

Central Finance Company PLC

Rated A+(lka) by Fitch Ratings Lanka Ltd.

INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

CENTRAL FINANCE COMPANY PLC STATEMENT OF INCOME						
For the year ended 31st March	Group			Company		
	2019	2018	Increase (decrease) %	2019	2018	Increase (decrease) %
	Unaudited Rs.'000	Unaudited (Restated) Rs.'000		Unaudited Rs.'000	Unaudited (Restated) Rs.'000	
Income	23,566,453	20,502,024	14.95	20,287,638	17,797,262	13.99
Interest income	18,571,815	16,114,759	15.25	18,494,161	16,040,778	15.29
Less: Interest expenses	5,977,190	5,203,545	14.87	6,011,808	5,226,197	15.03
Net interest income	12,594,625	10,911,214	15.43	12,482,353	10,814,581	15.42
Other revenue	3,340,097	2,786,351	19.87	-	-	-
Less: Cost of sales	2,412,427	1,970,053	22.45	-	-	-
Gross profit	927,670	816,298	13.64	-	-	-
Other operating income	1,000,957	807,240	24.00	1,004,701	809,304	24.14
Other income	653,584	793,674	(17.65)	788,776	947,180	(16.72)
	15,176,836	13,328,426	13.87	14,275,830	12,571,065	13.56
Less: Operating expenses						
Personnel expenses	2,213,401	1,890,142	17.10	1,940,425	1,633,544	18.79
Premises, equipment, establishment and other expenses	2,532,507	2,712,010	(6.62)	2,374,563	2,549,463	(6.86)
Employee retirement benefit expenses	202,361	199,061	1.66	181,986	176,227	3.27
	4,948,269	4,801,213	3.06	4,496,974	4,359,234	3.16
Profit before impairment on loans and other credit losses	10,228,567	8,527,213	19.95	9,778,856	8,211,831	19.08
Less: Impairment on loans and other credit losses	2,213,650	396,051	458.93	2,210,174	395,032	459.49
	8,014,917	8,131,162	(1.43)	7,568,682	7,816,799	(3.17)
Share of profit of associates	1,206,554	1,245,739	(3.15)	-	-	-
Profit before VAT on financial services, NBT, debt repayment levy and income tax	9,221,471	9,376,901	(1.66)	7,568,682	7,816,799	(3.17)
Less: VAT on financial services and NBT	1,173,645	1,116,079	5.16	1,173,645	1,116,079	5.16
Debt repayment levy	258,240	-	-	258,240	-	-
Profit before income tax	7,789,586	8,260,822	(5.70)	6,136,797	6,700,720	(8.42)
Less: Income tax expense	2,660,832	2,754,795	(3.41)	2,054,273	2,184,880	(5.98)
Profit after income tax	5,128,754	5,506,027	(6.85)	4,082,524	4,515,840	(9.60)
Attributable to equity holders of the parent	5,041,398	5,439,837	(7.32)	4,082,524	4,515,840	(9.60)
Attributable to non-controlling interest	87,356	66,190	31.98	-	-	-
Net profit for the year	5,128,754	5,506,027	(6.85)	4,082,524	4,515,840	(9.60)
Basic and diluted earnings per share - Rs.	23.06	24.88				

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

CENTRAL FINANCE COMPANY PLC STATEMENT OF COMPREHENSIVE INCOME						
For the year ended 31st March	Group			Company		
	2019	2018	Increase (decrease) %	2019	2018	Increase (decrease) %
	Unaudited Rs.'000	Unaudited (Restated) Rs.'000		Unaudited Rs.'000	Unaudited (Restated) Rs.'000	
Profit for the year	5,128,754	5,506,027	(6.85)	4,082,524	4,515,840	(9.60)
Other comprehensive income to be reclassified to income statement						
Fair value change in available for sale investments	-	-	-	-	-	-
Share from associates	-	78,695	-	-	-	-
Tax effect thereon	-	(22,035)	-	-	-	-
	-	56,660	-	-	-	-
Fair value changes in debt securities at fair value through other comprehensive income						
Share from associates	(2,284)	-	-	-	-	-
Tax effect thereon	640	-	-	-	-	-
	(1,644)	-	-	-	-	-
Total other comprehensive income to be reclassified to income statement	(1,644)	56,660	(102.90)	-	-	-
Other comprehensive income not to be reclassified to income statement						
Actuarial gains / (losses) on defined benefit plans	(78,756)	(74,693)	(5.44)	(84,706)	(70,912)	(19.45)
Tax effect thereon	2,263	36,264	(93.76)	3,862	35,326	(89.07)
	(76,493)	(38,429)	(99.05)	(80,844)	(35,586)	(127.18)
Share from associates	6,878	(9,896)	169.50	-	-	-
Tax effect thereon	(1,931)	2,770	(169.72)	-	-	-
	4,947	(7,126)	169.42	-	-	-
Revaluation gain on land reclassified as investment properties	-	179,816	-	-	179,816	-
Tax effect on revaluation surplus of land	-	(617,197)	-	-	(508,275)	-
Revaluation of land & buildings						
Gain on revaluation of land and buildings	3,758,345	-	-	2,784,268	-	-
Tax effect thereon	(1,091,016)	-	-	(779,595)	-	-
	2,667,329	-	-	2,004,673	-	-
Share from associates	8,928	273,953	(96.74)	-	-	-
Tax effect thereon	(2,489)	(72,824)	96.58	-	-	-
	6,439	201,129	(96.80)	-	-	-
Total other comprehensive income not to be reclassified to income statement	2,602,222	(281,807)	1,023.41	1,923,829	(364,045)	628.46
Other comprehensive income for the year (net of tax)	2,600,578	(225,147)	1,255.06	1,923,829	(364,045)	628.46
Total comprehensive income for the year	7,729,332	5,280,880	46.36	6,006,353	4,151,795	44.67
Attributable to equity holders of the parent	7,425,559	5,253,725	41.34	6,006,353	4,151,795	44.67
Attributable to non-controlling interest	303,773	27,155	1,018.66	-	-	-
Total comprehensive income for the year	7,729,332	5,280,880	46.36	6,006,353	4,151,795	44.67

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

CENTRAL FINANCE COMPANY PLC
STATEMENT OF INCOME

For the three months ended 31st March

	Group			Company		
	2019	2018	Increase (decrease)	2019	2018	Increase (decrease)
	Unaudited	Unaudited (Restated)		Unaudited	Unaudited (Restated)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Income	6,268,131	5,323,075	17.75	5,426,220	4,673,483	16.11
Interest income	4,906,019	4,183,492	17.27	4,892,103	4,164,283	17.48
Less: Interest expenses	1,597,380	1,358,431	17.59	1,614,065	1,365,006	18.25
Net interest income	3,308,639	2,825,061	17.12	3,278,038	2,799,277	17.10
Other revenue	900,447	712,962	26.30	-	-	-
Less: Cost of sales	677,546	516,641	31.14	-	-	-
Gross profit	222,901	196,321	13.54	-	-	-
Other operating income	252,778	228,540	10.61	253,719	229,500	10.55
Other income	208,887	198,081	5.46	280,398	279,700	0.25
	3,993,205	3,448,003	15.81	3,812,155	3,308,477	15.22
Less: Operating expenses						
Personnel expenses	580,201	494,255	17.39	507,812	431,574	17.67
Premises, equipment, establishment and other expenses	680,591	666,189	2.16	642,224	624,774	2.79
Employee retirement benefit expenses	41,937	51,613	(18.75)	37,986	46,302	(17.96)
	1,302,729	1,212,057	7.48	1,188,022	1,102,650	7.74
Profit before impairment on loans and other credit losses	2,690,476	2,235,946	20.33	2,624,133	2,205,827	18.96
Less: Impairment on loans and other credit losses	1,157,933	(48,272)	(2,498.77)	1,156,876	(47,830)	(2,518.72)
	1,532,543	2,284,218	(32.91)	1,467,257	2,253,657	(34.89)
Share of profit of associates	317,141	249,006	27.36	-	-	-
Profit before VAT on financial services, NBT, debt repayment levy and income tax	1,849,684	2,533,224	(26.98)	1,467,257	2,253,657	(34.89)
Less: VAT on financial services and NBT	231,254	303,529	(23.81)	231,254	303,529	(23.81)
Debt repayment levy	114,456	-	-	114,456	-	-
Profit before income tax	1,503,974	2,229,695	(32.55)	1,121,547	1,950,128	(42.49)
Less: Income tax expense	546,220	699,187	(21.88)	383,376	589,580	(34.97)
Profit after income tax	957,754	1,530,508	(37.42)	738,171	1,360,548	(45.74)
Attributable to equity holders of the parent	938,754	1,514,859	(38.03)	738,171	1,360,548	(45.74)
Attributable to non-controlling interest	19,000	15,649	21.41	-	-	-
Net profit for the period	957,754	1,530,508	(37.42)	738,171	1,360,548	(45.74)
Basic and diluted earnings per share - Rs.	4.29	6.93				

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

CENTRAL FINANCE COMPANY PLC
STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31st March

	Group			Company		
	2019	2018	Increase (decrease)	2019	2018	Increase (decrease)
	Unaudited	Unaudited (Restated)		Unaudited	Unaudited (Restated)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	957,754	1,530,508	(37.42)	738,171	1,360,548	(45.74)
Other comprehensive income to be reclassified to income statement						
Fair value change in available for sale investments						
Share from associates	-	78,695	-	-	-	-
Tax effect thereon	-	(22,035)	-	-	-	-
	-	56,660	-	-	-	-
Fair value changes in debt securities at fair value through other comprehensive income						
Share from associates	(2,284)	-	-	-	-	-
Tax effect thereon	640	-	-	-	-	-
	(1,644)	-	-	-	-	-
Total other comprehensive income to be reclassified to income statement	(1,644)	56,660	-	-	-	-
Other comprehensive income not to be reclassified to income statement						
Actuarial gains / (losses) on defined benefit plans						
Actuarial gains / (losses) on defined benefit plans	(84,057)	(65,308)	(28.71)	(84,706)	(70,912)	-
Tax effect thereon	3,747	33,636	(88.86)	3,862	35,326	-
	(80,310)	(31,672)	(153.57)	(80,844)	(35,586)	-
Share from associates	6,878	(9,896)	169.50	-	-	-
Tax effect thereon	(1,931)	2,770	(169.71)	-	-	-
	4,947	(7,126)	169.42	-	-	-
Revaluation gain on land reclassified as investment properties	-	179,816	-	-	179,816	-
Tax effect on revaluation surplus of land	-	(617,197)	-	-	(508,275)	-
Revaluation of land & buildings						
Gain on revaluation of land and buildings	3,758,345	-	-	2,784,268	-	-
Tax effect thereon	(1,091,016)	-	-	(779,595)	-	-
	2,667,329	-	-	2,004,673	-	-
Share from associates	8,928	20,428	(56.30)	-	-	-
Tax effect thereon	(2,489)	(1,837)	(35.49)	-	-	-
	6,439	18,591	(65.36)	-	-	-
Total other comprehensive income not to be reclassified to income statement	2,598,405	(457,588)	667.85	1,923,829	(364,045)	628.46
Other comprehensive income for the period (net of tax)	2,596,761	(400,928)	747.69	1,923,829	(364,045)	628.46
Total comprehensive income for the period	3,554,515	1,129,580	214.68	2,662,000	996,503	167.13
Attributable to equity holders of the parent	3,317,098	1,153,966	187.45	2,662,000	996,503	167.13
Attributable to non-controlling interest	237,417	(24,386)	1,073.58	-	-	-
Total comprehensive income for the period	3,554,515	1,129,580	214.68	2,662,000	996,503	167.13

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

CENTRAL FINANCE COMPANY PLC
STATEMENT OF FINANCIAL POSITION

As at	Group			Company		
	31.03.2019	31.03.2018	01.04.2017	31.03.2019	31.03.2018	01.04.2017
	Unaudited	Unaudited (Restated)	Unaudited (Restated)	Unaudited	Unaudited (Restated)	Unaudited (Restated)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Cash in hand and at banks	740,055	580,000	516,257	697,390	533,765	459,931
Fair value through profit or loss financial assets	564,843	654,954	447,991	558,482	619,420	423,832
Trade and other receivables	1,272,695	1,140,508	982,218	456,153	442,168	309,749
Tax receivables	391	950	1,775	-	-	-
Inventories and other stocks	978,258	1,452,708	1,275,049	381,363	881,873	679,714
Securities bought under repurchase agreements	3,289,551	3,099,174	2,949,728	3,289,551	3,099,174	2,949,728
Loans and receivables from banks	1,447,867	1,232,799	911,204	1,441,839	1,226,741	905,628
Loans and receivables from others	593,140	692,817	1,061,730	38,715	63,606	398,038
Loans and receivables from customers	5,996,253	7,579,560	6,889,348	5,986,999	7,570,249	6,987,597
Net investment in leases and hire purchase	75,751,083	61,301,013	55,892,821	75,751,083	61,301,013	55,892,821
Investments in real estate	23,053	44,834	65,051	23,053	44,834	65,051
Investment properties	303,800	313,663	-	303,800	313,663	-
Investments in associates	6,503,658	5,769,300	4,075,059	1,391,054	1,330,862	523,458
Investments in subsidiaries	-	-	-	289,063	306,456	306,456
Deferred tax asset	14,871	14,574	11,920	-	-	-
Property, plant and equipment	12,659,775	8,395,647	7,134,854	10,405,707	7,100,198	5,921,176
Intangible assets	118,787	103,276	100,366	117,937	102,245	99,963
Total assets	110,258,080	92,375,777	82,315,371	101,132,189	84,936,267	75,923,142
LIABILITIES						
Bank overdrafts	1,461,012	765,037	1,059,332	1,444,731	750,569	1,047,908
Tax payables	1,991,734	905,751	889,101	1,914,796	864,753	834,693
Trade and other payables	1,674,727	1,852,206	1,642,932	1,175,837	1,457,585	1,292,203
Amounts due to subsidiaries	-	-	-	216,021	204,333	187,987
Short term borrowings	2,329,590	1,753,653	1,845,352	2,236,061	1,557,586	1,699,196
Deposits	45,149,518	40,570,199	35,527,936	45,669,738	40,766,497	35,707,147
Long term borrowings	7,050,557	4,875	5,425	7,046,982	-	-
Debentures	2,296,284	5,643,712	6,140,818	2,296,284	5,643,712	6,140,818
Employee benefit obligations	1,398,235	1,188,609	995,545	1,277,780	1,069,518	875,120
Deferred tax liability	5,046,493	4,912,249	3,755,583	4,546,182	4,726,368	3,690,053
Total liabilities	68,398,150	57,596,291	51,862,024	67,824,412	57,040,921	51,475,125
SHAREHOLDERS' FUNDS						
Stated capital	1,527,778	1,337,564	1,337,564	1,527,778	1,337,564	1,337,564
Revaluation reserve	4,739,425	2,291,952	2,510,631	3,573,069	1,571,945	1,919,787
Reserve fund	2,037,000	1,824,000	1,599,000	2,037,000	1,824,000	1,599,000
Other comprehensive income reserve	17,993	19,637	(37,023)	-	-	-
Loan loss reserve	920,000	920,000	-	920,000	920,000	-
Revenue reserves	31,498,444	27,521,078	24,158,943	25,249,930	22,241,837	19,591,666
Funds attributable to equity holders of the parent	40,740,640	33,914,231	29,569,115	33,307,777	27,895,346	24,448,017
Non-controlling interest	1,119,290	865,255	884,232	-	-	-
Total liabilities, shareholders' funds and non-controlling interest	110,258,080	92,375,777	82,315,371	101,132,189	84,936,267	75,923,142
Net asset value per share - Rs.	186.32	155.10	135.23	152.33	127.57	111.81

I certify that the financial statements comply with the requirements of the Companies Act No.07 of 2007.



U. B. Elangasinha
Chief Financial Officer

The Board of directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the board.



E. H. Wijenaik
Managing Director

27th May 2019



G. S. N. Peiris
Director (Finance)

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

CENTRAL FINANCE COMPANY PLC
STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the company

Group equity statement for the year ended 31st March 2019

	Stated capital	Revaluation reserve	Reserve fund	FVOCI reserve/Available for sale reserve	Loan loss reserve	General reserves	Retained earnings	Non-controlling interest	Total
Balance as at 1st April 2017 as previously reported	1,337,564	2,510,631	1,599,000	29,748	-	21,643,957	3,708,294	883,940	31,713,134
Impact arising out of adoption of Sri Lanka Financial Reporting Standard 9-Financial Instruments	-	-	-	(66,771)	-	-	(1,193,308)	292	(1,259,787)
Balance as at 1st April 2017 (restated)	1,337,564	2,510,631	1,599,000	(37,023)	-	21,643,957	2,514,986	884,232	30,453,347
Net profit for the year ended 31st March 2018 as previously reported	-	-	-	-	-	-	5,402,198	66,199	5,468,397
Impact arising out of adoption of Sri Lanka Financial Reporting Standard 9-Financial Instruments	-	-	-	-	-	-	37,639	(9)	37,630
Net profit for the year ended 31st March 2018 (restated)	-	-	-	-	-	-	5,439,837	66,190	5,506,027
Other comprehensive income for the year ended 31st March 2018 as previously reported	-	(192,927)	-	89,631	-	-	(49,845)	(39,035)	(192,176)
Impact arising out of adoption of Sri Lanka Financial Reporting Standard 9-Financial Instruments	-	-	-	(32,971)	-	-	-	-	(32,971)
Total comprehensive income for the year ended 31st March 2018 (restated)	-	(192,927)	-	56,660	-	-	5,389,992	27,155	5,280,880
Share of loss of associate companies due to adoption of SLFRS -9	-	-	-	-	-	-	(204,250)	-	(204,250)
Depreciation on revaluation surplus	-	(5,185)	-	-	-	-	5,185	-	-
Reversal of revaluation surplus on disposal of land	-	(20,567)	-	-	-	-	20,567	-	-
Transfers during the year	-	-	225,000	-	920,000	1,759,000	(2,904,000)	-	-
Unclaimed dividends written back	-	-	-	-	-	-	107	79	186
Dividends for the year ended 31st March 2017	-	-	-	-	-	-	(184,245)	-	(184,245)
Dividends for the year ended 31st March 2018	-	-	-	-	-	-	(520,221)	(46,211)	(566,432)
Balance as at 31st March 2018	1,337,564	2,291,952	1,824,000	19,637	920,000	23,402,957	4,118,121	865,255	34,779,486
Net profit for the year ended 31st March 2019	-	-	-	-	-	-	5,041,398	87,356	5,128,754
Other comprehensive income	-	2,452,135	-	(1,644)	-	-	(66,330)	216,417	2,600,578
Total comprehensive income for the year ended 31st March 2019	-	2,452,135	-	(1,644)	-	-	4,975,068	303,773	7,729,332
Depreciation on revaluation surplus	-	(4,662)	-	-	-	-	4,662	-	-
Transfers during the year	-	-	213,000	-	-	-	(213,000)	-	-
Unclaimed dividends written back	-	-	-	-	-	-	135	108	243
Reduction in net assets due to disposal of a subsidiary owned by an associate company	-	-	-	-	-	-	(5,363)	-	(5,363)
Effect on buy- back of shares by a subsidiary company	-	-	-	-	-	-	-	(25,061)	(25,061)
Dividends for the year ended 31st March 2018	190,214	-	-	-	-	-	(346,814)	(24,785)	(181,385)
Dividends for the year ended 31st March 2019	-	-	-	-	-	-	(437,322)	-	(437,322)
Balance as at 31st March 2019	1,527,778	4,739,425	2,037,000	17,993	920,000	23,402,957	8,095,487	1,119,290	41,859,930

Company equity statement for the year ended 31st March 2019	Stated capital	Revaluation reserve	Reserve fund	Available for sale reserve	Loan loss reserve	General reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2017 as previously reported	1,337,564	1,919,787	1,599,000	66,771	-	21,632,776	(842,146)	25,713,752
Impact arising out of adoption of Sri Lanka Financial Reporting Standard 9-Financial Instruments	-	-	-	(66,771)	-	-	(1,198,964)	(1,265,735)
Balance as at 01st April 2017 (restated)	1,337,564	1,919,787	1,599,000	-	-	21,632,776	(2,041,110)	24,448,017
Net profit for the year ended 31st March 2018 as previously reported	-	-	-	-	-	-	4,476,291	4,476,291
Impact arising out of adoption of Sri Lanka Financial Reporting Standard 9-Financial Instruments	-	-	-	-	-	-	39,549	39,549
Net profit for the year ended 31st March 2018 (restated)	-	-	-	-	-	-	4,515,840	4,515,840
Other comprehensive income for the year ended 31st March 2018 as previously reported	-	(323,322)	-	32,971	-	-	(40,723)	(331,074)
Impact arising out of adoption of Sri Lanka Financial Reporting Standard 9-Financial Instruments	-	-	-	(32,971)	-	-	-	(32,971)
Total comprehensive income for the year ended 31st March 2018 (restated)	-	(323,322)	-	-	-	-	4,475,117	4,151,795
Depreciation on revaluation surplus	-	(3,953)	-	-	-	-	3,953	-
Transfers during the year	-	-	225,000	-	920,000	1,759,000	(2,904,000)	-
Reversal of revaluation surplus on disposal of land	-	(20,567)	-	-	-	-	20,567	-
Dividends for the year ended 31st March 2017	-	-	-	-	-	-	(184,245)	(184,245)
Dividends for the year ended 31st March 2018	-	-	-	-	-	-	(520,221)	(520,221)
Balance as at 31 March 2018	1,337,564	1,571,945	1,824,000	-	920,000	23,391,776	(1,149,939)	27,895,346
Net profit for the year ended 31st March 2019	-	-	-	-	-	-	4,082,524	4,082,524
Other comprehensive income	-	2,004,673	-	-	-	-	(80,844)	1,923,829
Total comprehensive income for the year ended 31st March 2019	-	2,004,673	-	-	-	-	4,001,680	6,006,353
Depreciation on revaluation surplus	-	(3,549)	-	-	-	-	3,549	-
Transfers during the year	-	-	213,000	-	-	-	(213,000)	-
Dividends for the year ended 31st March 2018	190,214	-	-	-	-	-	(346,814)	(156,600)
Dividends for the year ended 31st March 2019	-	-	-	-	-	-	(437,322)	(437,322)
Balance as at 31st March 2019	1,527,778	3,573,069	2,037,000	-	920,000	23,391,776	1,858,154	33,307,777

The annexed notes form an integral part of these interim financial statements.
Figures in brackets indicate deductions.

CENTRAL FINANCE COMPANY PLC
CASH FLOW STATEMENT

For the year ended 31st March	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Cash flows from operating activities				
Interest receipts	16,988,185	14,527,542	16,900,181	14,473,759
Interest payments	(2,858,749)	(2,582,016)	(2,876,444)	(2,602,870)
Recoveries on bad debts previously written off	134,259	123,391	134,259	123,391
Receipts from other operating activities	7,375,381	6,415,151	1,280,316	1,047,533
Cash payments to employees and suppliers	(8,686,796)	(8,086,073)	(3,343,785)	(3,309,161)
Operating profit before changes in operating assets	12,952,280	10,397,995	12,094,527	9,732,652
(Increase) / decrease in operating assets:				
Securities bought under repurchase agreements and receivables from banks	(455,075)	(474,472)	(455,075)	(474,472)
Loans to customers	(47,221,184)	(37,188,634)	(47,205,549)	(37,220,640)
Recoveries from customers	34,999,787	33,198,969	34,984,121	33,341,295
Others	(1,853,140)	(1,474,022)	(1,693,072)	(1,439,799)
Increase / (decrease) in operating liabilities:				
Net cash effect on deposits	2,658,407	3,201,129	2,970,370	3,219,004
Net cash from operating activities before value added tax, VAT/NBT on financial services and debt repayment levy	1,081,075	7,660,965	695,322	7,158,040
Value added tax, VAT/NBT on financial services and debt repayment levy	(2,034,752)	(1,692,537)	(1,879,170)	(1,544,816)
Net cash on operating activities before income tax	(953,677)	5,968,428	(1,183,848)	5,613,224
Income tax paid	(2,016,646)	(1,658,573)	(1,910,114)	(1,546,862)
Net cash inflow from operating activities	(2,970,323)	4,309,855	(3,093,962)	4,066,362
Cash flows from investing activities				
Dividends received from subsidiaries and associates	24,401	23,679	42,031	60,903
Dividends received from other companies	21,340	27,435	21,333	25,308
Investments in fixed deposits	(794,408)	(295,200)	-	-
Investments in unit trusts	-	(216,980)	-	-
Investments in associates	-	(881,690)	-	(745,754)
Repurchase of shares by a subsidiary company	-	-	22,983	-
Repurchase of shares by a subsidiary company from non-controlling interest	(23,663)	-	-	-
Divestment of unit trusts	20,333	13,500	-	-
Divestment of debentures	69,000	-	-	-
Divestment of fixed deposits	787,707	539,633	-	-
Purchase of property, plant and equipment	(1,151,410)	(1,896,202)	(1,128,280)	(1,766,349)
Disposal of property, plant and equipment	55,596	62,140	51,544	62,085
Net cash outflow from investing activities	(991,104)	(2,623,685)	(990,389)	(2,363,807)
Cash flows from financing activities				
Borrowings	22,513,257	10,009,958	21,543,300	9,085,000
Repayment of borrowings	(18,476,295)	(10,595,597)	(17,402,500)	(9,720,000)
Unclaimed dividends written back	159	101	-	-
Dividends paid to equity holders of the parent	(586,974)	(696,373)	(586,974)	(696,373)
Dividends paid to non-controlling interest	(24,627)	(46,211)	-	-
Net cash outflow from financing activities	3,425,520	(1,328,122)	3,553,826	(1,331,373)
Net increase / (decrease) in cash and cash equivalents	(535,907)	358,048	(530,525)	371,182
Cash and cash equivalents at the beginning of the period	(185,037)	(543,075)	(216,804)	(587,977)
Cash and cash equivalents at the end of the period	(720,944)	(185,027)	(747,329)	(216,795)
Cash in hand and at banks	740,055	580,000	697,390	533,765
Bank overdrafts	(1,461,012)	(765,037)	(1,444,731)	(750,569)
impairment provision for cash equivalents	13	10	12	9
Cash and cash equivalents at the end of the period	(720,944)	(185,027)	(747,329)	(216,795)
Movement of borrowings (short term, long term loans and debentures)				
Balance at the beginning of the year	7,402,240	7,991,595	7,201,298	7,840,014
Amount borrowed during the year	22,513,257	10,009,958	21,543,300	9,085,000
Capital repaid during the year	(18,476,295)	(10,595,597)	(17,402,500)	(9,720,000)
Amortised interest	237,229	(3,716)	237,229	(3,716)
Balance at the end of the year	11,676,431	7,402,240	11,579,327	7,201,298

Figures in brackets indicate outflows.

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 The interim financial statements of the Company and the Group have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31st March 2018, except as explained in note 12 and provide the information as required by the Colombo Stock Exchange and LKAS 34-Interim Financial Reporting.

2 The presentation and classification of the previous periods have been amended where relevant for better presentation and to be comparable with those of the current period.

3 Stated capital is represented by number of shares in issue as given below:

	As at 31.03.2019	As at 31.12.2018
Ordinary shares	218,661,027	218,661,027

4 Market price per share

	Quarter ended 31.03.2019	Quarter ended 31.12.2018
	Rs.	Rs.
Highest	103.00	98.90
Lowest	80.10	87.00
Last traded	84.50	88.70

5 Number of shares held by individual Directors are as follows:

	As at 31.03.2019	As at 31.12.2018
C. L. K. P. Jayasuriya	Nil	Nil
E. H. Wijenaik	33,699,223	33,699,223
G. S. N. Peiris	306,326	3,811,392
A. K. Gunaratne	1,741,392	1,741,392
D. P. de Silva	216,507	216,507
A. D. B. Talwate	Nil	Nil
Dr. (Mrs). A. D. N. de Zoysa	Nil	Nil
A. R. Fernando	Nil	Nil
C. K. Hettiarachchi	129,258	129,258
K.B.Herath (Appointed w.e.f.16.02.2019)	Nil	N/A

6 Twenty largest shareholders of the Company are as follows:

	As at 31.03.2019		As at 31.12.2018	
	Number of shares	%	Number of shares	%
1 Corporate Services (Pvt) Ltd. A/C No.01	35,223,926	16.11	35,223,926	16.11
2 E. H. Wijenaik	33,699,223	15.41	33,699,223	15.41
3 Employees Provident Fund	23,484,974	10.74	23,484,974	10.74
4 Thurston Investments Limited	12,733,433	5.82	12,733,433	5.82
5 Hallsville Trading Group INC	9,379,350	4.29	3,128,001	1.43
6 Ceylon Investment PLC A/C No.02	8,000,687	3.66	6,000,687	2.74
7 A. J. Wijenaik	6,820,177	3.12	6,820,177	3.12
8 Ceylon Guardian Investment Trust PLC A/C No.02	5,228,494	2.39	3,583,293	1.64
9 N. W. Wijegoonawardene	4,508,108	2.06	4,508,108	2.06
10 Rubber Investment Trust Limited. A/C No.01	4,019,963	1.84	521,950	0.24
11 C. R. Dunuwille	2,811,545	1.29	2,811,545	1.29
12 N. M. Gunawardana	2,710,982	1.24	2,710,982	1.24
13 J. B. Cocoshell (Pvt) Ltd.	2,639,435	1.21	3,493,883	1.60
14 P. R. Munasinha	2,558,028	1.17	2,558,028	1.17
15 Employees Trust Fund Board	2,283,223	1.04	2,283,223	1.04
16 E.W.Balasuriya & Co.(Pvt) Ltd.	2,234,546	1.02	1,947,717	0.89
17 P. M. Wijenaik	2,118,548	0.97	2,118,548	0.97
18 Bnym Re-frontaura Global Frontier Fund LLC	2,047,154	0.94	2,047,154	0.94
19 S.K.wedande	1,776,949	0.81	1,776,949	0.81
20 A.K.Gunaratne	1,741,392	0.80	1,741,392	0.80

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

7 Information on listed debentures

7.1 Market value and traded yield

The outstanding debentures are represented by 22,500,000 rated, secured, redeemable debentures to the value of Rs.2.25 billion issued in June 2015, par valued at Rs. 100/-.

Details of the above debentures are as follows:

Rated secured redeemable debentures

Date of issue	Interest payment frequency	No. of debentures issued	Face value Rs.'000	Coupon rate	Annual effective rate	Tenor	Date of maturity
01-Jun-2015	Semi-annually	5,000,000	500,000	9.00	9.20	4 years	31-May-2019
01-Jun-2015	Annually	17,500,000	1,750,000	9.52	9.52	5 years	31-May-2020

There were no debenture trades during the quarter ended 31.03.2019.

Following debentures were redeemed during the period under review.

Date of issue	Coupon rate	Date of maturity	Face value Rs.'000
17-Jun-2013	14.75%	17-Jun-2018	1,400,000
01-Jun-2015	8.35%	01-Jun-2018	250,000
12-Dec-2013	13.50%	12-Dec-2018	600,000
12-Dec-2013	13.95%	12-Dec-2018	1,000,000

7.2 Yield of comparable government securities (%)

	As at 31.03.2019	As at 31.12.2018
04 year treasury bonds	10.97%	11.90%
05 year treasury bonds	11.01%	11.65%

Debt related ratios

	As at 31.03.2019	As at 31.12.2018
Debt/equity ratio (times)	1.76	1.81
Quick assets ratio (times)	0.88	0.87
Interest cover (times)	2.02	2.14

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

8 Public holding

The company qualifies under option one of the minimum public holding requirement of No.7.13.1 of the Listing Rules of the Colombo Stock Exchange and relevant information is given below.

As at 31.03.2019

Float adjusted market capitalization		Public holding percentage (%)		Number of public shareholders	
Minimum requirement	Available amount	Minimum requirement	Available	Minimum requirement	Available
Rs.10 Bn	Rs.11.63 Bn	No minimum % requirement	62.97%	500	2,851

As at 31.12.2018

Float adjusted market capitalization		Public holding percentage (%)		Number of public shareholders	
Minimum requirement	Available amount	Minimum requirement	Available	Minimum requirement	Available
Rs.10 Bn	Rs.11.82 Bn	No minimum % requirement	60.94%	500	2,874

9 Contingent liabilities

	As at 31.03.2019 Rs.000	As at 31.12.2018 Rs.000
Guarantees issued		
Guarantees issued on behalf of depositors, fully secured on their deposits	30,555	26,992
Letter of credit facilities	83,251	-
	<u>113,806</u>	<u>26,992</u>

There are no major changes to other contingent liabilities reported in the annual report for the year ended 31.03.2018

10 Interest expenses of the group other than the parent are categorised under premises, equipment, establishment and other expenses.

11 Classification of financial assets and liabilities - Group

The following table analyses the carrying amounts of the financial instruments by category as defined in Sri Lanka Accounting Standard-SLFRS 9 Financial Instruments.

Analysis of financial assets and liabilities by measurement basis -Group

As at 31.03.2019

Description	Fair value through profit or loss	Amortised cost	Total	Fair value measurement level
	Rs.'000	Rs.'000	Rs.'000	
Cash and cash equivalents	-	740,055	740,055	
Fair value through profit or loss financial assets				
Quoted securities	452,249	-	452,249	Level 1
Unquoted securities	108,614	-	108,614	Level 3
Unit trusts	3,980	-	3,980	Level 2
Trade and other receivables	-	1,272,695	1,272,695	
Securities bought under repurchase agreements	-	3,289,551	3,289,551	
Loans and receivables from banks	-	1,447,867	1,447,867	
Loans and receivables from others	-	593,140	593,140	
Loans and receivables from customers	-	5,996,253	5,996,253	
Net investment in leases and hire purchase	-	75,751,083	75,751,083	
Total financial assets	564,843	89,090,644	89,655,487	
Bank overdrafts	-	1,461,012	1,461,012	
Trade and other payables	-	1,674,727	1,674,727	
Short term borrowings	-	2,329,590	2,329,590	
Deposits	-	45,149,518	45,149,518	
Long term borrowings	-	7,050,557	7,050,557	
Debentures	-	2,296,284	2,296,284	
Total financial liabilities	-	59,961,688	59,961,688	

Classification of financial assets and liabilities - Group

As at 31.03.2018

Description	Fair value through profit or loss	Amortised cost	Total	Fair value measurement level
	Rs.'000	Rs.'000	Rs.'000	
Cash and cash equivalents	-	580,000	580,000	
Fair value through profit or loss financial assets				
Quoted securities	513,634	-	513,634	Level 1
Unquoted securities	118,230	-	118,230	Level 3
Unit trusts	23,090	-	23,090	Level 2
Trade and other receivables	-	1,140,508	1,140,508	
Securities bought under repurchase agreements	-	3,099,174	3,099,174	
Loans and receivables from banks	-	1,232,799	1,232,799	
Loans and receivables from others	-	692,817	692,817	
Loans and receivables from customers	-	7,579,560	7,579,560	
Net investment in leases and hire purchase	-	61,301,013	61,301,013	
Total financial assets	654,954	75,625,871	76,280,825	
Bank overdrafts	-	765,037	765,037	
Trade and other payables	-	1,852,206	1,852,206	
Short term borrowings	-	1,753,653	1,753,653	
Deposits	-	40,570,199	40,570,199	
Long term borrowings	-	4,875	4,875	
Debentures	-	5,643,712	5,643,712	
Total financial liabilities	-	50,589,682	50,589,682	

Analysis of financial assets and liabilities by measurement basis -Company
As at 31.03.2019

Description	Fair value through profit or loss	Amortised cost	Total	Fair value measurement level
	Rs.'000	Rs.'000	Rs.'000	
Cash and cash equivalents	-	697,390	697,390	
Fair value through profit or loss financial assets				
Quoted securities	451,958	-	451,958	Level 1
Unquoted securities	106,524	-	106,524	Level 3
Trade and other receivables		456,153	456,153	
Securities bought under repurchase agreements	-	3,289,551	3,289,551	
Loans and receivables from banks	-	1,441,839	1,441,839	
Loans and receivables from others	-	38,715	38,715	
Loans and receivables from customers	-	5,986,999	5,986,999	
Net investment in leases and hire purchase	-	75,751,083	75,751,083	
Total financial assets	558,482	87,661,730	88,220,212	
Bank overdrafts	-	1,444,731	1,444,731	
Trade and other payables	-	1,175,837	1,175,837	
Short term borrowings	-	2,236,061	2,236,061	
Deposits	-	45,669,738	45,669,738	
Long term borrowings	-	7,046,982	7,046,982	
Debentures	-	2,296,284	2,296,284	
Total financial liabilities	-	59,869,633	59,869,633	

As at 31.03.2018

Description	Fair value through profit or loss	Amortised cost	Total	Fair value measurement level
	Rs.'000	Rs.'000	Rs.'000	
Cash and cash equivalents	-	533,765	533,765	
Fair value through profit or loss financial assets				
Quoted securities	513,166	-	513,166	Level 1
Unquoted securities	106,254	-	106,254	Level 3
Trade and other receivables	-	442,168	442,168	
Securities bought under repurchase agreements	-	3,099,174	3,099,174	
Loans and receivables from banks	-	1,226,741	1,226,741	
Loans and receivables from others	-	63,606	63,606	
Loans and receivables from customers	-	7,570,249	7,570,249	
Net investment in leases and hire purchase	-	61,301,013	61,301,013	
Total financial assets	619,420	74,236,716	74,856,136	
Bank overdrafts	-	750,569	750,569	
Trade and other payables	-	1,457,585	1,457,585	
Short term borrowings	-	1,557,586	1,557,586	
Deposits	-	40,766,497	40,766,497	
Long term borrowings	-	-	-	
Debentures	-	5,643,712	5,643,712	
Total financial liabilities	-	50,175,949	50,175,949	

Level 01 valuations are based on market prices published by the Colombo Stock Exchange for shares quoted on the Colombo Stock Exchange and level 2 valuations for units, the prices published by fund managers for respective funds.

Level 03 valuations have been determined using valuation techniques which approximate the fair value. There have been no transfers among level 01 level 02 and level 03.

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

12 ADOPTION OF SLFRS 9 – FINANCIAL INSTRUMENTS

The company has adopted SLFRS 9 – Financial Instruments and restated the financial statements from 1st April 2017 in accordance with the transitional requirements. The adoption of SLFRS 9 resulted in the following changes to the accounting policies applied for the financial year 2017/18.

CLASSIFICATION OF FINANCIAL ASSETS

The company reclassified its financial assets as subsequently measured at either amortized cost or fair value through profit or loss (FVtPL), or other comprehensive income, depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The available for sale financial investments category was removed and the balance has been reclassified as fair value through profit or loss financial asset.

The following table summarises the impact of transition to SLFRS 9 – "Financial Instruments" on classification of financial assets.

	Group	
	Financial assets measured at FVtPL	Available for sale investments
	Rs.000	Rs.000
Balance as at 01.04.2017 as per LKAS 39 (audited)	106,143	246,773
Impact of adopting SLFRS 9		
- quoted securities	228,391	(228,391)
- unquoted securities	113,457	(18,382)
Balance as at 01.04.2017 (restated as per SLFRS 9)	447,991	-

Change in carrying value of unquoted securities is due to fair valuing of all investments including those held at cost.

	Company	
	Financial assets measured at FVtPL	Available for sale investments
	Rs.000	Rs.000
Balance as at 01.04.2017 as per LKAS 39 (audited)	96,125	240,443
Impact of adopting SLFRS 9		
- quoted securities	228,391	(228,391)
- unquoted securities	99,316	(12,052)
Balance as at 01.04.2017 (restated as per SLFRS 9)	423,832	-

Change in carrying value of unquoted securities is due to fair valuing of all investments including those held at cost.

The following table summarises the impact of transition to SLFRS 9 – "Financial Instruments" on available for sale reserve and retained earnings as at 01 April 2017.

	Group	
	OCI/Available for sale reserve	Retained earnings
	Rs.000	Rs.000
Balance as at 01.04.2017 as per LKAS 39 (audited)	29,748	25,352,251
Impact of adopting SLFRS 9	(66,771)	29,748
Balance as at 01.04.2017 (restated as per SLFRS 9)	(37,023)	25,381,999

	Company	
	Available for sale reserve	Retained earnings
	Rs.000	Rs.000
Balance as at 01.04.2017 as per LKAS 39 (audited)	66,771	20,790,630
Impact of adopting SLFRS 9	(66,771)	66,771
Balance as at 01.04.2017 (restated as per SLFRS 9)	-	20,857,401

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

IMPAIRMENT OF FINANCIAL ASSETS

Impairment requirements under SLFRS 9 are based on an expected credit loss model (ECL), replacing the incurred loss model under LKAS 39. Key changes in the company's accounting policy for impairment of financial assets are given below;

Assets migrate through the following three stages based on the change in credit quality since initial recognition.

The company has adopted SLFRS 9, from 1st April 2017 and has reported results accordingly. Significant increase in credit risk is presumed to have occurred when contractual payments are more than 60 days past due and default is presumed at 120 days past due for leases. For term loans, the Company has adopted 30 days as the point in which significant increase in credit risk occurs and default occurs at 90 days.

i) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired at inception, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized under stage 1.

ii) Stage 2: Lifetime ECL — not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized under stage 2.

iii) Stage 3: Lifetime ECL — credit impaired

Financial assets are assessed as credit impaired when one or more events have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the unimpaired amortized cost rather than the gross carrying amount for all specifically identified contracts.

The company assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account the collateral type, date of initial recognition, remaining term to maturity and other relevant factors.

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the company and all the cash flows that the company expects to receive.

The company considers its historical loss experience and adjusts this for current observable data. In addition, the company uses reasonable and supportable forecasts of future economic conditions including experienced judgment to estimate the amount of an expected impairment loss. SLFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, unemployment, interest rates, gross domestic product, inflation and commercial property prices, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward looking information increases the level of judgment as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions will be reviewed regularly. If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since inception, then the provision for impairments reverts from lifetime ECL to 12-months ECL.

Impact of adoption of SLFRS 9 on impairment and other credit losses is given below

	Loans and advances	Finance leases	Other credit losses	Loans and receivables from banks, loans and receivables from others and bank balances	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as 01.04.2017 as per LKAS 39 (audited)	66,959	1,397,935	103,211	-	1,568,105
Impact of adoption of SLFRS 9	79,602	1,272,910	-	2,350	1,354,862
Balance 01.04.2017 (restated as per SLFRS 9)	146,561	2,670,845	103,211	2,350	2,922,967
Charge / (Reversal) for the year ended 31.03.2018 (as per SLFRS 39)	80,830	(71,168)	(6,337)	-	3,325
Additional charge/ (Reversal) for the year ended 31.03.2018 (SLFRS-9)	59,473	(58,611)	-	(123)	739
Balance as at 31.03.2018 (restated as per SLFRS 9)	286,864	2,541,066	96,874	2,227	2,927,031

	Loans and advances	Finance leases	Other credit losses	Loans and receivables from banks, loans and receivables from others and bank balances	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as 01.04.2017 as per LKAS 39 (audited)	66,959	1,397,935	67,031	-	1,531,925
Impact of adoption of SLFRS 9	79,602	1,272,910	-	487	1,352,999
Balance 01.04.2017 (restated as per SLFRS 9)	146,561	2,670,845	67,031	487	2,884,924
Charge / (Reversal) for the year ended 31.03.2018 (as per SLFRS 39)	80,830	(71,168)	(6,585)	-	3,077
Additional charge/ (Reversal) for the year ended 31.03.2018 (as per SLFRS 9)	59,473	(58,611)	-	123	985
Balance as at 31.03.2018 (restated as per SLFRS 9)	286,864	2,541,066	60,446	610	2,885,909

Impact to financial statements arising out of above impairment adjustments is as follows:

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

Statement of financial position

	Group		Company	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Rs.000	Rs.000	Rs.000	Rs.000
Net investment in leases and hire purchase as previously reported (audited)	62,515,312	57,165,731	62,515,312	57,165,731
Effect due to adoption of SLFRS 9	(1,214,299)	(1,272,910)	(1,214,299)	(1,272,910)
Net investment in leases and hire purchase (restated)	61,301,013	55,892,821	61,301,013	55,892,821
Loans and receivables from customers as previously reported (audited)	7,718,635	6,968,950	7,709,324	7,067,199
Effect due to adoption of SLFRS 9	(139,075)	(79,602)	(139,075)	(79,602)
Loans and receivables from customers (restated)	7,579,560	6,889,348	7,570,249	6,987,597
Cash and cash equivalents as previously reported (audited)	580,010	516,267	533,774	459,940
Effect due to adoption of SLFRS 9	(10)	(10)	(9)	(9)
Cash and cash equivalents (restated)	580,000	516,257	533,765	459,931
Loans and receivables from banks as previously reported (audited)	1,233,057	911,394	1,226,999	905,818
Effect due to adoption of SLFRS 9	(258)	(190)	(258)	(190)
Loans and receivables from banks (restated)	1,232,799	911,204	1,226,741	905,628
Loans and receivables from others as previously reported (audited)	694,776	1,063,880	63,949	398,326
Effect due to adoption of SLFRS 9	(1,959)	(2,150)	(343)	(288)
Loans and receivables from others (restated)	692,817	1,061,730	63,606	398,038
Revenue reserves as previously reported (audited)	28,881,432	25,352,251	23,401,252	20,790,630
Effect due to adoption of SLFRS 9	(1,355,601)	(1,354,862)	(1,353,984)	(1,352,999)
Revenue reserves as previously reported (restated)	27,525,831	23,997,389	22,047,268	19,437,631
Non-controlling interest as previously reported (audited)	865,083	883,940	-	-
Effect due to adoption of SLFRS 9	172	292	-	-
Non-controlling interest as previously reported (restated)	865,255	884,232	-	-

HEDGE ACCOUNTING

Hedge accounting is not applicable as the company does not have any derivative financial assets and liabilities

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

- 13 The Central Bank of Sri Lanka issued a direction specifying new Capital Adequacy Requirements for Finance Companies, effective July 2018. The Company is fully compliant with the new Direction and substantially exceeds the new Capital Adequacy Requirements. Company's Tier 01 and Total Capital Adequacy Ratios as at 31.03.2019 are 26% and 25.87% (minimum requirements are 6% and 10%).
- 14 A final dividend of Rs.1.60 per share consisting of Cents Seventy (Rs.0.70) per share by way of a cash dividend and Cents Ninety (Rs.0.90) per share by way of a scrip dividend has been recommended by the board of directors subject to all regulatory approvals for the financial year ended 31st March 2019 which requires approval of shareholders at the Annual General Meeting to be held on 28th June 2019.
- 15 According to the best of the knowledge and belief of the Directors, there have been no other events subsequent to this interim period, which require adjustments to or disclosure in the interim Financial Statements at the time of the issue of these financial statements to the shareholders.

BUSINESS SEGMENT INFORMATION																		
For the year ended 31st March																		
	Leasing, hire purchase and other advances		Medical services		Power generation		Manufacturing		Insurance broking		Investments		Real estate		Intra segmental adjustments		Total	
All figures in Rs.000	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue																		
Interest income	18,039,568	15,584,817	14,051	13,786	-	-	557	1,351	45,692	53,804	463,475	456,626	8,472	4,375	-	-	18,571,815	16,114,759
Other revenue	-	-	127,013	117,907	62,423	62,655	2,792,215	2,298,840	358,446	306,949	-	-	-	-	-	-	3,340,097	2,786,351
Other operating income	1,000,957	807,240	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,957	807,240
Other income	664,100	665,182	633	416	-	-	9,861	3,693	27,341	28,143	68,015	380,552	22,620	43,233	(138,986)	(327,545)	653,584	793,674
Income from external customers	19,704,625	17,057,239	141,697	132,109	62,423	62,655	2,802,633	2,303,884	431,479	388,896	531,490	837,178	31,092	47,608	(138,986)	(327,545)	23,566,453	20,502,024
Inter - segment income	31,795	39,142	1	1	8,381	10,213	167	24	14,171	10,982	61,885	78,737	40,209	39,479	(156,609)	(178,578)	-	-
Total income	19,736,420	17,096,381	141,698	132,110	70,804	72,868	2,802,800	2,303,908	445,650	399,878	593,375	915,915	71,301	87,087	(295,595)	(506,123)	23,566,453	20,502,024
Expenses																		
Interest expenses	5,613,412	4,889,720	-	-	-	-	-	-	-	-	341,060	299,978	22,719	13,847	-	-	5,977,191	5,203,545
Depreciation & amortisation	546,169	489,037	8,435	9,325	5,254	5,254	42,962	41,004	1,438	1,239	-	-	849	2,480	-	-	605,107	548,339
Cost of sales	-	-	57,287	48,526	20,543	19,199	2,291,965	1,862,832	-	-	-	-	-	-	-	-	2,369,795	1,930,557
Impairment on loans and other credit losses	2,202,565	401,924	(18)	(54)	(2)	-	3,425	1,407	932	(301)	183	50	7,816	(6,876)	(1,251)	(99)	2,213,650	396,051
Other operating and administrative expenses	3,899,536	3,825,895	59,954	55,784	6,020	4,466	289,060	288,850	112,692	101,897	307	2,419	18,224	13,059	-	-	4,385,793	4,292,370
	12,261,682	9,606,576	125,658	113,581	31,815	28,919	2,627,412	2,194,093	115,062	102,835	341,550	302,447	49,608	22,510	(1,251)	(99)	15,551,536	12,370,862
Inter - segment expenses	71,577	59,696	-	-	-	-	85	200	30,023	26,474	75	10,852	75	75	(101,835)	(97,297)	-	-
Total expenses	12,333,259	9,666,272	125,658	113,581	31,815	28,919	2,627,497	2,194,293	145,085	129,309	341,625	313,299	49,683	22,585	(103,086)	(97,396)	15,551,536	12,370,862
Segment results	7,403,161	7,430,109	16,040	18,529	38,989	43,949	175,303	109,615	300,565	270,569	251,750	602,616	21,618	64,502	(192,509)	(408,727)	8,014,917	8,131,162
Share of profit of associates																	1,206,554	1,245,739
Profit before VAT on financial services, NBT debt repayment levy and income tax																	9,221,471	9,376,901
Less: VAT on financial services, NBT and debt repayment levy																	1,431,885	1,116,079
Profit before income tax																	7,789,586	8,260,822
Less: Income tax expense																	2,660,832	2,754,795
Profit after income tax																	5,128,754	5,506,027
Non-controlling interest																	87,356	66,190
Profit attributable to equity holders of the parent																	5,041,398	5,439,837
Segment assets	93,123,260	77,453,453	641,144	392,816	73,403	99,919	2,390,774	1,921,361	2,397,865	2,047,274	8,679,008	8,144,552	1,121,385	770,914	(5,487,744)	(4,859,822)	102,939,095	85,970,467
Investments in associates																	6,503,658	5,769,300
Unallocated assets																	815,327	636,010
Total assets	93,123,260	77,453,453	641,144	392,816	73,403	99,919	2,390,774	1,921,361	2,397,865	2,047,274	8,679,008	8,144,552	1,121,385	770,914	(5,487,744)	(4,859,822)	110,258,080	92,375,777
Segment liabilities	56,679,054	47,489,459	153,860	84,281	9,647	8,882	670,506	551,612	309,873	290,278	3,411,011	2,892,725	162,043	203,599	(736,602)	(585,184)	60,659,392	50,935,652
Unallocated liabilities																	7,738,758	6,660,639
Total liabilities	56,679,054	47,489,459	153,860	84,281	9,647	8,882	670,506	551,612	309,873	290,278	3,411,011	2,892,725	162,043	203,599	(736,602)	(585,184)	68,398,150	57,596,291

CORPORATE INFORMATION

NAME OF COMPANY

Central Finance Company PLC

LEGAL FORM

A Quoted Public Company with limited liability incorporated in Sri Lanka on 5th December 1957 and registered under the Companies Act No.07 of 2007.

Registered under Finance Business Act No.42 of 2011 and Finance Leasing Act No.56 of 2000.

Approved Credit Agency under:

- Mortgage Act No.6 of 1949
- Trust Receipt Ordinance No.12 of 1947

COMPANY REGISTRATION NUMBER

PQ 67

CREDIT RATING

Rated A+(Ika) by Fitch Ratings Lanka Ltd.

DIRECTORS

C. L. K. P. Jayasuriya	- Independent Non - executive Director / Chairman
E. H. Wijenaikie	- Managing Director/Chief Executive Officer
G. S. N. Peiris	- Director (Finance)
A. K. Gunaratne	- Director (Group Co-ordination)
D. P. de Silva	- Director (Credit)
A. D. B. Talwatte	- Independent Non - executive Director
Dr. (Mrs). A. D. N. de Zoysa	- Independent Non - executive Director
A. R. Fernando	- Non - executive Director
C. K. Hettiarachchi	- Director (Marketing)
K. B. Herath	- Independent Non - executive Director

STOCK EXCHANGE LISTING

The ordinary shares of the Company and Rated Secured Redeemable Debentures issued in June 2015 are listed on the Colombo Stock Exchange.

HEAD / REGISTERED OFFICE

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Facsimile : 081 - 2232047

CITY OFFICE

270, Vauxhall Street, Colombo 2.

Telephone : 011 - 2300555

Facsimile : 011 - 2300441

E-mail : cenfin@cf.lk

Website : www.centralfinance.lk

BRANCH OFFICES

Akuressa, Alawwa, Aluthgama, Ambalangoda, Ampara, Anuradhapura, Aralaganwila, Athurugiriya, Avissawella, Badulla, Bakamuna, Balangoda, Bandaragama, Bandarawela, Batticaloa, Chilaw, Dambulla, Dehiattakandiya, Digana, Divulapitiya, Elpitiya, Embilipitiya, Galewela, Galle, Gampaha, Gampola, Giriulla, Godakawela, Hambantota, Hanwella, Hatton, Hingurakgoda, Hiripitiya, Homagama, Horana, Ja-Ela, Jaffna, Kadawatha, Kaduwela, Kalmunai, Kalutara, Kantale, Katugastota, Kegalle, Kekirawa, Killinochchi, Kiribathgoda, Kirindiwela, Kuliyaipitiya, Kurunegala, Maharagama, Mahiyanganaya, Maho, Malabe, Mannar, Maradana, Matale, Matara, Matugama, Mawanella, Mawathagama, Melsiripura, Minuwangoda, Mirigama, Monaragala, Narammala, Nawalapitiya, Negombo, Nikaweratiya, Nittambuwa, Nochchiyagama, Nugegoda, Nuwaraeliya, Panadura, Pilimathalawa, Piliyandala, Polonnaruwa, Pottuvil, Puttalam, Ragama, Rajagiriya, Rambukkana, Ratmalana, Ratnapura, Rikillagaskada, Talawathugoda, Tambuttegama, Tissamaharama, Trincomalee, Vavuniya, Warakapola, Wariyapola, Wattala, Welimada, Wellawaya, Wennappuwa.

BANKERS

Bank of Ceylon
Citibank N.A.
Cargills Bank Limited.
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
NDB Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank
DFCC Bank PLC
State Bank of India
Indian Bank

AUDITOR

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Chartered Accountants,
11, Castle Lane,
Colombo 04.

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Colombo.

COMPANY SECRETARY

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