

CEYBANK UNIT TRUST FUND
(INCOME & GROWTH)

ANNUAL REPORT

31 MARCH 2022

Managed By





Investment Objective

- To achieve a superior rate of return in the medium to long term, which includes reasonable capital appreciation and high income to commensurate with the level of risk.
- To compensate in the long term, for the increase in the general price levels.
- To achieve a consistent growth in the up market with reasonable downward protection in a down market.



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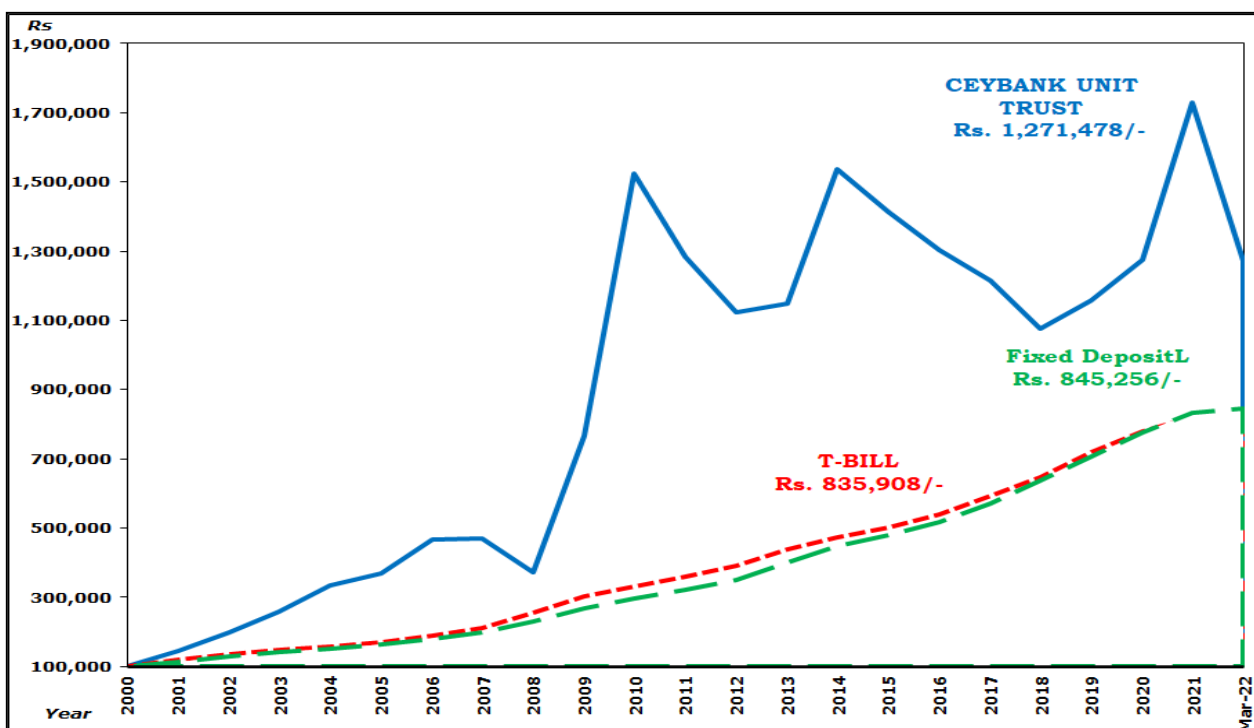
Management Team

Declaration by Trustee and Managing Company

“The SEC in granting approval does not extend to either endorsing or ratifying the accuracy of the specific details set out therein, and that the management company remains at all times responsible for the specific details set out in the Annual Report.”



**The Growth in Value of Rs. 100,000/- invested in the Ceybank Unit Trust Fund
(adjusted for dividends) Vs Treasury Bills & Fixed Deposits
(For the period 29-12-2000 to 31-03-2022)**



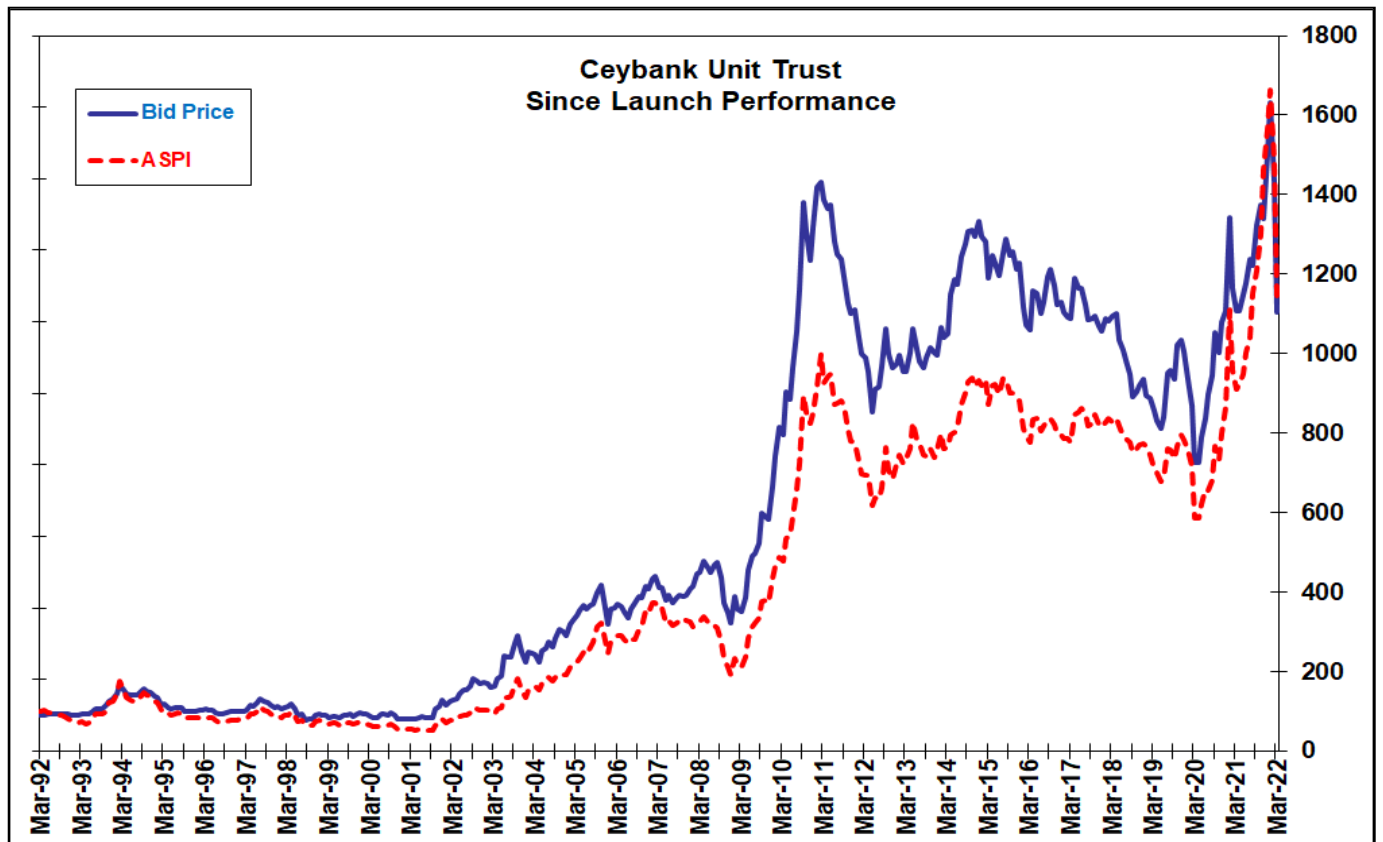
* Treasury Bill - 1 Year WAR
Fixed Deposit - AWFR

Y/E Dec	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Mar-22
CUT Value (Rs'000)	100	146	198	258	335	369	468	469	372	768	1,524	1,284	1,123	1,149	1,538	1,415	1,302	1,215	1,077	1,158	1,276	1,728	1,271



CEYBANK UNIT TRUST FUND

Annual Report and Accounts 2021/2022



CEYBANK UNIT TRUST FUND
Annual Report & Accounts 2021/22
CORPORATE INFORMATION
(As at 31st March 2022)

TRUSTEE

National Savings Bank
Savings House, 255, Galle Road
Colombo 03

FUND MANAGERS & REGISTRAR

Ceybank Asset Management Ltd
Reg. No PV 3326
No 85, York Street, Colombo -1
Tel: 011- 760 2000-2, Fax: 011- 2327203
E.mail : info@ceybank.com
Web: www.ceybank.com

**DIRECTORS OF THE
MANAGEMENT COMPANY**

Mr. G. Wickramage
Chairman
(Appointed w.e.f. 13th January 2022)

Mr. I. Ferdinands
CEO/Executive Director

Mr. G.A. Jayashantha
(Nominee - Bank of Ceylon)

Mr. R. M. N. Jeewantha
(Nominee - Bank of Ceylon)

Ms.V. Govindan
(Nominee - Unit Trust of India)

Mr. A.D. Perera
(Nominee - Sri Lanka Insurance)

Ms. W. Sriyani Kulasighe
(Nominee - Sri Lanka Insurance)
(Appointed w.e.f. 09th March 2022)

**MEMBER OF
THE INVESTMENT ADVISORY PANEL**

Mr. S. N. P. Palihena
Former General Manager
Bank of Ceylon

AUDITORS

SJMS Associates
Chartered Accountants

TAX CONSULTANTS

Ernst & Young
Chartered Accountants

BANKERS & CUSTODIAN

Bank of Ceylon

LAWYERS

F. J. & G. De Saram
Attorneys –at-Law

Nithya Partners
Attorneys –at-Law

CEYBANK UNIT TRUST FUND

Annual Report & Accounts 2021/2022

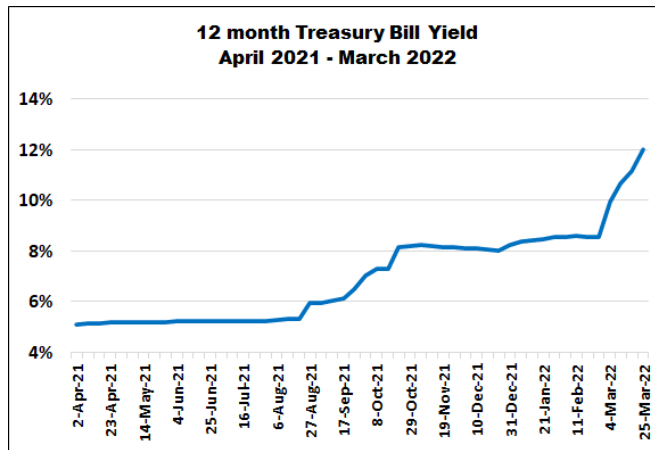
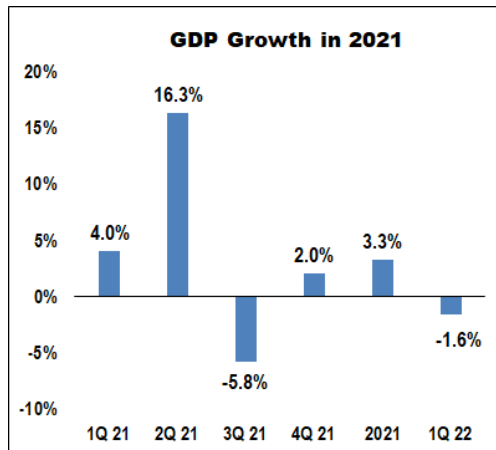
REPORT OF THE MANAGER

We have great pleasure in presenting the Annual Report and Audited Accounts of Ceybank Unit Trust Fund for the year ended 31st March 2022.

The Stock market which witnessed a bullish sentiment in 2021, reversed during the first quarter of 2022 owing to macro-economic challenges. The market indexes ended the year positively. Both ASPI and S&P SL20 indices appreciated by 25.03% and 6.35% respectively in FY2021/22. The ASPI closed at 8,903.87 and S&P SL20 at 3,031.16 as at 31st March 2022. During the period, the Net Asset Value per unit of your Fund marginally depreciated by 0.17%. The net asset value per unit amounted to Rs 23.08 as at 31st March 2022.

Economy

The Sri Lankan Economy recorded a growth of 3.3% in 2021 as opposed to a contraction of 3.5% in 2020 (base year=2010), in the wake of successful vaccination programme against the Covid 19 pandemic. Sector wise, Industry expanded by 5.6%, Services by 3.3% and Agriculture by 2.5% in 2021. However, the economy witnessed a setback in the first quarter of 2022 with the GDP shrinking by 1.6%. Annual Average Inflation measured by the CCPI (Base: 2013) which was at 3.9% in April 2021 showed an accelerated trend by ending higher at 9.1% as at 31st March 2022.



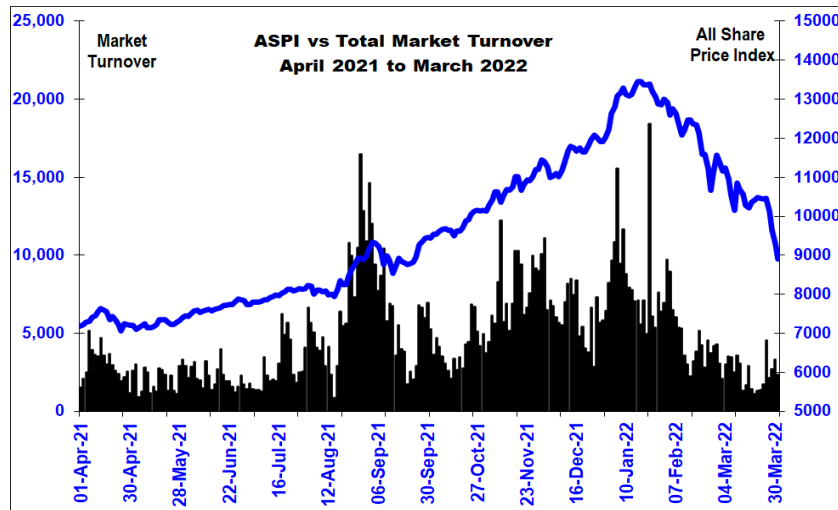
Interest rates surged up during the period. The benchmark 12month Treasury bill rate which was at 5.11% p.a. in Apr-21 increased throughout the year to close 689 basis points higher at 12% p.a. by the end of Mar-22. Yields on long term Treasury bonds also followed in tandem.

Overnight call money rates traded between 4.60% and 7.50% p.a. The exchange rate which was at 199.2153 (Rs/US\$) beginning Apr-21, depreciated continuously to close weaker. The exchange rate was at 299 (Rs/USD) as at 31st March 2022, depreciated by 50% against USD during the year.

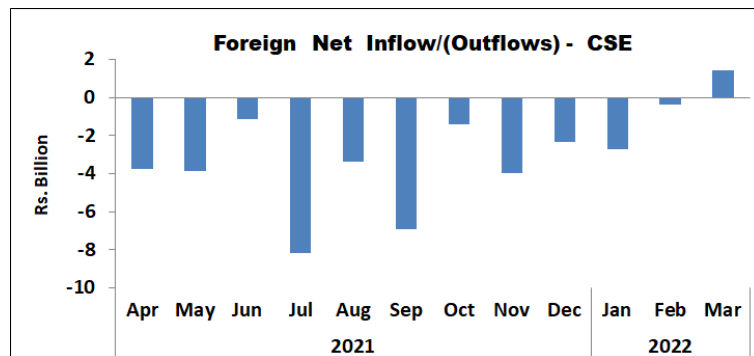
Central Bank key policy rates were changed three times during the year in Aug 21, Jan and Mar 2022. Effectively the Standing Deposit Facility Rate (SDFR) was increased by 200bps (to 6.50%), Standing Lending Facility Rate (SLFR) was raised by 200bps (to 7.50%) while the Statutory Reserve Requirement (SRR) for Commercial Banks was increased by 200 bps (to 4%).

Capital Market Performance

Despite the macro-economic challenges, the bullish market on equity trading was witnessed during Apr21-Jan22 owing to excess liquidity in the market, low interest rates, strong corporate earnings, digitalization of CSE and attractive multiples of some index heavy counters. During the period, the CSE raised more than Rs.13Bn through IPOs and all issues were oversubscribed. The ASPI registered its all-time high level of 13,462.39 on 19th January 2022. However, the accelerated trend was reversed and bearish sentiment continued after Jan-22 in the wake of surge in market interest rates and exacerbated uncertainty in policy outlook of the economy.

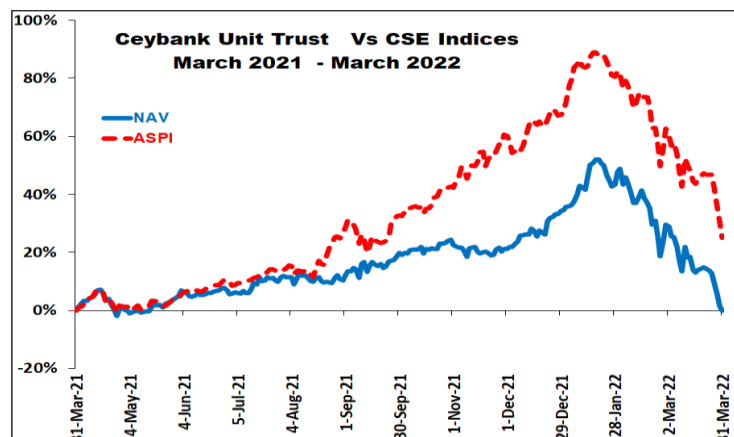


During the period, the foreign investors emerged as net sellers by recording Rs.36.60Bn in sales consequence to local and global challenges, downgrading of Sri Lanka by rating agencies and policy instability on macro fundamentals in the country.



However, net foreign inflow of Rs.1.42Bn was accounted in March 2022 due to attractive valuations of some counters in CSE. The average daily turnover during the period was Rs 4,798.45 million.

Fund Performance

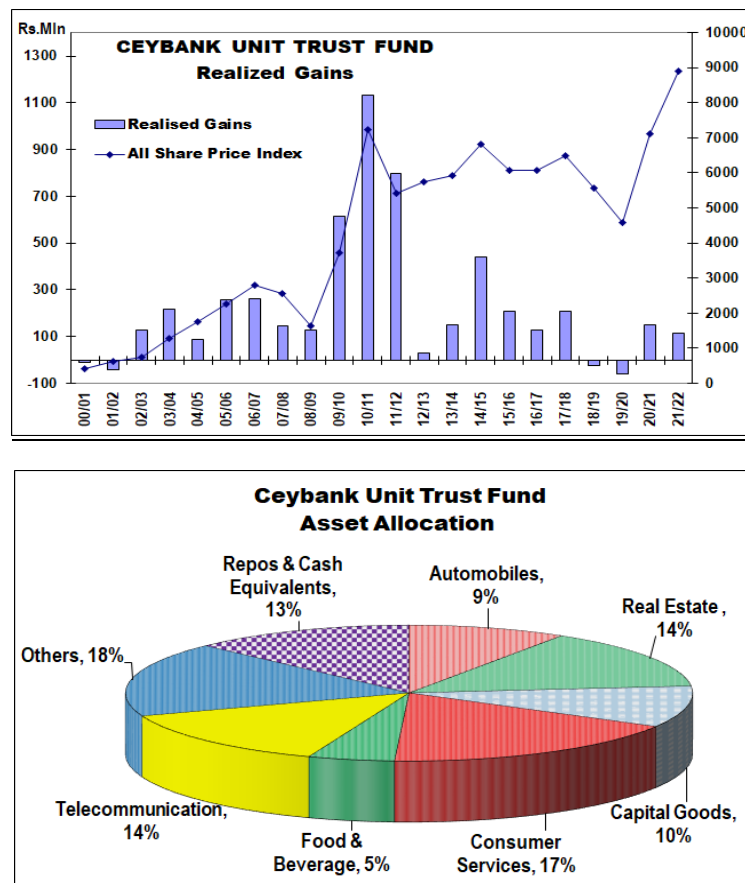


During the period, the Net Asset Value per unit of your Fund marginally declined by 0.17%, against ASPI and S&P SL20 gains of 25.03% and 6.35% respectively. The total net assets stood at Rs. 3,899 million as at 31st March 2022. During April– December 2021, the ASPI did not mirror the real situation of the Equity market as the trend movement was indistinct and unstable on the back of share price volatility of illiquid and speculative counters in CSE. After revising the index calculation methodology of ASPI in Jan-2022, the ASPI witnessed an accurate movement of the CSE. The new calculation methodology is based on the public float-adjusted market capitalization from the previous computation of full market capitalization-weighting.

Interest income of the Fund increased from Rs 17.66 million to Rs 29.26 million growing by 66% during the period. Dividend income improved by 24% to Rs 110.38 million from Rs 88.77 million in the previous year.

By taking the opportunities in bullish market sentiment, the Fund realized capital gains of Rs 114.63 million during the financial year from the sale of equity. The operating expenses increased from Rs 79.61 million to Rs 98.67 million during the period.

The Net Asset Value of the portfolio dipped to Rs 3,899 million as at 31st March 2022 from Rs 3,935 million in March 2021.



Your Fund investments are diversified widely across fundamentally strong stocks, with a medium to long term outlook, in Consumer services, Telecommunication, Real Estate, Capital Goods, Automobiles & Components and Food Beverage & Tobacco sectors, etc. as depicted in the chart.

Future Outlook

Despite the setback due to the pandemic in 2020, the Sri Lankan economy regained and delivered gratifying results by recording a growth of 3.3% in 2021 owing to successful vaccination programme against the Covid 19 pandemic. However, the economy contracted by 1.6% in 1Q2022 due to local and global challenges as a consequence of policy instability on macro fundamentals coupled with political chaos.

The supply chain disruptions, rising commodity prices on account of escalating crude oil prices, and geopolitical tensions as a consequence of Russia's invasion of Ukraine and increase in US Fed rate would trigger geopolitical realignment and have a ripple effect on the interruption of global recovery. Despite these global issues, Sri Lanka has many challenges to be addressed in order for the economy to rebound in 2022 and beyond, which includes accelerated inflation due to disruptions in power and supply chains, shortages of basic necessities, the volatile financial market, unfavorable balances in both trade and fiscal accounts, downgrading country's sovereign rating, looming debt repayments, contraction of foreign reserves, heavily depressed currency, heightened political crisis, social unrest, and faster implementation of several vital reforms like converting loss making SOEs to positive contributors.

Currently, inflation is at an accelerated trend chiefly as a result of supply side interruptions. We would expect inflation to rocket in the short term and then, slow down in medium term with the executing of corrective measures to address the disruptions in supply side. After floating the currency, a heavy depreciation of the Rupee against USD was witnessed in the market. The momentum could continue till the economy attracts more worker remittances and foreign dollar inflows with an aim to build up healthy foreign reserve position, which mostly address the supply side disturbance and would help to cushion the inflationary pressure in the economy.

The rising market interest rates are expected to stabilize at a moderate level without discouraging the credit growth in the economy as it is crucial to enhance the economic activities in the long term. This would ease off the pressure on hyper-inflation and heavy depreciation of rupee against dollars.

At present, Sri Lanka has already commenced the process of negotiation to obtain the assistance from IMF in an effort to address the macro-economic challenges which crucially includes the uninterrupted supply of essentials, reschedule the debt payments and boost the foreign reserves of the country. This would further encourage the positive sentiment on equity trading in CSE with more foreign inflows to the market on the back of attractive multiples of some trading counters.

The Managers will continue to monitor the changing environment to address any change required in the asset allocation in order to meet the Fund objective. We expect selected sectors and Companies in the Equity market to recover gradually in line with the regaining fundamentals in the economy from the effects of the disastrous situation prevailing in the country. We will continue to search for value in specific sectors and counters and make changes to the Fund portfolio based on the changing market environment.

Management

We would like to thank our valued unit holders for the confidence placed in us. We are confident of providing a consistent return to the unit holders who remain in the Fund in the medium to long term. We also place on record our appreciation for the support and co-operation received from the Securities and Exchange Commission of Sri Lanka, Colombo Stock Exchange, the Trustee National Savings Bank and Custodian Bank of Ceylon.

Our sincere appreciation is also due to the stakeholders, the Chairman and Board of Directors for their guidance. Our achievements would not have been possible without the skills and commitment of the Management Team. We thank them for their contribution and dedication throughout the year and look forward to their support in the future.

SGD

Kanchana Karannagoda

Fund Manager

30th June 2022

CEYBANK UNIT TRUST FUND
FINANCIAL STATEMENTS TOGETHER
WITH AUDITOR'S REPORT
FOR THE YEAR ENDED
31 MARCH 2022

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CEYBANK UNIT TRUST FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ceybank Unit Trust Fund ("the Fund") which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics), that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the manager's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Fund Management Company and the Trustee for the Financial Statements

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

In preparing the financial statements, Manager and Trustee is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless manager and trustee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

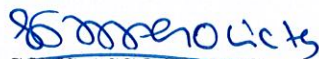
As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and trustee.
- Conclude on the appropriateness of Manager's and Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of the Rule 27(3) of the Unit Trust Code of September 2011 issued by the Securities and Exchange Commission of Sri Lanka under the Act No. 36 of 1987 and the trust deed.


SJMS ASSOCIATES

Chartered Accountants

Colombo

04 July 2022



CEYBANK UNIT TRUST FUND**Statement of comprehensive income****For the year ended 31 March 2022****(all amounts in Sri Lanka Rupees thousands)**

	Note	2021/2022 Rs.	2020/2021 Rs.
Investment income			
Dividend income		110,385	88,773
Interest income	4	29,263	17,661
Net realized gain on financial assets held at fair value through profit or loss	5	114,636	148,018
Net change in unrealized gain/ (loss) on financial assets held at fair value through profit or loss	8	(158,114)	1,233,874
Other income		333	-
Total investment income		<u>96,503</u>	<u>1,488,326</u>
Expenses			
Management fee		(76,147)	(58,579)
Trustee and custodian fee		(15,460)	(11,893)
Audit fee		(280)	(270)
Transaction cost		(6,333)	(8,253)
Other expenses		<u>(455)</u>	<u>(616)</u>
Total expenses		<u>(98,675)</u>	<u>(79,611)</u>
Net operating (loss)/profit before taxation		(2,172)	1,408,714
Income tax expense		-	-
Net operating (loss)/profit after taxation		<u>(2,172)</u>	<u>1,408,714</u>
Other comprehensive income		-	-
Total comprehensive income / (expenses)		<u>(2,172)</u>	<u>1,408,714</u>
Increase/ (decrease) in net assets attributable to unitholders		<u>(2,172)</u>	<u>1,408,714</u>

The accounting policies and notes from 1 to 15 form an integral part of these financial statements.



CEYBANK UNIT TRUST FUND**Statement of financial position****As at 31 March 2022****(all amounts in Sri Lanka Rupees thousands)**

	Note	31.03.2022 Rs.	31.03.2021 Rs.
Assets			
Cash and cash equivalents	6	5,158	3,264
Other receivables	7	6,457	6,280
Financial assets-fair value through profit or loss	8	3,763,918	3,617,498
Financial assets measured at amortised cost	9	160,647	341,871
Tax receivable	10	-	-
Total assets		3,936,180	3,968,913
Unitholders' funds and liabilities			
Liabilities			
Payables	11	36,704	33,788
Amount payable on unit redemption		453	29
Total liabilities (excluding net assets attributable to unitholders)		37,157	33,817
Unitholders' funds			
Net assets attributable to unitholders	12	3,899,023	3,935,096
Total unitholders' funds and liabilities		3,936,180	3,968,913

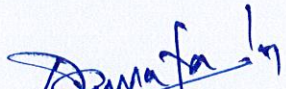
The fund management company and trustee are responsible for the preparation and presentation of these financial statements in accordance with the Sri Lanka Accounting Standards.

The financial statements comply with the requirements of the trust deed and were approved by the fund management company on 28 June 2022 and the trustee on 30 June 2022.



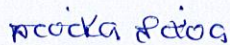
 Director
 Ceybank Asset Management Ltd.

Fund Management Company



 Director
 Ceybank Asset Management Ltd.

Fund Management Company



 National Savings Bank - Trustee

The accounting policies and notes from 1 to 15 form an integral part of these financial statements.



CEYBANK UNIT TRUST FUND**Statement of changes in unitholders' funds****For the year ended 31 March 2022****(all amounts in Sri Lanka Rupees thousands)**

	Note	2021/2022 Rs.	2020/2021 Rs.
Unitholders' funds at the beginning of year		3,935,096	2,644,488
Increase in net assets attributable to unitholders		(2,172)	1,408,714
Received on unit creations	12	11,326	1,271
Distributions to unitholders		-	-
Payments on unit redemptions	12	(45,227)	(119,377)
Unitholders' funds at the end of the year		<u>3,899,023</u>	<u>3,935,096</u>

The accounting policies and notes from 1 to 15 form an integral part of these financial statements.



CEYBANK UNIT TRUST FUND

Statement of cash flows

For the year ended 31 March 2022

(all amounts in Sri Lanka Rupees thousands)

	Note	2021/2022 Rs.	2020/2021 Rs.
<i>Cash flows from operating activities</i>			
Dividends received		110,289	95,798
Net interest received	4	25,181	15,060
Management fees and trustee fees paid		(87,030)	(65,646)
Operating expenses paid		(6,888)	(8,263)
VAT paid		(455)	(616)
Investment in equity shares		(427,075)	(111,486)
Proceeds from sale of equity shares		365,207	625,624
Net investments in repurchase agreements		55,904	(200,155)
Net investments in commercial paper		94,352	(156,638)
Net investments in fixed deposits		125,320	(72,497)
Net investments in treasury bills		(221,366)	-
Miscellaneous receipts		333	-
Cash received on share application paid on previous year		1,600	(1,600)
<i>Net cash inflows from operating activities</i>		<u>35,371</u>	<u>119,581</u>
<i>Cash flows from financing activities</i>			
Proceeds from issue of units	12	11,326	1,271
Payments on redemptions of units		(44,803)	(119,348)
<i>Net cash outflows from financing activities</i>		<u>(33,477)</u>	<u>(118,077)</u>
<i>Net increase in cash and cash equivalents</i>		<u>1,894</u>	<u>1,504</u>
Cash and cash equivalents at the beginning of the year	7	3,264	1,761
Net increase in cash and cash equivalents		<u>1,894</u>	<u>1,504</u>
<i>Cash and cash equivalents at the end of the year</i>	7	<u>5,158</u>	<u>3,264</u>

The accounting policies and notes from 1 to 15 form an integral part of these financial statements.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****1. General information**

Ceybank Unit Trust Fund is an income and growth fund, which was launched in March 1992 by Ceybank Asset Management Ltd. with the objective of providing capital growth in terms of appreciation of the unit price whilst striving to provide a regular stream of dividends to the investors possibly on an annual basis. The fund would be invested in a mix of equity and fixed income securities with a view to balancing the risk assumed by the unitholders by investing primarily in listed equity. The registered office of the Management company is located at 85, York Street, Colombo 1. The Trustee of the fund is National Savings Bank, No.255, Galle Road, Colombo 03.

1.1 Date of authorization for issue

The financial statements of the fund for the year ended 31 March 2022 were authorized for issue by the fund management company on 28 June 2022 and the trustee on 30 June 2022.

2. Preparation of financial statements**2.1 Statement of compliance**

The financial statements of the fund, as at 31 March 2022 and for the year then ended, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS and LKAS), laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Unit Trust Code of the securities and exchange commission of Sri Lanka.

These financial statements include the following components:

- Statement Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Unitholders' Fund
- Statement of Cash Flows
- Notes to the financial statements comprising accounting policies and other explanatory information

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the financial assets at fair value through profit or loss. Historical cost is generally the fair value of the consideration given in exchange of assets. The financial statements are presented in Sri Lankan rupees (LKR).

The statement of financial position is presented on a liquidity basis and assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with SLFRSs requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. In the selection and application of the company's accounting policies, which are described below, the directors are required to make judgments and assumptions and use assumptions in measuring items reported in the financial statements. These estimates are based on management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized during the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods as well, if the revision affects both current and future periods.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****2.3 Significant accounting judgments, estimates and assumptions - (Contd.)**

Management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value.

Management uses its judgment in determining the appropriate valuation technique for financial instruments that are not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Other financial instruments are valued using a discounted cash flow analysis based on the assumptions supported, where possible, by observable market prices or rates.

Determination of fair value and fair value hierarchy

The fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : Techniques which use inputs other than quoted prices included within level 1, that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 : Techniques which use inputs that are not based on observable market data.

2.4 Summary of significant accounting policies

Accounting policies set and below have been applied consistently to all periods presents in these statements.

2.4.1 Financial instruments**(i) Recognition and initial measurement**

All financial assets are initially recognized on the date the fund becomes a party to the contractual provisions of the instrument. This includes purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(ii) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The fund's financial assets classified under amortised cost include repurchase agreement and fixed deposits.

A debt investment is measured at FVTOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost in or at fair value through other comprehensive income. However, the Fund has made an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****(iii) Subsequent measurement and gains and losses**

<i>Financial assets at amortised cost</i>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income, losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<i>Debt investments at FVTOCI</i>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment are recognised in profit or loss. The changes in fair value of FVOCI debt instruments are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<i>Debt investments at FVTPL</i>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(iv) Impairment**Credit impaired financial assets**

The fund recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The fund measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months period after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

Credit-impaired financial assets

Credit - impaired financial assets at each reporting date, the fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data: –

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

As of the date of the statement of financial position the fund has not observed any of the above thus no impairment provision has been recognized in the financial statements.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****2.4.2 Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss. Financial liabilities measured at amortised cost include accrued expenses and other payables.

2.4.3 Derecognition**Financial assets**

The fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The fund enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any- cash assets transferred or liabilities or liabilities assumed) is recognised in profit or loss.

2.4.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

2.4.5 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in values.

2.4.6 Payables and provisions

Payables are initially recognized at fair value, which is the fair value of the consideration to be paid in the future for goods and service received, whether or not billed to the Trust, and subsequently at amortized cost.

Provisions are recognized when the fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

2.4.7 Revenue recognition

Revenue is recognized to the extent that it is probable that the future economic benefits will flow to the fund and the revenue can be reliably measured.

Dividend income

Income is recognized when the right to receive the dividend is established, normally being the ex-dividend date.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****2.4.7 Revenue recognition (Contd...)***Interest income*

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Unrealised gains / (losses) on financial assets held at fair value through profit or loss

Unrealised gains / (losses) on financial assets held at fair value through profit or loss includes all gains and losses arise from changes in fair value of financial assets held at fair value through profit or loss" as at the reporting date.

Realised gains / (losses) on financial assets held at fair value through profit or loss

Realised gains / (losses) on financial assets held at fair value through profit or loss includes results of buying and selling of quoted equity securities.

2.4.8 Expenditure recognition

All expenses including management fees and trustee fees are recognised in "profit or loss" on accrual basis.

The management participation fee of the fund is as follows:

Management fee -	1.65% p.a. of Net Asset Value of the Fund
Trustee fee -	0.25% p.a. of Net Asset Value of the Fund
Custodian fee -	0.085% p.a. of Net Asset Value of the Fund

2.4.9 Taxation

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of Inland Revenue Act.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The fund was liable to pay income tax at the rate of 10% in accordance with the Inland Revenue Act No.10 of 2006 for the period up to 31 March 2018 and thereafter, Unit Trusts that conduct eligible investment business are treated as "pass through vehicles" and tax will be payable by unitholders in accordance with the new Inland Revenue Act No. 24 of 2017 as amended by the Inland Revenue (Amendment) Act No. 10 of 2021. Hence the taxation has not been recognised for the current year and previous year.

2.4.10 Unitholders' funds and net assets attributable to unitholders

Unitholders funds has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unitholders, as at the reporting date.

Units can be issued and redeemed based on the fund's net asset value per unit, calculated by dividing the net assets of the fund calculated in accordance with the directives issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

Dividend to unitholders is declared according to Explanatory Memorandum. Distribution to unitholders is recognized in the Statement of changes in unitholders' funds. Income not distributed is included in net assets attributable to unitholders.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****3. Financial risk management****3.1 Financial risk management objectives, policies and processes**

Risks arising from holding financial instruments are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Fund is exposed to credit risk, market risk, and liquidity risk.

Financial instruments of the Fund comprise investments in repurchase agreements, commercial papers, fixed deposits and trading securities for the purpose of generating a return on the investment made by unitholders, in addition to cash at bank, and other financial instruments such as other receivables and other payables, which arise directly from its operations.

The manager is responsible for identifying and controlling the risk that arise from these financial instruments. The Manager agrees policies for managing each of the risks identified below.

The risks are measured using a method that reflects the expected impact on the statement of profit or loss and other comprehensive income and Statement of Financial Position of the Fund from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below.

The manager also monitors information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept, with additional emphasis on selected industries. This information is prepared and reported to relevant parties within the Manager on a regular basis as deemed appropriate, including the Fund manager, other key management, Risk and Investment Committees, and ultimately the Trustees of the Fund.

Concentration of risk arises when a number of financial instruments or contracts are entered in to with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions.

3.1.1 Market risk

Market risk represents the risk that the value of the Fund's investments portfolios will fluctuate as a result of changes in market prices.

This risk is managed by ensuring that all investment activities are undertaken in accordance with established mandate limits and investments strategies. As such, unitholders can manage this risk through their choices of which investment portfolios to participate in.

The Fund uses a range of different Fund managers for investment assets. Where a Unitholder is invested in more than one investment portfolio, this reduces the impact of a particular manager underperforming. Within the underlying investment portfolio, diversification is achieved at a number of levels. The diversified portfolios are invested across a range of investment sectors. Within each sector of the diversified portfolios, the Fund managers invest in a variety of securities.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousand unless otherwise stated)****3.1.2 Price risk**

Price risk is the risk that the fair value of the fund's investment in trading securities will fluctuate as a result of changes in the price of the fund's investments in trading securities. Price risk exposure arises from the fund's investment portfolios.

The table below shows the impact on the statement of comprehensive income and statement of financial position due to a reasonably possible change in the price of the fund's investment in trading securities in note 8, with all other variables held constant:

	31-Mar-22		31-Mar-21	
	Increases/ (decreases) on profit before tax Rs.	Increases/ (decreases) on amounts attributable to unitholders Rs.	Increases/ (decreases) on profit before tax Rs.	Increases/ (decreases) on amounts attributable to unitholders Rs.
Change in price of the Fund's investment in trading securities existing as of reporting date:				
+ 10%	376,392	376,392	343,780	343,780
- 10%	(376,392)	376,392	(343,780)	(343,780)

3.1.3 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. However, due to the short term nature of the instruments of repurchase agreements and trust certificates it is reasonably expected that the fluctuation in interest rate will not materially impact the net assets value of the Fund. The table appended below summarises the Fund's exposure to interest rate risks.

	Floating interest rate Rs.	Fixed interest rate Rs.	Non- interest bearing Rs.	Total Rs.
As at 31.03.2022				
Financial assets				
Cash and cash equivalents	-	-	5,158	5,158
Financial assets measured at amortised cost	-	160,647	-	160,647
Financial assets-held at fair value through profit or loss	-	306,712	3,457,206	3,763,918
Other receivables	-	-	6,457	6,457
Total exposure	-	467,359	3,468,821	3,936,180
As at 31.03.2021				
Financial assets				
Cash and cash equivalents	-	-	3,264	3,264
Financial assets measured at amortised cost	-	341,871	-	341,871
Financial assets - held at fair value through profit or loss	-	179,699	3,437,799	3,617,498
Other receivables	-	-	6,280	6,280
Total exposure	-	521,570	3,447,343	3,968,913



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****3.1.4 Credit risk**

Credit risk is the risk that the counterparty to the financial statement will fail to discharge an obligation and cause the Fund to incur a financial loss.

The Fund's exposure to credit risk from its financial assets arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as detailed below. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The details are as follows:

(i) Debt securities

The fund invests in debt securities which have an investment grade categorization as rated by ICRA Lanka and Fitch Ratings. An analysis of debt by rating is set out in the table below.

	31.03.2022 Rs.	31.03.2021 Rs.
Treasury Bills		
Rating		
Risk free	221,366	-
Repurchase agreements		
Rating		
Risk free	160,647	216,551
Commercial papers		
Rating		
A (ICRA)	54,386	
BBB+ (ICRA)	-	76,093
A (ICRA)	-	77,109
BB+ (ICRA)	30,960	-
BBB- (ICRA)	-	26,497
Fixed Deposits		
BBB- (ICRA)	-	100,282
AA-	-	25,038
Total	467,360	521,570

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counter-parties have a rating of AAA as determined by the ICRA Lanka.

In accordance with the fund's policy, the investment manager monitors the fund's credit position on a daily basis.

3.1.5 Liquidity risk

Liquidity risk is the risk that the fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The fund is exposed to daily cash redemptions of redeemable units. It therefore, primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

Units are redeemed on demand at the unit holder's option. However, the Board of Directors do not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows of these instruments typically retain them for the medium to long term.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****3.1.5 Liquidity risk - (Contd.)**

The table below analyses the fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month Rs.	1-6 months Rs.	6-12 months Rs.	Total Rs.
As at 31.03.2022				
Payables	-	25,429	10,994	36,423
Amount payable on unit redemption	453	-	-	453
Contractual cash flows	453	-	-	36,876
As at 31.03.2021				
Payables	-	22,509	11,279	33,788
Amount payable on unit redemption	29	-	-	29
Contractual cash flows	29	22,509	11,279	33,817

3.1.6 Capital risk management

The Fund considers its net assets attributable to Unitholders as capital, notwithstanding net assets attributable to Unitholders are classified as a liability. The amount of net assets attributable to Unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of Unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Management Company. Under the terms of the Unit Trust Code, the Management Company has the discretion to reject an application for units and to defer redemption of units if the exercise of such discretion is in the best interests of unitholders.

Following being the disclosures of Unitholders' Funds;

The movement in the Unitholder's Funds as at 31 March 2022

i In terms of value

Unitholders' Funds as at 01 April 2021	3,935,096
Decrease in net assets attributable to unitholders	(2,172)
Received on unit creations	11,326
Distributions to unitholders	-
Payments on unit redemptions	(45,227)
Unitholders' funds at the end of the year	3,899,023

ii In terms of No of units

Opening no of units as at 01 April 2021	170,174,326
Closing no of units as at 31 March 2022	168,921,765



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****3.2 Fair value estimation**

The carrying amounts of the fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value including any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are added to the value of the asset or liability. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognized in profit or loss.

(i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The fund values its investments in accordance with the accounting policies set out in note 2.4.1. For the majority of its investments, the fund relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the fund for similar financial instruments.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****3.3 Fair value hierarchy****(i) Classification of financial assets and financial liabilities**

The fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the responsible entity. The responsible entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The tables below set out the trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 March 2022.

As at 31 March 2022	Level 1	Level 2	Level 3	Total
<i>Financial assets fair value through profit or loss</i>				
- Equity shares	3,457,206	-	-	3,457,206
- Commercial papers	-	85,346	-	85,346
- Treasury bills	-	221,366	-	221,366
Total	3,457,206	306,712	-	3,763,918
As at 31 March 2021	Level 1	Level 2	Level 3	Total
<i>Financial assets fair value through profit or loss</i>				
- Equity shares	3,437,799	-	-	3,437,799
- Commercial papers	-	179,699	-	179,699
Total	3,437,799	179,699	-	3,617,498

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, certain unlisted unit trusts, exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include corporate debt securities and certain unlisted investments. As observable prices are not available for these securities, the responsible entity has used valuation techniques to derive fair value.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)**

	2021/2022	2020/2021
4. Interest income		
Interest on repurchase agreements	10,164	6,255
Interest income on bank (call) deposits	3,016	2,054
Interest on commercial papers	13,967	9,351
Interest income on treasury bills	2,116	-
	29,263	17,661
5. Net realized gain on financial assets held at fair value through profit or loss		
Proceeds on sale of investments	365,207	625,624
Average cost of investments sold	(250,571)	(477,606)
	114,636	148,018
	31.03.2022	31.03.2021
6. Cash and cash equivalents		
Cash at bank - Bank of Ceylon	5,158	3,264
	5,158	3,264
6.1 Bank of Ceylon is the custodian of Ceybank Unit Trust Fund.		
	31.03.2022	31.03.2021
7. Other receivables		
Dividend receivables	4,776	4,680
Share application receivables	-	1,600
Receivables on equity shares sales	1,681	-
	6,457	6,280
	31.03.2022	31.03.2021
8. Financial assets - fair value through profit or loss		
Held for trading		
Investment in equity shares (note 8 (a))	3,457,206	3,437,799
Commercial papers (note 08 (b))	85,346	179,699
Treasury bills	221,366	-
	3,763,918	3,617,498



CEYBANK UNIT TRUST FUND**Notes to the financial statements**

For the year ended 31 March 2022

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

a) Investment in equity shares

	No. of shares	Market value	Percentage net assets of total
As at 31 March 2022			
Company			
Banks			
Pan Asia Banking Corporation Limited	126	1,364	0.03%
Commercial Bank of Ceylon PLC	868	54,452	1.40%
Union Bank Of Colombo PLC	25	189	0.00%
Seylan Bank Limited	274	6,803	0.17%
Sampath Bank Limited.	238	10,900	0.28%
Nations Trust Bank PLC	36	1,638	0.04%
Sanasa Development Bank	1,539	45,408	1.16%
		120,754	3.10%
Food Beverages and Tobacco			
Kahawatte Plantations Ltd	5,733	130,720	3.35%
Kelani Valley Plantations Limited	1,040	60,603	1.55%
Lucky Lanka Milk Processing Company PLC	1,800	1,440	0.04%
		192,763	4.94%
Capital Goods			
Royal Ceramics Lanka PLC	534	21,734	0.56%
Hayleys PLC	368	28,283	0.73%
John Keells Holdings PLC	356	51,567	1.32%
Central Industries PLC	73	7,192	0.18%
Lanka Walltiles PLC	423	29,514	0.76%
Hemas Holdings PLC	331	15,288	0.39%
Vallibel One PLC	5,472	219,964	5.64%
Softlogic Holdings PLC	49	1,833	0.05%
Access Engineering PLC	702	10,531	0.27%
		385,906	9.90%
Diversified Holdings			
Merchant Bank of Sri Lanka	11,799	60,175	1.54%
Peoples Leasing & Finance PLC	4	29	0.00%
		60,204	1.54%
Transportation			
Expo Lanka Holdings PLC	373	77,560	1.99%
Chriss World Limited	775	9,378	0.24%
		86,938	2.23%
Consumer Durables and Apparel			
Tee jay Lanka PLC	187	7,457	0.19%
Hela Apparel Holdings Limited	2,945	37,993	0.97%
		45,450	1.17%
Automobiles and Components			
Kelani Tyres Ltd	6,124	354,573	9.09%
		354,573	9.09%



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****a) Investment in equity shares (Contd.)**

As at 31 March 2022	No. of shares	Market value	Percentage of total net assets
Health Care Equipment and Services			
The Lanka Hospitals Corporation PLC	3,014	151,327	3.88%
		151,327	3.88%
Consumer Services			
Aitken Spence Hotel Holdings PLC	196	6,953	0.18%
Trans Asia Hotels Limited	5,458	263,070	6.75%
The Kingsbury PLC	10,779	86,236	2.21%
Hayleys Leisure Plc	37	594	0.02%
Asian Hotels & Properties PLC	8,979	332,222	8.52%
		689,075	17.67%
Real Estate			
C T Land Development PLC	2	43	0.00%
Equity Two Ltd	2,202	83,657	2.15%
Colombo Land & Development Company PLC	18,896	470,504	12.07%
Prime Lands Residencies Limited	1,000	6,900	0.18%
		561,104	14.39%
Materials			
Tokyo Cement Co. (Lanka) Limited-Non Voting	142	3,745	0.10%
Tokyo Cement Co. (Lanka) Limited	65	2,207	0.06%
Alumex PLC	344	2,514	0.06%
JAT Holdings Limited	1,000	15,900	0.41%
Pack Corrugated Cartons Limited	4,010	39,695	1.02%
		64,061	1.64%
Utilities			
LVL Energy Fund Limited	1,117	9,492	0.24%
Laughs Power Ltd	123	1,263	0.03%
Laughs Power Ltd - Non Voting	12	96	0.00%
Windforce Limited	100	1,590	0.04%
		12,441	0.32%
Energy			
Lanka IOC PLC	5,172	159,292	4.09%
Laugfs Gas PLC	123	2,207	0.06%
Laugfs Gas PLC (non Voting)	12	136	0.00%
		161,635	4.15%
Commercial & Professional Services			
Exterminators Limited	316	1,642	0.04%
		1,642	0.04%
Insurance			
LOLC General Insurance Limited	1,783	12,658	0.32%
		12,658	0.32%



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****a) Investment in equity shares (Contd.)**

As at 31.03.2022	No. of shares	Market value	Percentage of total net assets
Retailing			
Kapruka Holdings Limited	958	6,709	0.17%
		6,709	0.17%
Software & Services			
HSENID Business Solutions Limited	638	11,491	0.29%
		11,491	0.29%
Telecommunication Services			
Sri Lanka Telecom PLC	15,222	531,236	13.62%
Dialog Axiata PLC	724	7,238	0.19%
		538,474	13.81%
Total		3,457,204	89%

a) Investment in equity shares**As at 31.03.2021**

Banks			
Pan Asia Banking Corporation Limited	126,284	1,768	0.04%
Commercial Bank of Ceylon PLC	407,444	34,836	0.89%
Union Bank Of Colombo PLC	25,226	262	0.01%
Seylan Bank Limited	250,935	10,840	0.28%
Sampath Bank Limited.	228,000	12,266	0.31%
Nations Trust Bank PLC	34,192	1,891	0.05%
Sanasa Development Bank	212,034	12,044	0.31%
		73,908	1.88%
Food Beverages and Tobacco			
Kahawatte Plantations Ltd	1,205,908	45,222	1.15%
Kelani Valley Plantations Limited	6,504,568	187,982	4.78%
Lucky Lanka Milk Processing Company PLC	1,800,000	1,440	0.04%
		234,644	5.96%
Capital Goods			
Softlogic Holdings PLC	48,751	575	0.01%
Vallibel One PLC	6,204,322	292,224	7.43%
John Keells Holdings Limited	77,595	11,523	0.29%
Central Industries PLC	46,436	4,783	0.12%
Lanka Walltiles PLC	84,689	15,964	0.41%
Access Engineering PLC	681,090	15,052	0.38%
		340,121	8.64%
Diversified Holdings			
Adam Investments Limited	3,859,024	772	0.02%
Peoples Leasing Company PLC	3,235	38	0.00%
Merchant Bank of Sri Lanka and finance PLC	11,798,960	82,593	2.10%
		83,403	2.12%
Transportation			
Expolanka Holdings PLC	373,335	16,688	0.42%
		16,688	0.42%



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****a) Investment in equity shares (Contd.)**

	No. of shares	Market value	Percentage of total net assets
As at 31 March 2021			
Consumer Durables and Apparel			
Teejay Lanka PLC	45,600	1,824	0.05%
		1,824	0.05%
Automobiles and Components			
Kelani Tyres Ltd	6,473,917	504,966	12.83%
		504,966	12.83%
Health Care Equipment and Services			
The Lanka Hospitals Corporation PLC	3,014,475	131,130	3.33%
		131,130	3.33%
Consumer Services			
The Kingsbury PLC	16,794,100	100,765	2.56%
Trans Asia Hotels Limited	5,457,869	305,095	7.75%
Asian Hotels & Properties PLC	8,978,984	335,814	8.53%
Amaya Leisure PLC	36,680	653	0.02%
Aitken Spence Hotel Holdings PLC	195,848	5,915	0.15%
		748,242	19.01%
Real Estate			
C T Land Development PLC	1,667	45	0.00%
Equity Two Ltd	2,279,187	123,532	3.14%
Colombo Land & Development Company PLC	18,895,734	453,498	11.52%
		577,075	14.66%
Materials			
Tokyo Cement Co. (Lanka) Limited-Non Voting	142,400	8,629	0.22%
Tokyo Cement Co. (Lanka) Limited	65,105	4,343	0.11%
Alumex PLC	344,413	3,720	0.09%
Piramal Glass ceylon PLC	391,523	4,346	0.11%
		21,038	0.53%
Utilities			
Lvl Energy Fund Limited	1,116,653	10,832	0.28%
Laughs Power Limited- Non Voting	12,175	75	0.00%
Laughs Power Limited	122,600	1,079	0.03%
		11,986	0.31%
Energy			
Laugfs Gas PLC -Non Voting	12,175	189	0.00%
Laugfs Gas PLC	122,600	2,660	0.07%
Lanka IOC PLC	6,025,833	114,491	2.91%
		117,340	2.98%
Telecommunication Services			
Dialog Axiata PLC	723,769	9,409	0.24%
Sri Lanka Telecom PLC	17,309,741	566,029	14.38%
		575,438	14.62%
Total		3,437,799	87.36%



An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in note 3.

CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****b) Investment in commercial papers**

31.03.2022	Yield	Investment date	Maturity date	Cost	Carrying
LOLC	8.50%	08-Jun-21	08-Jun-22	51,611	54,386
Janashakthi Ltd.	9.30%	09-Jun-21	09-Jun-22	10,000	10,595
Janashakthi Ltd.	10.50%	21-Jan-22	21-Apr-22	20,000	20,365
				81,611	85,346

31.03.2021	Yield	Investment date	Maturity date	Cost	Carrying
Janashakthi Ltd.	10.60%	08-Oct-20	08-Apr-21	25,226	26,497
Softlogic Holdings PLC	9.50%	01-Feb-21	03-May-21	25,388	25,761
Softlogic Holdings PLC	9.50%	05-Feb-21	06-May-21	24,719	25,056
Softlogic Holdings PLC	9.50%	15-Feb-21	17-May-21	25,000	25,275
LOLC	6.50%	18-Feb-21	17-May-21	25,938	26,118
LOLC	6.25%	08-Mar-21	08-Jun-21	50,810	50,991
				177,081	179,699

	31.03.2022	31.03.2021
c) Net change in unrealised gain/ (loss) on financial assets		
Cost of investment in equity shares	4,318,818	4,141,641
Market value of investment in equity shares	3,457,206	3,437,799
Net change in unrealised gain/ (loss) on investment in equity shares - B/F	(705,111)	(1,937,820)
Net change in unrealised gain/ (loss) on investment in equity shares	156,501	(1,233,978)
Net change in unrealised gain/ (loss) on investment in commercial papers	991	104
Net change in unrealised gain/ (loss) on investment in treasury bills	622	-
	158,114	(1,233,874)

	31.03.2022	31.03.2021
9. Financial assets measured at amortised cost		
Repurchase agreements (note 09 (a))	160,647	216,551
Fixed deposits (note 09 (b))	-	125,320
	160,647	341,871

a) Investments in repurchase agreements

31.03.2022	Yield	Investment date	Maturity date	Cost	Carrying
Acuity Securities Ltd		28-Mar-22	11-Apr-22	100,000	100,096
NSB Fund Management		28-Mar-22	04-Apr-22	55,000	55,050
Bank of Ceylon		31-Mar-22	01-Apr-22	5,500	5,501
				160,500	160,647

31.03.2021	Yield	Investment date	Maturity date	Cost	Carrying
Wealth Trust Securities Ltd	4.65%	22-Mar-21	05-Apr-21	36,349	36,396
Union Bank Of Colombo	4.70%	24-Mar-21	07-Apr-21	107,475	107,585
Wealth Trust Securities Ltd	4.60%	26-Mar-21	05-Apr-21	19,500	19,515
Acuity Securities Ltd	4.75%	30-Mar-21	20-Apr-21	53,041	53,055
				216,365	216,551



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****b) Investment in fixed deposits**

As at 31.03.2021	Yield	Investment date	Maturity date	Cost	Carrying
Sanasa Development Bank	5.15%	12-Mar-21	01-Apr-21	100,000	100,282
Richard Pieris Finance Ltd	5.51%	22-Mar-21	22-Sep-21	25,000	25,038
				125,000	125,320

Fair value of financial instruments carried at amortised cost are approximate to their carrying value due to short term maturity.

	31.03.2022	31.03.2021
10. Tax receivable		
Tax receivable	20,786	20,786
Impairment allowance for tax receivables	(20,786)	(20,786)
	-	-

	31.03.2022	31.03.2021
11. Payables		
Management fee, trust fee and custodian fee	25,429	20,851
Other payables	10,987	11,272
Audit fee payable	280	270
Unclaimed redemptions	8	8
Payable on equity share purchases	-	1,388
	36,704	33,788

12. Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	31.03.2022		31.03.2021	
	Units	Rs.	Units	Rs.
Opening capital balance	170,174,326	3,935,096	175,377,256	2,644,488
Applications	377,757	11,326	63,221	1,271
Redemptions	(1,630,319)	(45,227)	(5,266,151)	(119,377)
Distributions to unitholders	-	-	-	-
Increase in net assets attributable to unitholders	-	(2,172)	-	1,408,714
Closing balance	168,921,765	3,899,023	170,174,326	3,935,096

	31.03.2022	31.03.2021
Net assets attributable to unitholders	3,899,023	3,935,096
	3,899,023	3,935,096



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****Distributions to unitholders**

Distributions during the year,

	2021/22		2020/21	
	No of Units	Rs. '000	No of Units	Rs. '000
Distributions	-	-	-	-

As stipulated within the trust-deed, each unit represents a right to an individual share in the trust and does not extend to a right to the underlying assets of the trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the trust.

The creation price was at Rs. 24.41 per unit (31 March 2021-Rs. 24.46) and the redemption price was at Rs. 22.91 per unit (31 March 2021 - Rs. 22.96) as at 31 March 2022.

12.1 Reconciliation between the net asset value as per financial statements and the published net asset value.

	31.03.2022
Published net asset value	3,899,023
Being recording of audit fee adjustment entry for the year	-
Adjustment to divided income	-
Net asset value as per financial statements	<u>3,899,023</u>

13. Related party transactions

The following have been identified as related parties to Ceybank Unit Trust Fund in accordance with LKAS 24 - Related Party Disclosures.

a) Management entity

The management entity of Ceybank Unit Trust is Ceybank Asset Management Limited.

b) Key management personnel**i) Directors**

Key management personnel includes persons who are directors of Ceybank Asset Management Limited at any time during the financial year.

- Mr. Gunapala Wickramage (Chairman - appointed with effect from 13 January 2022)
- Mr. N.A. Fernando (Chairman - resigned on 13 January 2022)
- Mr. I.C.C. Ferdinands - (CEO/Executive Director)
- Mr. G.A. Jayashantha
- Mr. R.M.N. Jeewantha
- Mr. A.D. Perera
- Ms. Vasantha Govindan
- Ms. W. Sriyani Kulasignhe (appointed with effect from 09 March 2022)

ii) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the fund, directly or indirectly during the financial year.



CEYBANK UNIT TRUST FUND**Notes to the financial statements****For the year ended 31 March 2022****(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)****c) Key management personnel unit holdings**

The key management personnel of Ceybank Asset Management Ltd held units in the fund as follows:

	No of units held opening	No of units held closing	Fair value of investment Rs.'000	Distribution paid by the fund Rs.'000
31 March 2022	-	-	-	-
31 March 2021	9,522	922	21	-

d) Key management personnel compensation

Key management personnel are paid by Ceybank Asset Management Limited. Payments made from the fund to Ceybank Asset Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

e) Other transactions within the Trust

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the trust during the financial year and there were no material contracts involving key management personnel's interest existing at year end.

f) Related party unit holding

The management company of Ceybank Unit Trust held units in the fund as follows:

31 March 2022	No of units held opening	No of units held closing	Fair value of investment Rs.'000	Transaction value during the year Rs.'000
Ceybank Asset Management Limited	6,007,535	6,007,535	137,633	-

g) Transactions with and amounts due to related parties

The fees charged by the management company and trustee for services provided during the year and the balances outstanding from such dues as at year end are as disclosed below:

	Charge for the year		Balance outstanding	
	2022	2021	31.03.2022	31.03.2021
Management fees	(76,147)	(58,579)	25,429	20,851
Trustee/custodian fees	(15,460)	(11,893)		
	(91,607)	(70,472)	25,429	20,851

14. Contingent assets and liabilities and commitments

There were no significant commitments and/or contingent liabilities existing as at the reporting date which require adjustments to or disclosures in the financial statements.

15. Events occurring after the reporting period

No significant events have occurred after the reporting period which require adjustments to or disclosures in the financial statements.



CEYBANK UNIT TRUST FUND
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MANAGEMENT TEAM
(As at 31st March 2022)

CEYBANK ASSET MANAGEMENT LTD

MANAGEMENT TEAM

CEO / EXECUTIVE DIRECTOR

Ian Ferdinands
Chartered Marketer
Certified e Marketer
MBA (Finance)

General Manager

Ravindra Hettiarachchi
Chartered Finalist (ICASL)
B.Sc (Mgt) Sp. Hons
MBA

Accountant

Rohan Kumara Ekanayaka
ACA (ICASL), B.Sc. Accounting (Sp.)

Fund Manager

Kanchana Karannagoda
B.Sc. B. Admin. Sp. (Finance) Hons
CIMA, CGMA

Marketing Manager

Kumudu Kekirideniya
Dip.in Marketing (UK),
MICM (UK)

Registrar

Pamudi Kariyawasam

IT Manager

Sameera Fernanndo

CEYBANK UNIT TRUST FUND

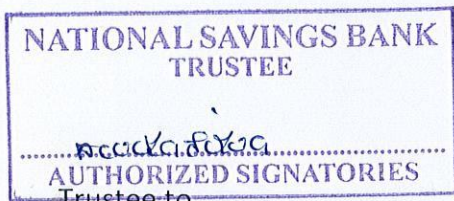
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DECLARATION BY TRUSTEES AND MANAGING COMPANY

Declaration by Trustees and Management Company as per SEC circular No 02/2009 on Guidelines for Trustees and Management Companies of Unit Trust Funds.

National Savings Bank the Trustee and Ceybank Asset Management Ltd the Managers of Ceybank Unit Trust Funds hereby declare that;

1. The requirements of the Guidelines for Trustees and Managing Companies of Unit Trust Funds set by the Securities and Exchange Commission of Sri Lanka have been complied with during the year.
2. The transactions were and will be carried out at arm's length basis and on terms which are best available for the Fund, as well as act, at all times, in the best interest of the fund's unit holders.



Ceybank Unit Trust Funds


General Manager/Compliance Officer
Ceybank Asset Management Ltd



Managers of the Ceybank Unit Trust Funds

No 85, York Street, Colombo -1

Tel: 011- 760 2000-2, Fax: 011- 2327203 Email: info@ceybank.com Web: www.ceybank.com