

MULTI FINANCE PLC

Audited Financial Statements

for the year ended 31st March 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH

	NOTE	2015 (Rs.)	2014 (Rs.)
Income	4	233,887,616	269,351,143
Interest Income	5	189,857,966	250,602,989
Interest Expenses	6	(118,827,943)	(157,023,597)
Net Interest Income		71,030,023	93,579,391
Other Operating Income	7	20,197,634	8,103,429
Net Income from Operations		91,227,657	101,682,821
Operating Expenses			
Personal Cost		(50,606,174)	(53,460,704)
Net Impairment of Available-for-Sale Financial Assets		(140,000)	(887,797)
Provision for Retiring Gratuity		(1,247,798)	(1,224,952)
Depreciation of Property, Plant and Equipment		(9,343,729)	(11,911,341)
Other Operating Expenses		(81,264,342)	(90,720,568)
Total Operating Expenses		(142,602,043)	(158,205,362)
Loss Before Other Income		(51,374,386)	(56,522,541)
Other Income	8	23,832,017	10,644,724
Loss Before Impairment and Taxation		(27,542,369)	(45,877,817)
Impairment charge/(reversal) for loan and other advances		31,736,905	(3,147,853)
Profit/(Loss) Before Taxation & Value Added Tax	9	4,194,536	(48,025,670)
Value Added Tax on Financial services		(5,296,367)	(41,928)
Profit/(Loss) Before Taxation		(1,101,831)	(48,067,598)
Taxation	10	13,648,237	1,106,550
Profit/(Loss) for the year		12,546,406	(47,961,048)
Other Comprehensive Income / (Expense)			
Net change in fair value of available-for-sale financial assets		2,252,385	-
Defined benefit plan actuarial gain		257,752	328,782
Tax on actuarial gain		(72,171)	-
Other Comprehensive Income for the period, net of Tax		2,437,966	328,782
Total Comprehensive Income / (Expense) for the period		14,984,372	(47,632,266)
Earnings/(Loss) per Share (Rs.)	11	0.55	(2.14)

The Accounting Policies and Notes form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH

	NOTE	2015 (Rs.)	2014 (Rs.)
ASSETS			
Cash and Cash Equivalents	12	129,639,500	87,015,666
Financial Assets held for trading	13	1,821,724	1,565,210
Rental receivables on Lease	14	143,271,992	301,364,733
Rental receivables on Hire purchase	15	226,571,336	478,442,346
Advance and Other loans	16	403,773,983	356,802,578
Trade and Other Receivables	17	44,947,451	53,717,191
Inventories	18	-	59,200,506
Amount Due from Related Companies	19	-	32,525
Receivable from Inland Revenue		1,299,025	1,299,026
Investment in Long term Government Securities	20	36,317,412	5,989,734
Financial Assets available for sale	21	9,354,305	7,281,923
Intangible Assets	22	2,881,634	5,909,478
Property, Plant & Equipment	23	10,852,431	19,721,970
Deferred Tax Asset	29	11,444,016	-
TOTAL ASSETS		1,022,174,809	1,378,342,885
LIABILITIES AND EQUITY			
Bank Overdraft	12	10,943,456	13,900,650
Deposits	24	441,557,169	406,402,837
Other Borrowings	25	117,024,527	171,714,586
Trade & Other Payable	26	30,931,535	46,592,395
Amount Due to Related Companies	27	85,732,209	417,037,871
Retirement Benefit Obligation	28	3,401,534	2,962,488
Deferred Tax Liability	29	-	2,132,051
TOTAL LIABILITIES		689,590,430	1,060,742,878
EQUITY			
Stated Capital	30	346,990,186	346,990,186
Statutory Reserve Fund	31.1	5,389,222	4,761,902
General Reserve	31.2	11,266,050	11,266,050
Investment Fund Reserve	31.3	-	5,287,577
Available For Sale Reserve		2,252,385	-
Retained Earnings		(33,313,464)	(50,705,708)
TOTAL EQUITY		332,584,380	317,600,007
TOTAL LIABILITIES & EQUITY		1,022,174,809	1,378,342,885

The Accounting Policies and Notes form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

It is certified that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

(sgd) Mr. A.M. Golebadarachchi
Accountant

(sgd) Mr. P. Jayasundara
Chief Executive Officer

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board of Directors of Multi Finance PLC

(sgd) Mr. Manohara S. Tillakawardana
Non - Executive Director

(sgd) Mr. C.U. Rathwatte
Executive Director

09th July 2015 - Colombo

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2015

	Stated Capital	Statutory Reserve Fund	General Reserve	Investment Fund Reserve	Available for Sales Reserve	Retained Earnings/ Accumulated Losses	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2013	346,990,186	4,761,902	11,266,050	5,287,577	-	(3,073,442)	365,232,273
Loss for the year	-	-	-	-	-	(47,961,048)	(47,961,048)
Other comprehensive income net of tax for the year	-	-	-	-	-	328,782	328,782
Balance as at 31st March 2014	346,990,186	4,761,902	11,266,050	5,287,577	-	(50,705,708)	317,600,007
Transfer from Investment Fund Reserve	-	-	-	(5,287,577)	-	5,287,577	-
Transfer to Statutory Reserve Fund	-	627,320	-	-	-	(627,320)	-
Profit for the year	-	-	-	-	-	12,546,406	12,546,406
Other comprehensive income net of tax for the year	-	-	-	-	2,252,385	185,581	2,437,967
Balance as at 31st March 2015	346,990,186	5,389,223	11,266,050	-	2,252,385	(33,313,464)	332,584,380

The Accounting Policies and Notes form an integral part of these Financial Statements.
Figures in brackets indicate deductions.



KPMG
(Chartered Accountants)
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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MULTI FINANCE PLC

Report on the Financial Statements
We have audited the accompanying financial statements of Multi Finance PLC ("the Company"), which comprise the statement of financial position as at 31st March 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board'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.

Auditors' 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Board, 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 31st March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Emphasis of Matter
We draw attention to Note 41 to the Financial Statements which indicates that the company has an accumulated loss of Rs. 33.31 Million as at 31st March 2015 and, as of that date, the company does not meet the minimum net capital requirement of Rs. 400 Million. These conditions, along with other matters more fully described in Note 41, indicate the action and measures that have been and are expected to be adopted by the Directors, for the Company to continue its business activities. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion and scope and limitations 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 and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

KPMG
CHARTERED ACCOUNTANTS
09th July 2015
Colombo



MULTI FINANCE PLC

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Finance Company Registered with the Central Bank of Sri Lanka