,136,840	(4)	257,538,486	279,284,773	(8)
Fee and commission expenses	(77,406,741)	(67,599,328)	15	(214,822,571)	(161,985,713)	33
Net Fee and Commission Income	25,810,803	39,537,512	(35)	42,715,915	117,299,060	(64)
Net gain/(loss) from trading	1,613,664	991,775	63	(34,804,790)	3,333,736	(1,144)
Other operating income (net)	69,819,164	12,491,039	459	204,742,849	149,673,127	37
Total Operating Income	995,912,883	990,995,034	0	3,804,293,950	3,549,595,657	7
Impairment (charges) / reversal for loans and other losses	(44,657,302)	(99,859,956)	(55)	(813,871,361)	(512,894,347)	59
Net Operating Income	951,255,581	891,135,078	7	2,990,422,589	3,036,701,310	(2)
Operating Expenses						
Personnel expenses	(261,181,208)	(190,521,181)	37	(802,968,838)	(830,828,634)	(3)
Other operating expenses	(347,058,477)	(298,524,877)	16	(1,244,575,020)	(1,055,246,983)	18
Depreciation of property & equipment	(35,896,676)	(29,551,888)	21	(137,171,178)	(116,236,756)	18
Total operating expenses	(644,136,361)	(518,597,946)	24	(2,184,715,036)	(2,002,312,373)	9
Operating Profit before Value Added Tax on Financial Services	307,119,220	372,537,132	(18)	805,707,552	1,034,388,938	(22)
Taxes on Financial Services	(108,402,533)	(91,377,007)	19	(221,190,685)	(248,635,917)	(11)
Operating Profit after Value Added Tax on Financial Services	198,716,687	281,160,125	(29)	584,516,867	785,753,021	(26)
Share of profit/(loss) from associates	(3,427,372)	(3,871,523)	(11)	(8,893,804)	(359,463)	2,374
Loss on change of interest in associate	-	(11,040,075)	(100)	-	(11,040,075)	(100)
Profit before Taxation from Operations	195,289,315	266,248,527	(27)	575,623,063	774,353,483	(26)
Provision for income taxation	(109,746,300)	(33,430,293)	228	(242,023,043)	(86,233,145)	181
Profit for the Period	85,543,015	232,818,234	(63)	333,600,020	688,120,337	(52)
Profit attributable to :						
Equity holders of the Company	82,684,275	230,059,913	(64)	323,677,156	681,934,161	(53)
Non controlling interest	2,858,740	2,758,321	4	9,922,865	6,186,176	60
Profit for the Period	85,543,015	232,818,234	(63)	333,600,020	688,120,337	(52)
Basic/ Diluted earnings per share	2.54	6.91		9.90	20.42	
Dividend Per Share (Rs./Cts.)	-	2.25		-	6.40	

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

As at 31st March	Quarter ended		Financial year ended	
	2019 (unaudited) Rs.	2018 (audited) Rs.	2019 (unaudited) Rs.	2018 (audited) Rs.
Profit for the period	<u>77,615,289</u>	<u>274,573,055</u>	<u>306,082,374</u>	<u>709,329,106</u>
Other Comprehensive Income				
Other Comprehensive Income to be Reclassify to Profit or Loss				
<u>Net gains and losses on available-for-sale financial assets:</u>				
Sri Lanka government securities	<u>(10,259,768)</u>	<u>3,412,228</u>	<u>-</u>	<u>(1,505,120)</u>
Net other comprehensive income to reclassified to profit or loss	<u>(10,259,768)</u>	<u>3,412,228</u>	<u>-</u>	<u>(1,505,120)</u>
Other Comprehensive Income not to be Reclassified to Profit or Loss				
Actuarial gains /(losses) on defined benefit plans	<u>8,681,427</u>	<u>(829,525)</u>	<u>8,681,427</u>	<u>(829,525)</u>
Deferred tax effect on above	<u>(2,430,800)</u>	<u>232,267</u>	<u>(2,430,800)</u>	<u>232,267</u>
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>6,250,627</u>	<u>(597,258)</u>	<u>6,250,627</u>	<u>(597,258)</u>
Total Comprehensive Income for the period	<u>73,606,148</u>	<u>277,388,025</u>	<u>312,333,002</u>	<u>707,226,729</u>

Alliance Finance Company PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

As at 31st March	Quarter ended		Financial year ended	
	2019 (unaudited) Rs.	2018 (audited) Rs.	2019 (unaudited) Rs.	2018 (audited) Rs.
Profit for the period	<u>85,543,015</u>	<u>232,818,234</u>	<u>333,600,020</u>	<u>688,120,337</u>
Other Comprehensive Income				
Other Comprehensive Income to be Reclassify to Profit or Loss				
<u>Net gains and losses on available-for-sale financial assets:</u>				
Sri Lanka government securities	<u>(10,259,768)</u>	<u>(4,988,572)</u>	<u>-</u>	<u>(1,505,120)</u>
Net other comprehensive income to reclassified to profit or loss	<u>(10,259,768)</u>	<u>(4,988,572)</u>	<u>-</u>	<u>(1,505,120)</u>
Other Comprehensive Income not to be Reclassified to Profit or Loss				
Actuarial gains /(losses) on defined benefit plans	<u>8,760,704</u>	<u>(784,570)</u>	<u>8,760,704</u>	<u>(784,570)</u>
Deferred tax effect on above	<u>(2,430,800)</u>	<u>232,267</u>	<u>(2,430,800)</u>	<u>232,267</u>
Net Other Comprehensive Income not be Classified to Profit or Loss	<u>6,329,904</u>	<u>(552,303)</u>	<u>6,329,904</u>	<u>(552,303)</u>
Total Comprehensive Income for the period	<u>81,613,152</u>	<u>227,277,359</u>	<u>339,929,925</u>	<u>686,062,915</u>
Attributable to:				
Equity holders of the company	<u>78,754,412</u>	<u>224,519,038</u>	<u>330,007,060</u>	<u>679,876,739</u>
Non controlling interest	<u>2,858,740</u>	<u>2,758,321</u>	<u>9,922,865</u>	<u>6,186,176</u>
Total Comprehensive Income for the period	<u>81,613,152</u>	<u>227,277,359</u>	<u>339,929,925</u>	<u>686,062,915</u>

Alliance Finance Company PLC

STATEMENT OF FINANCIAL POSITION

As at 31st March 2019

As at 31st March	Company		Group	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Assets				
Cash and cash equivalents	281,584,736	510,364,191	290,719,999	551,552,815
Repurchase agreements	210,053,286	638,820,384	210,053,286	638,820,384
Placements with banks & financial institutions	732,163,843	476,510,425	732,163,843	476,510,425
Financial assets recognised through profit or loss	1,807,179,087	-	1,807,179,087	-
Financial investments-held for trading	-	751,264,685	-	751,264,685
Loans and advances - at amortised cost	6,511,650,984	7,877,246,355	6,511,789,304	7,877,373,054
Lease rentals receivable & stock out on hire - at amortised cost	18,842,072,665	17,553,965,443	18,842,072,665	17,553,965,443
Hire purchase rentals receivable & stock out on hire - at amortised cost	12,349,092	62,388,834	12,349,092	62,388,835
Financial assets- fair value through other comprehensive income	579,250	-	579,250	-
Financial investments - available for sale	-	381,521,952	-	381,521,952
Other trading stocks	401,655,826	140,786,132	401,655,826	140,786,132
Other financial assets	405,658,059	323,549,421	446,862,406	349,638,381
Other non financial assets	217,705,371	115,538,485	217,705,362	115,985,993
Investments in associates	48,469,100	57,362,904	84,731,550	76,411,294
Investments in subsidiaries	16,924,038	16,924,038	-	-
Property, plant & equipment	2,231,227,343	2,167,727,899	2,231,484,137	2,168,021,698
Intangible assets	56,523,495	56,746,867	56,523,495	56,746,867
Deferred tax assets	349,861,152	647,838,785	350,405,477	648,285,324
Total Assets	32,125,657,326	31,778,556,800	32,196,274,778	31,849,273,281
Liabilities				
Due to banks	12,589,469,582	11,042,104,540	12,589,469,582	11,053,987,056
Due to customers	12,493,682,808	13,256,951,431	12,493,682,808	13,256,951,431
Debt instruments issued and other borrowed funds	819,062,771	1,645,799,918	819,062,771	1,645,799,918
Other financial liabilities	781,933,240	456,262,778	781,730,347	473,689,207
Other non financial liabilities	56,531,752	36,923,025	56,531,752	36,923,025
Derivative financial liabilities	99,770,779	39,238,389	99,770,779	39,238,389
Income tax liabilities	142,820,283	25,004,302	145,886,767	26,636,671
Retirement benefit liabilities	30,699,249	64,596,330	32,643,265	66,191,109
Deferred tax liabilities	670,747,486	981,828,524	670,823,058	981,871,560
Total Liabilities	27,684,717,951	27,548,709,237	27,689,601,129	27,581,288,366
Shareholders' Funds				
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	1,655,209,974	1,499,976,696	1,691,133,500	1,518,254,752
Reserves	2,171,749,401	2,115,890,867	2,171,749,401	2,115,890,867
Total Equity Attributable to Equity Holders of the Company	4,440,939,375	4,229,847,563	4,476,862,901	4,248,125,619
Non controlling interest	-	-	29,810,748	19,859,296
Total Equity	4,440,939,375	4,229,847,563	4,506,673,648	4,267,984,914
Total Liabilities and Shareholders' Funds	32,125,657,326	31,778,556,800	32,196,274,778	31,849,273,281
Net assets value per share (Rs.)	132	126	134	127


Accounting policies & notes to the accounts form an integral part of these Financial Statements.

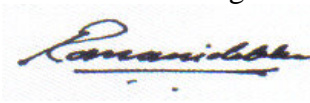
Certification

I certify that these Financial Statements are presented in compliance with the requirements of the Companies Act No. 07 of 2007.


 Chamindra de Silva
 Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by,


 Kusal Jayawardana
 Director Finance & Operations


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

28-May-19
 Colombo

Alliance Finance Company PLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2019

Company	Stated Capital	Statutory Reserve	Capital Reserve	General Reserve	Available for Sale Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2017	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)
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)
Balances as at 31st March 2018	613,980,000	773,074,800	949,199,546	388,258,055	5,358,466	-	-	1,499,976,696	4,229,847,563
Impact of adopting SLFRS 9	-	-	-	-	(5,358,466)	5,358,466	-	(20,066,724)	(20,066,724)
Restated opening balance under SLFRS 9	613,980,000	773,074,800	949,199,546	388,258,055	-	5,358,466	-	1,479,909,972	4,209,780,839
Balance as at 1st April 2018	613,980,000	773,074,800	949,199,546	388,258,055	-	5,358,466	-	1,479,909,972	4,209,780,839
Profit for the year	-	-	-	-	-	-	-	306,082,374	306,082,374
Other comprehensive income, net of tax	-	-	-	-	-	-	-	6,250,627	6,250,627
Reclassified to profit or loss as per SLFRS 09	-	-	-	-	-	(5,358,466)	-	-	(5,358,466)
Transfer to statutory reserve	-	61,217,000	-	-	-	-	-	(61,217,000)	-
Dividend paid	-	-	-	-	-	-	-	(75,816,000)	(75,816,000)
Balances as at 31st March 2019	613,980,000	834,291,800	949,199,546	388,258,055	-	-	-	1,655,209,974	4,440,939,374
Group									
Balance as at 1st April 2017	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)	(2,057,422)
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)
Balances as at 31st March 2018	613,980,000	773,074,800	949,199,546	388,258,055	5,358,466	-	19,859,296	1,518,254,752	4,267,984,915
Impact of adopting SLFRS 9	-	-	-	-	(5,358,466)	5,358,466	-	(20,066,724)	(20,066,724)
Restated opening balance under SLFRS 9	613,980,000	773,074,800	949,199,546	388,258,055	-	5,358,466	19,859,296	1,498,188,028	4,247,918,191
Balance as at 1st April 2018	613,980,000	773,074,800	949,199,546	388,258,055	-	5,358,466	19,859,296	1,498,188,028	4,247,918,191
Profit for the year	-	-	-	-	-	-	9,922,865	323,677,156	333,600,020
Other comprehensive income, net of tax	-	-	-	-	-	-	28,587	6,301,317	6,329,904
Reclassified to profit or loss as per SLFRS 09	-	-	-	-	-	(5,358,466)	-	-	(5,358,466)
Transfer to statutory reserve	-	61,217,000	-	-	-	-	-	(61,217,000)	-
Dividend paid	-	-	-	-	-	-	-	(75,816,000)	(75,816,000)
Balances as at 31st March 2019	613,980,000	834,291,800	949,199,546	388,258,055	-	-	29,810,748	1,691,133,500	4,506,673,648

Figures in brackets indicate deductions.

Accounting policies & notes to accounts form an integral part of these Financial Statements.

Alliance Finance Company PLC
STATEMENT OF CASH FLOWS

For the year ended 31st March	Company		Group	
	2019	2018	2019	2018
Cash Flows From / (Used in) Operating Activities	Rs.	Rs.	Rs.	Rs.
Profit before Income Tax Expense	537,832,004	788,639,433	575,623,063	774,353,483
Adjustments for;				
Depreciation of property, plant & equipment	128,472,318	108,860,544	128,599,325	109,018,673
Amortization of intangible assets	8,571,853	7,218,083	8,571,853	7,218,083
Impairment (reversal)/provision	437,231,897	415,603,933	437,231,897	415,603,933
Interest on fixed deposits, commercial paper & treasury bills	(105,930,809)	(119,668,726)	(108,879,957)	(122,451,376)
(Profit) /loss on sale of securities	4,076,301	(6,378,862)	4,076,301	(6,378,862)
Fair value (gain)/loss on equity investments (FVTPL)	1,129,628	514,602	1,129,628	514,602
Previous year WHT written-off	10,546	52,653	10,546	52,653
Bad debt written-off	376,639,464	97,290,414	376,639,464	97,290,414
Bonus provision reversal	-	-	830,915	-
Diminution/(appreciation) in value of investments	39,152,075	(5,187,779)	39,152,075	(5,187,779)
Diminution/(appreciation) in value of treasury bonds	(5,862,896)	-	(5,862,896)	-
Loss/(profit) on disposal of property, plant & equipment	(912,208)	(1,746,639)	(912,208)	(1,746,639)
Provision/(reversal) for defined benefit plans	32,693,185	34,308,582	33,121,699	34,674,274
Loss/(profit) on changes of interest in associate	-	11,040,075	(17,214,060)	11,040,075
Dividend received	(5,635,045)	(43,453,580)	(5,635,045)	(5,077,580)
Share of loss/(profit) from associates	8,893,804	359,463	8,893,804	359,463
Operating Profit before Working Capital Changes	1,456,362,117	1,287,452,198	1,475,376,404	1,309,283,417
(Increase)/decrease in trading stock	(260,869,694)	(131,010,196)	(260,869,694)	(131,010,196)
(Increase)/decrease in loans and advances	1,007,521,858	(686,706,863)	1,007,510,237	(686,717,099)
(Increase)/decrease in lease rentals receivable & stock out on hire	(1,752,643,849)	(1,949,130,899)	(1,752,643,849)	(1,949,130,899)
(Increase)/decrease in hire purchase rentals receivable & stock out on hire	30,908,071	112,837,814	30,908,072	112,837,814
(Increase)/decrease in fixed deposits & repurchase agreements	173,113,680	279,311,747	173,113,680	333,704,294
(Increase)/decrease in other financial assets	(82,108,638)	(67,770,434)	(97,224,025)	(58,080,181)
(Increase)/decrease in other non financial assets	(102,166,886)	2,800,795	(101,719,369)	2,372,598
Increase/(decrease) in amounts due to customers	(763,268,623)	3,169,129,517	(763,268,623)	3,169,129,517
Increase/(decrease) in derivative financial liabilities	60,532,390	21,501,809	60,532,390	21,501,809
Increase/(decrease) in other financial liabilities	325,670,462	(431,768,979)	308,041,140	(429,092,886)
Increase/(decrease) in other non financial liabilities	19,608,727	(14,737,994)	19,608,727	(14,737,994)
Cash generated from/(used in) Operations	112,659,616	1,591,908,515	99,365,090	1,680,060,195
Retirement benefit liabilities paid	(26,065,445)	(23,511,922)	(26,065,445)	(23,511,922)
Investment in gratuity fund	(31,843,394)	(27,175,593)	(31,843,394)	(27,175,593)
Taxes paid	(121,674,674)	(102,090,558)	(131,410,142)	(110,915,654)
Net cash generated from/(used in) operating activities	(66,923,897)	1,439,130,442	(89,953,891)	1,518,457,026
Cash Flows from Investing Activities				
Acquisition of property, plant & equipment	(198,964,496)	(193,621,051)	(199,054,496)	(193,749,500)
Acquisition of Intangible Assets	(8,348,481)	(14,466,326)	(8,348,481)	(14,466,326)
Proceeds from sales of property, plant & equipment	7,904,946	41,692,436	7,904,946	41,692,436
Net sales/ (purchases) of financial investments held -for- trading	(1,100,272,406)	511,403,133	(1,100,272,406)	511,403,133
Net sale/(purchase) of financial investments - available- for- sale financial	381,447,131	105,097,181	381,447,131	99,548,791
Dividend received	5,635,045	43,453,580	5,635,045	5,077,580
Interest on fixed deposits, commercial paper & treasury bills	105,930,809	119,668,726	108,879,957	122,451,376
Net cash generated from investing activities	(806,667,452)	613,227,679	(803,808,304)	571,957,490
Cash flows from / (used in) financing activities				
Proceeds from debentures and increase in borrowed funds	(826,737,147)	(902,425,888)	(826,737,147)	(902,425,888)
Net increase /(decrease) in other borrowings	1,554,607,570	(669,170,833)	1,542,725,054	(688,771,391)
Net increase /(decrease) in finance lease	(7,242,528)	(6,623,982)	(7,242,528)	(6,623,982)
Dividend paid	(75,816,000)	(213,969,600)	(75,816,000)	(235,605,600)
Net cash generated from/(used in) financing activities	644,811,895	(1,792,190,303)	632,929,379	(1,833,426,861)
Net increase/(decrease) in cash and cash equivalents	(228,779,455)	260,167,818	(260,832,816)	256,987,655
Cash and cash equivalents at the beginning of the year	510,364,191	250,196,373	551,552,815	294,565,160
Cash and cash equivalents at the end of the year	281,584,736	510,364,191	290,719,999	551,552,815
Movement in Cash and Cash Equivalent	(228,779,455)	260,167,818	(260,832,816)	256,987,655

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
NOTES TO THE FINANCIAL STATEMENTS
SEGMENT REPORT

31st March 2019	Leasing	Hire Purchase & Consumer Durables	Loans	Pawning	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE										
External sales	13,772,592,971	38,099,735	1,727,362,883	372,628,650	37,006,705	5,635,045	144,197,530	9,555,901	193,252,514	16,300,331,935
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	13,772,592,971	38,099,735	1,727,362,883	372,628,650	37,006,705	5,635,045	144,197,530	9,555,901	193,252,514	16,300,331,935
Total income	4,806,176,442	9,014,348	1,726,832,570	372,628,650	37,006,705	(37,593,331)	144,197,530	11,635,261	193,252,514	7,263,150,690
RESULTS										
Segment results	3,641,831,390	(6,239,725)	872,918,236	314,786,961	24,473,724	(70,988,967)	108,071,931	11,635,261	127,705,401	5,024,194,213
Unallocated company expenses										(1,195,643,177)
Operating profit										3,828,551,036
Interest expense	(2,086,557,453)	(1,367,529)	(575,986,423)	(145,124,398)	(12,395,251)	(18,258,879)	(205,192,116)	(4,566,825)	(194,585,295)	(3,244,034,169)
Share of profits of associates before tax										(8,893,804)
Income taxes										(242,023,043)
Net Profit										333,600,020
OTHER INFORMATION										
Segment assets	18,842,072,665	12,349,092	5,201,284,072	1,310,505,232	111,931,839	164,881,693	1,852,929,930	41,239,434	1,757,148,003	29,294,341,961
Investment in associates										84,731,550
Unallocated company assets										2,817,201,268
Total assets										32,196,274,778
Segment liabilities	16,398,041,729	10,321,917	4,347,463,267	1,095,378,233	93,557,581	137,815,411	1,548,760,786	34,469,743	1,468,702,015	25,134,510,682
Unallocated company liabilities										2,555,090,447
Total liabilities										27,689,601,129
31st March 2018										
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE										
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	-	-	-	-	-	-	-	-	-	-
Total revenue	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
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	6,913,712,166
RESULTS										
Segment results	3,166,674,103	32,875,477	1,149,570,102	157,765,319	5,448,038	21,421,639	102,239,978	5,256,544	132,880,876	4,774,132,076
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)	(3,202,130,797)
Share of profits of associates before tax										(359,463)
Loss on change of interest in associate										(11,040,075)
Income taxes										(86,233,145)
Net Profit										688,120,337
OTHER INFORMATION										
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
Total assets										31,849,273,282
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	24,614,872,732
Unallocated company liabilities										2,966,415,635
Total liabilities										27,581,288,366

Alliance Finance Company PLC

EXPLANATORY NOTES

- 1 The figures given in the statements for the financial year ended 31st March 2019 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 2018 were consistently followed during the said period.
- 3 The financial statements for the financial year ended 31st March 2019 have been presented in the same format adopted in the audited accounts as at 31st March 2018, 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 2019.
- 5 The management has decided to reclassify its property at 199/10 & 199/11 at Obesekarapura, Rajagiriya from property plant and equipment to investment property. The Company plans to dispose/develop and dispose the said property and the present business usage of the property is insignificant. The reclassification would be made in the audited financial statements for the year ended 31.03.2019 upon finalization of the annual external audit.
- 6 During the quarter ended 31st March 2019, the Company redeemed Rs.480,170,488 worth of 6,282,000 Unsecured, Redeemable, Listed and rated Debentures issued in September 2013 of Rs. 100/- each upon maturity.
- 7 There has not been a significant change in the nature of the Contingent Liabilities which were disclosed in the financial year ended 31st March 2019.
- 8 Mr. Sunil Karunanayake, chairman deceased unexpectedly on 27th May 2018. The Board of Directors of the Company resolved to appoint Mrs. Ramani Nelun Ponnambalam as the Chairperson w.e.f. 31st July 2018 and Mrs. Priyanthi de Silva as an Independent Non Executive Director w.e.f. 09th August 2018. Mr. Ravindra Erle Rambukwelle appointed as Executive Director Credit Operations and Marketing w.e.f. 06th September 2018.
- 9 On 10th July 2018, the Company paid a final dividend of Rs. 2.25 per share totaling to Rs. 75.8 million for the financial year 2017/18.
- 10 The Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments”, which replaces the existing guidance on LKAS 39 on “Financial Instruments : Recognition and Measurement” has become effective for annual reporting periods beginning on or after January 01,2018. SLFRS 9 replaces the “Incurred Loss Model” in LKAS 39 with forward looking “Expected Loss Model” (“ECL”) which requires considerable judgment over how changes in economic factors affect ECL, which in turn is to be determined on probability weighted basis. SLFRS 9 also contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed based on their cash flow characteristics.
The total additional impairment provision on loans and receivables based on SLFRS 9 for the year 2017/18 net of deferred tax of Rs. 20 Mn has been recognised in the statements of changes in equity.
Investment in government treasury bond previously classified under available for sale category, have been reclassified as financial assets fair value through profit and loss.

- 11 The following comparative figures have been reclassified in 2018, to maintain comparability and to provide better presentation of financial statements.

Nature	Previous year classification	Current year classification	Amount (Rs.)
NBT on financial services	Other Operating expenses	Taxes on financial services	25,866,666

- 12 During the quarter ended 31st March 2019, the Company has not raised foreign funds or issued debt securities to general public.
- 13 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.

Alliance Finance Company PLC

SHAREHOLDERS' INFORMATION

INFORMATION ON ORDINARY SHARES

Market price per share

Quarter ended 01st January to 31st March	2019	2018
Highest Price	60.00	74.00
Lowest Price	50.00	65.30
Last Traded	53.60	65.70

Issued capital

As at 31st March 2019 the Stated Capital was Rs. 613,980,000/- of 33,696,000 Ordinary shares were issued.

Directors'/ CEO's Holding in Shares as at 31st March 2019

No	Name of Director	No of Shares
1	Mrs.R.N. Ponnambalam	2,772
2	Mr.R.K.E.P. de Silva *	8,934,075
3	Mr.A.R. Samarasinghe	1,386
4	Mr.J.M. Gunasekera	1,500
5	Dr.L.A.P. Medis	100
6	Mr.W.P.K. Jayawardana	100
7	Mrs.P. De Silva	100
8	Mr.R.E. Rambukwelle	10,000
	* Jt Holding with Mr.J.E.P.A. de Silva	2,101,216

Twenty Largest Ordinary Shareholders as at 31st March 2019

No.	Name of Shareholder	No. of Shares	%
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	Mrs 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	804,718	2.39
8	Mrs.S.E. Canekeratne	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.	311,877	0.93
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	Mr.Y.H. Abdulhussein	245,161	0.73
18	Ms.D.C.M.A. Perera	236,632	0.70
19	Mrs.L.S. Semage	232,560	0.69
20	Miss R.H. Abdulhussein	232,378	0.69

Public Shareholding as at 31st March 2019

No of Shares	%
18,091,251	53.69

No of Shareholders

The percentage of ordinary shares held by the public as at 31st March 2019 was 53.69% and the number of shareholders representing the public holding was 1,264.

Float Adjusted Market Capitalization

The Float adjusted market capitalization as at 31st March 2019 - Rs. 969,698,097/- and the Company falls under Option 5 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Alliance Finance Company PLC

INFORMATION ON DEBENTURE

Debenture Investor Indicators

31.03.2019

Debt/equity ratio times	5.85
Interest cover times	2.12
Liquid assets ratio (%)	17.85%

Debenture 2014-2019 Market Price (Rs.)	Lowest	Highest	Last Traded
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 (%)

4 Years - 9% p.a payable annually	Not Traded
5 Years - 9.35% p.a payable annually	Not Traded

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

4 Years - 9% p.a payable annually	Not Traded
5 Years - 9.35% p.a payable annually	Not Traded

Yield of comparable government securities (%)

31.03.2019

03 years treasury bonds	10.70%
04 years treasury bonds	10.80%
05 years treasury bonds	11.05%

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

R.N Ponnambalam - *Chairperson (Appointed 31st July 2018)*
Romani de Silva - F.I.C.M.(SL) - *Deputy Chairman / Managing Director*
J.M. Gunasekara, B.Sc. (Agri), MBA, *Executive Director Sustainability*
W.P. Kusal Jayawardana - CFA, MBA, ACMA. CGMA - *Executive Director Finance and Operations*
Ravi Rambukwelle - BA, MCIM(UK), ACI (UK), *Executive Director - Credit Operations and Marketing (Appointed 6th September 2018)*
L.A.P. Medis, PhD, MBA, B. Com (Sp), MCIM, CMA - *Consultant Director Marketing*
Lt. Col (Retd) A.R. Samarasinghe, MSc, CS (Security), BIT- *Independent Non Executive Director*
Priyanthi de Silva - FCMA, CGMA, FCPA - *Independent Non Executive Director (Appointed 9th August 2018)*

Secretaries

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

Audit Committee

Mrs. P. de Silva *Chairperson*
Lt.Col (Retd.) A.R. Samarasinghe

Remuneration Committee

Lt.Col (Retd.) A.R. Samarasinghe - *Chairman*
Mrs. P. de Silva
Mrs. R.N. Ponnamlalam

Auditors

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

Legal Consultants

Gunawardene Ranasinghe Associates
Sudath Perera Associates

Advisory Council

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

Bankers

Sampath Bank PLC
Seylan Bank PLC
Public Bank Berhad
People's Bank
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon
Nations Trust Bank PLC
Union Bank of Colombo PLC
DFCC Bank PLC
NDB Bank PLC
Lankaputhra Development Bank Limited
Deutsche Bank