

AMW CAPITAL LEASING AND FINANCE PLC

Publication of Financial Statements under guideline No.2 of 2006 issued by the Central Bank of Sri Lanka



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AMW (PCL) LTD

INDEPENDENT AUDITORY REPORT TO THE SHAREHOLDERS OF AMW CAPITAL LEASING AND FINANCE PLC

Report on the Financial Statements

We have audited the accompanying financial statements of AMW Capital Leasing and Finance PLC, ("the Company"), which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Auditor's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by Section 163(2) of the Companies Act No. 7 of 2007, we state the following:

- The books of account and copies of vouchers of the audit are as stated above.
- In our opinion:
 - We have obtained all the information and explanations that were required for the audit, and as far as appears from our examination, proper accounting records have been kept by the Company.
 - The financial statements of the Company give a true and fair view of the financial position as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards, and
 - The financial statements of the Company, comply with the requirements of sections 251 of the Companies Act No. 117 of 2007.

28 June 2016
Colombo

R. Jayasinghe

Statement of Financial Position

As at	31.03.2016 Rs. '000	31.03.2015 Rs. '000
Assets		
Cash and Cash Equivalents	52,720	100,139
Loans and Receivables - Leases	6,400,623	3,849,081
Loans and Receivables - Hire Purchase	235,642	572,843
Loans and Advances	2,395,175	2,367,688
Financial Investments - Available for Sale	80	80
Financial Investments - Held-to-Maturity	362,296	1,081,566
Property Plant and Equipment	55,919	60,307
Goodwill and Intangible Assets	16,553	21,218
Other Assets	93,378	58,963
Total Assets	8,612,388	8,112,085
Liabilities		
Due to Banks	3,003,219	2,566,353
Due to Customers	2,031,409	1,048,989
Other Borrowings	2,142,517	2,321,575
Current Tax Liabilities	63,744	49,889
Deferred Tax Liabilities	179,683	128,361
Other Provisions	174,952	154,900
Other Liabilities	549,110	621,385
Total Liabilities	8,144,634	8,281,452
Equity		
Stated Capital	200,000	200,000
Statutory Reserve Fund	68,845	55,489
Retained Earnings	1,195,907	965,144
Other Reserves	-	-
Total Equity	1,467,752	1,220,632
Total Equity and Liabilities	8,612,388	8,112,085
Contingent Liabilities and Commitments		

We, the undersigned, being the Chief Executive Officer and the Senior Finance Manager of AMW Capital Leasing and Finance PLC certify jointly that:

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- the information contained in these statements have been extracted from the audited financial statements of the Licensed Finance Company.

Brandon Morris (Sgd)
Director/CEO

Non Breker (Sgd)
Senior Finance Manager

28.06.2016
Colombo

Selected Performance Indicators	31.03.2016	31.03.2015
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital) Rs. '000	1,467,752	1,220,633
Total Capital Base Rs. '000	1,467,752	1,220,633
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum 5%)	15.97%	17.61%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum 10%)	15.97%	17.61%
Capital Funds to Deposit Liabilities Ratio (Minimum 10%)	72%	116%
Asset Quality (Quality of Loan Portfolio)		
Gross Non-Performing Accommodations, Rs. '000	199,460	173,658
Gross Non-Performing Accommodations Ratio, %	2.16%	2.58%
Net Non-Performing Accommodations Ratio, %	0.00%	0.25%
Profitability (%)		
Interest Margin	8.14%	10.16%
Return on Assets (before tax)	5.06%	5.83%
Return on Equity (after tax)	19.87%	22.54%
Regulatory Liquidity (Rs. '000)		
Required Minimum Amount of Liquid Assets	326,891	153,189
Available Amount of Liquid Assets	388,267	364,235
Required Minimum Amount of Government Securities	130,781	254,304
Available Amount of Government Securities	302,417	258,764
Mensuration Information		
No. of Employees	587	181
No. of Branches	15	14
Number of Service Centers	6	3
Number of Partnering Centers	-	-

Statement of Comprehensive Income

For the year ended	31.03.2016 Rs. '000	31.03.2015 Rs. '000
Interest Income	1,413,318	1,215,757
Interest Expenses	(824,218)	(524,095)
Net Interest Income	789,100	691,662
Fee and Commission Income	35,344	25,164
Fee and Commission Expenses	-	-
Net Fee and Commission Income	35,344	25,164
Net Gain/(Loss) from trading	-	-
Other Operating Income (Net)	211,067	161,210
Total Operating Income	1,035,511	878,036
Impairment for loans and other loans	-	-
Individual Impairment	(41,221)	(74,005)
Collective Impairment	-	-
Others	-	-
Net Operating Income	994,290	804,031
Personal Cost	(221,513)	(174,370)
Depreciation and Amortization	(37,212)	(37,839)
Other Expenses	(235,322)	(179,947)
Operating Profit/(Loss) before Value Added Tax (VAT)	500,263	411,875
VAT on Financial Services	(51,761)	(30,018)
Operating Profit/(Loss) after Value Added Tax (VAT)	448,502	381,857
Share of profits of associates and Joint Ventures	-	-
Profit Before Taxation	448,502	381,857
Tax Expenses	(181,361)	(132,764)
Profit for the period	267,141	249,093
Other Comprehensive Income, net of tax	-	-
Actuarial Gain/(Loss) on Employee Benefit Obligation	1,386	(1,184)
Tax Effect on Actuarial Gain/(Loss) on Defined Benefit Plans	(186)	332
Total Comprehensive Income, net of tax	268,141	248,241
Earnings Per Share - Basic	13.36	12.45



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Licensed by the Prudential Board of the Central Bank of Sri Lanka under the Finance Companies Act No. 76 of 1988

(PB149Q)

Finch Rating BBB+(SL)