

# PREMIER WEALTH FUNDS

## PREMIER WEALTH FUNDS ANNUAL REPORT 2023-2024

Trustee & Custodian



HATTON NATIONAL BANK PLC, HEAD OFFICE

Fund Manager



PREMIER WEALTH MANAGEMENT LIMITED

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## Fund Manager's Review

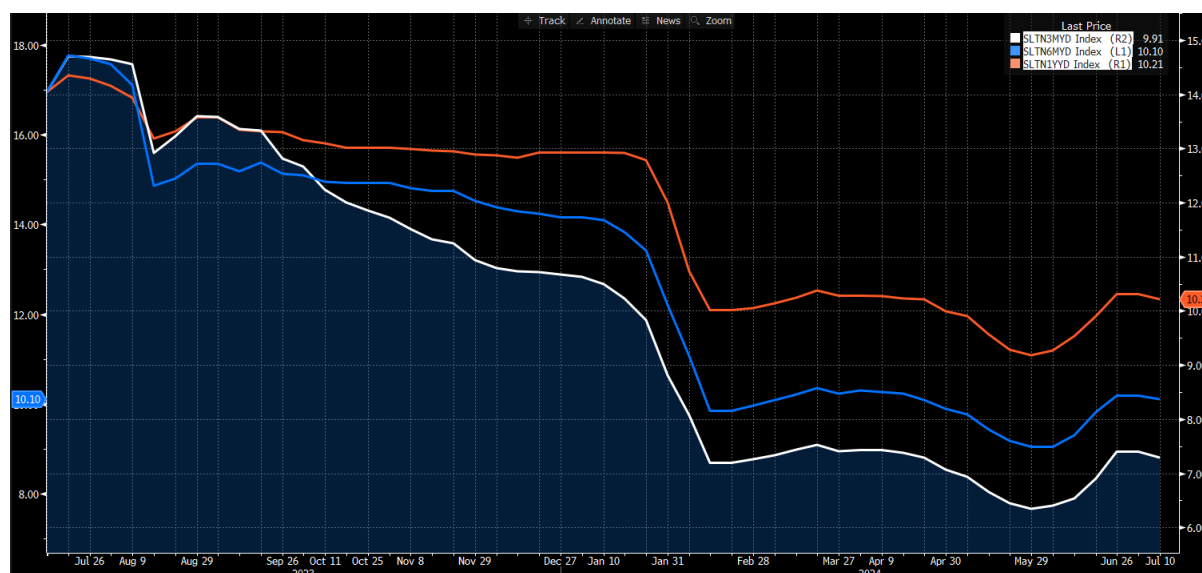
### Our Valued Investors,

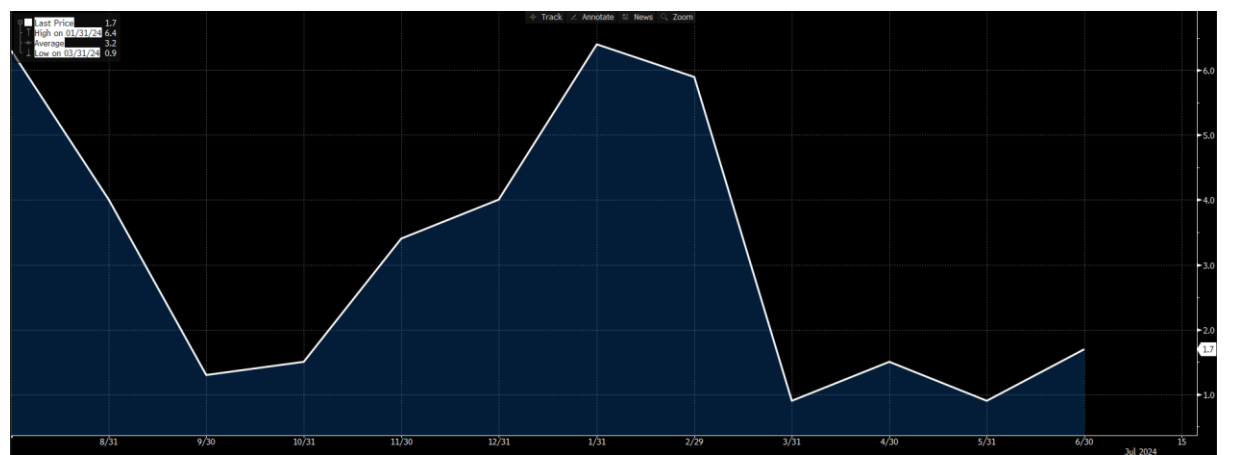
In 2023, the economy shrank by 2.3%, even though there was growth in the third and fourth quarters (1.6% and 4.5%, respectively), marking the end of six consecutive quarters of contraction. The decline was driven by reduced activity in sectors such as construction, mining, financial services, IT, and textile manufacturing, amidst subdued demand, limited access to private credit, and shortages of raw materials. However, this was partially offset by expansion in industries such as transport, accommodation, food, and beverages and recovery in tourism. Inflation remained steady after decreasing to single-digit figures by July 2023, supported by a stronger currency and improved supply conditions.

After nearly two years of tightening monetary policy, the Central Bank of Sri Lanka reduced policy rates by 650 basis points from June to November 2023. This move, alongside enhanced liquidity conditions, significantly lowered the government's expenses related to domestic borrowing. Despite ongoing negative growth rates, there has been a steady monthly recovery in private sector credit since June 2023.

Growth prospects depend on progress with debt restructuring and the continued implementation of structural reforms. Inflation is likely to rise moderately in the near-term, due to new revenue measures and the waning of favourable base effects, and remain benign in the medium-term as demand continues to be subdued.

### Interest Rates



**Inflation (YoY)****Fund Performance**

The two-unit trust funds under management - “Premier Money Market Fund” and “Premier Growth Fund” cater to the liquidity (in the case of the former) and long-term capital appreciation needs (in the case of the latter) of our unitholders.

Premier Money Market Fund continued to establish its reputation as a fund which aims to provide attractive, short-term, tax-adjusted investment opportunities for both corporate and retail clients. For the year ended 31<sup>st</sup> March 2024 the Fund managed to deliver a 19.02% annualized yield, net of fees, compared to the 20.45% annualized yield the fund achieved in the previous period.

Premier Growth Fund, a balanced fund which focuses on investments in rated debt instruments, Government Securities, deposits with financial institutions and equity, recorded a return of 39% (net of fees) for the period under review, whereas All Share Price Index of Colombo Stock Exchange has recorded an increase of 23% for the same period.

**References:**

(1). <https://www.worldbank.org/en/country/srilanka/publication/sri-lanka-development-update-2024>

(2). [https://www.cbsl.gov.lk/sites/default/files/cbslweb\\_documents/press/pr/press\\_20240528\\_Monetary\\_Policy\\_Review\\_No\\_3\\_2024\\_e\\_Ju4e2.pdf](https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20240528_Monetary_Policy_Review_No_3_2024_e_Ju4e2.pdf)

PREMIER GROWTH FUND  
COLOMBO - 05

FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31<sup>ST</sup> MARCH 2024



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 65/2, Sir Chittampalam A Gardiner Mawatha  
 Colombo 02  
 Sri Lanka

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF PREMIER GROWTH FUND

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of Premier Growth Fund ("the Fund"), which comprise the statement of financial position as at 31<sup>st</sup> March 2024 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 material accounting policies as set out on pages 05 to 18.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31<sup>st</sup> March 2024, 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 ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) 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.

#### Responsibilities of the Manager and Trustee for the Financial Statements

Premier Wealth Management Limited ("the Manager") of the Unit Trust 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 the Manager determines, 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, the Manager 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 the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process.

#### Material Uncertainty Related to Going Concern

We draw your attention to Note 2.6 to the Financial Statements which explains that the Financial Statements have been prepared based on other than a going concern basis since management has decided to wind up the Fund. Our opinion is not modified in respect of this matter.

#### 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.

BDO Partners, a Sri Lankan Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Partners : Sujeeva Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA. R. Vasanthakumar Bsc (Acc), ACA, F. Sarah Z. Afker ACA, ACMA (UK), CGMA, MCS1 (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law. Nirosha Vadivel Bsc (Acc), ACA, ACMA.



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.
- Conclude on the appropriateness of management'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 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 the Trustee 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 Rule 50 of the Collective Investment Scheme Code (CIS Code) issued by the Securities and Exchange Commission of Sri Lanka in terms of Section 183 of the Securities and Exchange Commission Act No. 19 of 2021 and the Trust Deed.

*BDO Partners*  
**CHARTERED ACCOUNTANTS**  
Colombo 02  
31<sup>st</sup> July 2024  
NV/cc

PREMIER GROWTH FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2024

	Note	2023/2024 Rs.	2022/2023 Rs.
<b>Investment income</b>			
Dividend income		-	16,153
Interest income	4	2,088,758	3,721,943
Net realised gain on financial assets at fair value through profit or loss		21,638	77,924
Net unrealised gain/(loss) on financial assets at fair value through profit or loss		3,772,468	(1,828,312)
<b>Total investment income</b>		<u>5,882,864</u>	<u>1,987,708</u>
<b>Expenses</b>			
Custodian fee		(142,749)	(137,501)
Audit fee		(155,955)	(157,704)
Transaction cost		(2,238)	(1,529)
Professional fees		(58,509)	(43,081)
Write-off of tax receivables		(76,535)	(54,479)
<b>Total operating expenses</b>		<u>(435,986)</u>	<u>(394,294)</u>
<b>Net operating profit</b>		<u>5,446,878</u>	<u>1,593,414</u>
Finance expenses		(498)	(2,324)
<b>Profit before tax</b>		<u>5,446,380</u>	<u>1,591,090</u>
Income tax expense	5	-	-
<b>Increase in net assets attributable to unitholders</b>		<u><u>5,446,380</u></u>	<u><u>1,591,090</u></u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 18 form an integral part of these Financial Statements.

Colombo  
31st July 2024





**PREMIER GROWTH FUND  
STATEMENTS OF FINANCIAL POSITION  
AS AT 31ST MARCH 2024**

	Note	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
<b>ASSETS</b>			
Cash and cash equivalents	6	5,461	5,712
Financial assets - fair value through profit or loss	7	18,205,617	23,735,992
<b>Total assets</b>		<b>18,211,078</b>	<b>23,741,704</b>
<b>UNITHOLDERS' FUNDS AND LIABILITIES</b>			
<b>Liabilities</b>			
Accrued expenses and other payables	8	242,587	225,547
<b>Total liabilities</b>		<b>242,587</b>	<b>225,547</b>
<b>Unitholders' fund</b>			
Net assets attributable to unitholders	9	17,968,491	23,516,157
<b>Total unitholders' fund</b>		<b>17,968,491</b>	<b>23,516,157</b>
<b>Total unitholders' funds and liabilities</b>		<b>18,211,078</b>	<b>23,741,704</b>


Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 18 form an integral part of these Financial Statements.


The Fund Management Company and Trustee are responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards.

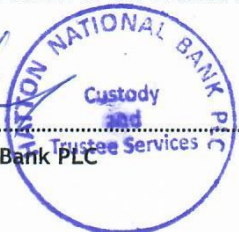
Signed for and on behalf of the Management Company by:

  
.....  
H.G.A. Sirisena  
Director  
Premier Wealth Management Limited  
Fund Management Company

  
.....  
G.A.H. Chandana  
Director  
Premier Wealth Management Limited  
Fund Management Company

Signed for and on behalf of the Trustee by:

  
.....  
Hatton National Bank PLC  
Trustee  
  
Colombo  
31st July 2024  
NV/cc



PREMIER GROWTH FUND  
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS  
FOR THE YEAR ENDED 31ST MARCH 2024

Description	Rs.
Unitholders' funds as at 01st April 2022	25,504,198
Increase in net assets attributable to unitholders	1,591,090
Creations of units	11,820
Redemption of units	(3,590,951)
<b>Unitholders' funds as at 31st March 2023</b>	<u>23,516,157</u>
Increase in net assets attributable to unitholders	5,446,380
Creations of units	11,820
Redemption of units	(11,005,866)
<b>Unitholders' funds as at 31st March 2024</b>	<u><u>17,968,491</u></u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 18 form an integral part of these Financial Statements.

Colombo  
31st July 2024



PREMIER GROWTH FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2024

	2023/2024	2022/2023
	Rs.	Rs.
<b>Cash flows from operating activities</b>		
Interest received	3,212,375	2,121,979
Dividend received	-	20,932
Operating expenses paid	(342,591)	(358,719)
Net investment in financial assets	8,123,831	(6,560,507)
Increase in payable to Management Company	180	(465)
<b>Net cash generated from operating activities</b>	<b>10,993,795</b>	<b>(4,776,780)</b>
<b>Cash flows from financing activities</b>		
Cash received on creation of units	11,820	11,820
Cash paid on redemption of units	(11,005,866)	(3,590,951)
<b>Net cash used in financing activities</b>	<b>(10,994,046)</b>	<b>(3,579,131)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(251)</b>	<b>(445,874)</b>
Cash and cash equivalents at the beginning of the year (Note A)	5,712	451,586
Cash and cash equivalents at the end of the year (Note B)	<u>5,461</u>	<u>5,712</u>
<b>At the beginning</b>		<b>Note A</b>
Balance at bank	<u>5,712</u>	<u>451,586</u>
<b>At the end</b>		<b>Note B</b>
Balance at bank	<u>5,461</u>	<u>5,712</u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 18 form an integral part of these Financial Statements.

Colombo  
31st July 2024



## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**1. CORPORATE INFORMATION****1.1 General**

Premier Growth Fund ("the Fund") is an open ended unit trust fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was launched in September 2012.

The Management Company of the Fund, "Premier Wealth Management Limited" is a fully owned subsidiary of Ceylinco Seraka Limited, which has been incorporated and domiciled in Sri Lanka. The registered office of the Manager and its principal place of business are located at No.02, Gower Street, Colombo 05. The Trustee of the Fund is Hatton National Bank PLC having an established business place at Hatton National Bank PLC, Custodian and Trustee Services, HNB Towers (Level 15), No. 479, T B Jayah Mawatha, Colombo 10, Sri Lanka.

**1.2 Operating activities**

The investment objective of the Fund is capital growth by investing mainly in well diversified portfolios of equity securities listed on the Colombo Stock Exchange and high credit quality fixed income securities.

The Board of Directors of the Management Company has decided to wind up the Fund as stated in Note 2.6.

**1.3 Date of authorisation for issue**

The Financial Statements of the Fund for the year ended 31<sup>st</sup> March 2024 were authorised for issue by the Fund Management Company and the Trustee on 31<sup>st</sup> July 2024.

**2. PREPARATION OF FINANCIAL STATEMENTS****2.1 Basis of preparation**

The Financial Statements have been prepared and presented in compliance with the relevant Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. The statement of financial position has been presented on a liquidity basis and assets and liabilities presented in decreasing order of liquidity and are not distinguished between the current and non-current. The Financial Statements have been prepared on the historical cost basis, except as noted in the following accounting policies. Historical cost is generally the fair value of the consideration given in exchange of assets. The Financial Statements have been presented in Sri Lankan rupees (Rs).

**2.2 Statement of compliance**

These Financial Statements which comprise the statement of financial position as at 31<sup>st</sup> March 2024, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the period ended and a summary of material accounting policy information and other explanatory information have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirement of the Collective Investment Scheme Code (CIS Code) of the Securities and Exchange Commission of Sri Lanka.

**2.3 Basis of measurement**

The Financial Statements have been prepared under the historical cost convention with the exception of certain assets and liabilities at fair value.



## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**2.4 Functional and presentation currency**

The Financial Statements have been presented in Sri Lankan Rupees, the Fund's functional and presentation currency, which is the primary economic environment in which the Fund operates.

**2.5 Materiality aggregation**

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

**2.6 Going concern**

The Board of Directors of the Management Company decided to wind up the Fund at the Board Meeting held on 17<sup>th</sup> July 2024. Accordingly, the Financial Statements are prepared on other than a going concern basis of accounting reflecting the liquidation of the operation based on the decision made by the Board of Directors.

The Management of the Fund has notified the decision to wind up, to the Securities and Exchange Commission (SEC) through letter dated 19<sup>th</sup> July 2024 and the response from the SEC is pending as at the Auditor's Report date.

**2.7 Summary of significant accounting policies****2.7.1 Significant accounting judgments, estimates and assumptions**

The preparation of Financial Statements in conformity with SLFRS 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 Fund'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 recognised in 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 the current and future periods.

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 the valuation technique.



PREMIER GROWTH FUND

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## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

- 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),
- Level 3 : Techniques which use inputs that are not based on observable market data

**2.7.2 Financial instruments****2.7.2.1 Recognition and initial measurement**

All financial assets are initially recognised 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 regulations or convention in the market place.

**2.7.2.2 Classification**

The classification of financial assets at initial recognition depends on their contractual terms and the business model for managing the asset. On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss (FVTPL). Financial assets are not re-classified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case, all affected financial assets are re-classified 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
- Its contractual terms give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding

A financial asset is measured at fair value through profit or loss if:

- (a) its contractual terms do not give rise to cash flows on specified dates that are solely the payments of principal and interest on the principal amount outstanding,  
Or
- (b) it is not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell,  
Or
- (c) at initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.



PREMIER GROWTH FUND

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## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

## 2.7.2.3 Subsequent measurement and gains and losses

Financial assets at amortised cost	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, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at Fair value through profit or loss	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

## 2.7.2.4 Impairment of 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 is measured as a 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 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.

## 2.7.2.5 Credit impaired financial assets

At each reporting date, the Fund assesses to ascertain whether the 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
- The restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise
- The probability that the borrower will enter bankruptcy or other financial reorganisation

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 recognised in the Financial Statements.

## 2.7.2.6 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 asset.



## PREMIER GROWTH FUND

## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**2.7.2.7 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.

**2.7.2.8 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.

**2.7.2.9 Derecognition****2.7.2.9.1 Financial assets**

All financial assets are recognised 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 regulations or convention in the market place.

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right 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.

**2.7.2.9.2 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.

In recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

**2.7.2.10 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 currently an 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.

**2.7.3 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 are subject to an insignificant risk of changes in values.





## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**2.7.4 Payables and provisions**

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

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

**2.7.5 Recognition of income**

Income is recognised to the extent that it is probable that the future economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must also be met before interest income is recognised.

**2.7.5.1 Interest income**

For all financial instruments measured at amortised 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.

**2.7.5.2 Dividend income**

Income is recognised when the right to receive the dividend is established, normally being the ex-dividend date. Dividend income is recognised net of withholding tax, if any.

**2.7.5.3 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 include results of buying and selling of quoted equity securities.

**2.7.5.4 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 include all gains and losses arising from changes in fair value of financial assets held at fair value through profit or loss as at the reporting date.

**2.7.6 Expenditure recognition**

All expenses, including management fees and trustee fees, are recognised in profit or loss on an accruals basis.

The management's participation fees, the trustee fees and custodian fees of the Fund are as follows.

- Management and registration fee - 1.15% p.a. of net assets value of the Fund
- Trustee fee - 0.20% p.a of net assets value of the Fund
- Custody fee - Rs. 20,000 per month

Management fee and trustee fee had not been charged on the Fund considering the size of the Fund, but custodian fee commenced to be charged from 16 February 2019 onwards.



## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**2.7.7 Taxation**

The charge for taxation is based on the results for the year as adjusted for disallowable items. With the enactment of the new Inland Revenue Act No. 24 of 2017, effective 01<sup>st</sup> April 2018, an eligible unit trust would not be liable for income tax on any income which is a 'pass-through' to its unitholders. Accordingly, after 31<sup>st</sup> March 2018, the Fund has considered all income as being a 'pass-through' to its unitholders.

**2.7.8 Unitholders' funds and net assets attributable to unitholders**

Unitholders' funds have 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 valuation guidelines issued by the Unit Trust Association of Sri Lanka and directive issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

**3. FINANCIAL INSTRUMENTS AND RISK MANGEMENT****3.1 Financial Instruments**

The Fund's principal financial assets comprise investment in fixed income securities and cash at bank. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Fund also has other financial instruments such as receivables and payables which arise directly from its operations.

In accordance with SLFRS 09 Financial Instruments: recognition and measurement, the Fund's investments and receivables are classified as 'Financial instruments at amortised cost'. Payables are designated as 'Financial liabilities' at amortised cost.

**3.2 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 market risk, credit risk and liquidity risk.

**3.2.1 Market risk**

Market risk represents the risk that the value of the Fund's investment 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 investment strategies. As such, unitholders can manage this risk through their choices of which investment portfolios to participate in.

**3.2.1.1 Price risk**

Movements in share prices directly affect the value of investments in the Premier Growth Fund because the volatility in future prices of investments held by the Fund are uncertain. To minimise the impact of price movements in individual shares, the Fund holds a portfolio of stocks at the maximum limit of 95% of the net assets attributable to unitholders which is diversified across multiple industry sectors covering growth stocks, and value stocks. The balance 5% is invested in short-term investment less than three months as repurchase agreements and bank deposits.



## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

Further, the investment team carries out detailed investment research to pick investments from its working list of stocks.

The following sensitivity analysis summarises the Fund's sensitivity to the movements of the prices. This has been evaluated based on management's best estimates including historical correlation of the Fund. However, the actual movements in the risk variables may be different from the expected performance due to market and economic factors.

**Impact on operating profit/net assets attributable to unitholders**

	2023/2024	2022/2023
	Rs.	Rs.
Change in price of the Fund's investment in financial instruments		
+10%	-	17,816
-10%	-	(17,816)

**3.2.1.2 Interest rate risk**

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

The Fund's exposure to interest rate risk primarily arises from changes in interest rates applicable to the investments.

The following sensitivity analysis demonstrates the Fund's sensitivity in the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

**Impact on operating profit/net assets attributable to unitholders**

	2023/2024	2022/2023
	Rs.	Rs.
Change in interest rates of the Fund's investment in financial instruments		
+1%	145,213	37,219
-1%	145,213	(37,219)

**3.2.2 Credit risk**

Credit risk is the risk that the counterparty to the financial instrument 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 amortised cost of these instruments as detailed below. It's the Fund's policy to enter into financial instruments with reputable counterparties.

**3.2.2.1 Risk concentration of credit risk exposure**

To reduce the likelihood of this risk, the Fund adheres to the maximum permissible single issuer exposure of 15% as per the Unit Trust code, and the investment team would reduce this limit further for selected issuers based on in-house credit research and due diligence.



## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

Concentration of credit risk is managed by the counterparty and by market sector. The Fund is also subject to credit risk on its bank balances and receivables. The credit risk exposure on these instruments is not deemed to be significant.

The Fund's exposure to credit risk can be analysed as follows:

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
<b>Credit rating of counterparties</b>		
A-	1,475,090	28,717
A	12,221,997	5,936,817
A+	-	975,262
BBB+	-	2,727,510
BBB	4,508,530	2,896,132
	<u>18,205,617</u>	<u>12,564,438</u>

## 3.2.3 Liquidity risk

The risk is that the Fund will encounter difficulty in raising funds to meet its obligation to pay unitholders. To enhance the liquidity, the Fund invests in financial instruments, which under normal market conditions, are readily convertible to cash. In addition, the Fund invests within established limits to ensure that there is no concentration of risk.

The following table analyses the Fund's maturity groupings based on the remaining period at the end of the reporting period.

Assets	As at 31.03.2024				Total Rs.
	Up to 3 months	3-12 Months	1-3 Years	Over 3 Years	
Financial assets	8,536,634	4,132,913	2,324,144	3,217,388	18,211,078
Financial Liabilities	242,587	-	-	-	242,587

Assets	As at 31.03.2023				Total Rs.
	Up to 3 months	3-12 Months	1-3 years	Over 3 Years	
Financial assets	14,601,563	1,147,598	6,086,242	1,906,302	23,741,705
Financial liabilities	234,526	-	-	-	234,526



PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

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	2023/2024 Rs.	2022/2023 Rs.
<b>4. INTEREST INCOME</b>		
Interest received on repurchase agreement	613,980	428,875
Interest received on treasury bonds	88,184	695,830
Interest received on deposits	-	61,193
Interest received on debenture	1,351,311	1,624,262
Interest on savings deposits	35,283	82,704
Interest received on treasury bills	-	829,079
	<u>2,088,758</u>	<u>3,721,943</u>

**5. TAXATION**

Following the enactment of the new Inland Revenue Act No. 24 of 2017 effective from 1st April 2018, the Fund is deemed as conducting an eligible investment business and is treated as a tax pass through vehicle. Hence, no provision for income tax was made in the Financial Statements for the year ended 31st March 2024.

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash at bank		
- Hatton National Bank PLC - current account	5,000	5,000
- Hatton National Bank PLC - savings account	461	712
	<u>5,461</u>	<u>5,712</u>

**7. FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS**

Investment in quoted shares	7.1	-	178,158
Investments in treasury bonds		-	6,153,080
Investments in repurchase agreements	7.2	8,531,173	3,602,455
Investments in debentures - listed	7.3	9,674,444	8,961,983
Investments in treasury bills		-	4,840,316
		<u>18,205,617</u>	<u>23,735,992</u>

	As at 31.03.2024			As at 31.03.2023		
	No. of Shares	Cost Rs.	Market Value Rs.	No. of Shares	Cost Rs.	Market Value Rs.
<b>7.1 Investment in quoted shares</b>						
<b>Banking</b>						
Commercial Bank of Ceylon PLC	-	-	-	1,166	64	74,158
				<u>1,166</u>	<u>64</u>	<u>74,158</u>
<b>Telecommunication Services</b>						
Dialog Axiata PLC	-	-	-	10,000	10	104,000
				<u>10,000</u>	<u>10</u>	<u>104,000</u>
				<u>-</u>		<u>178,158</u>





PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

7. FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS (CONTD...)

7.1 Investments in repurchase agreements

As at 31st March 2024

Dealer	Yield %	Face value Rs.	Cost Rs.	Market value Rs.	Holding as a % of net asset value
Hatton National Bank	8.75%	8,531,173	8,523,000	8,531,173	47.48%
		<u>8,531,173</u>	<u>8,523,000</u>	<u>8,531,173</u>	<u>47.48%</u>

As at 31st March 2023

Dealer	Yield %	Face value Rs.	Cost Rs.	Market value Rs.	Holding as a % of net asset value
Hatton National Bank	14.75%	3,605,366	3,601,000	3,602,455	15.32%
		<u>3,605,366</u>	<u>3,601,000</u>	<u>3,602,455</u>	<u>15.32%</u>

7.2 Investments in debentures - listed

As at 31st March 2024

Dealer	Yield %	Face value Rs.	Cost Rs.	Market value Rs.	Holding as a % of net asset value
Softlogic Capital PLC	15.00%	2,800,000	2,800,000	2,897,987	16.13%
LOLC Finance PLC / (Commercial Leasing) LOFC	10.50%	500,000	500,000	473,436	2.63%
LOLC Holdings PLC	12.00%	3,900,000	3,900,000	3,217,388	17.91%
Commercial Credit and Finance PLC	9.00%	400,000	400,000	375,617	2.09%
Peoples Leasing and Finance PLC	9.00%	1,500,000	1,500,000	1,475,090	8.21%
CDB Finance PLC	13.43%	1,210,000	1,304,338	1,234,926	6.87%
		<u>10,310,000</u>	<u>10,404,338</u>	<u>9,674,444</u>	<u>53.84%</u>

As at 31st March 2023

Dealer	Yield %	Face value Rs.	Cost Rs.	Market value Rs.	Holding as a % of net asset value
Lanka Orix Finance Company PLC	14.75%	440,400	449,836	428,060	1.82%
Softlogic Capital PLC	15.00%	2,800,000	2,800,000	2,214,848	9.42%
Siyapatha Finance PLC	11.25%	500,000	500,000	512,662	2.18%
Commercial Leasing & Finance PLC	10.50%	500,000	500,000	323,487	1.38%
Asia Asset Finance PLC	10.28%	30,000	30,000	28,717	0.12%
LOLC Holdings PLC	12.00%	3,900,000	3,900,000	1,906,302	8.11%
Commercial Credit and Finance PLC	9.00%	400,000	400,000	242,592	1.03%
Peoples Leasing & Finance PLC	9.00%	1,500,000	1,500,000	975,262	4.15%
CDB Finance PLC	13.43/15.00%	2,790,000	3,027,019	2,330,053	9.91%
		<u>12,860,400</u>	<u>13,106,855</u>	<u>8,961,983</u>	<u>38.11%</u>

7.3 As at 31st March 2024, the financial statements have been prepared on a liquidation basis. In accordance with this basis of preparation, all financial assets previously classified at amortized cost have been reclassified to fair value through profit or loss (FVTPL).

The reclassification of financial assets is due to the unit trust fund's intention to liquidate its assets in the near term, making it necessary to recognize all assets at their fair value as of the reporting date. This change in classification reflects the fund's updated business model, which is now focused on realizing assets in an orderly manner as part of the liquidation process.

PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

Page 16

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
<b>9. ACCRUED EXPENSES</b>		
Custodian fees	12,326	12,055
Tax consultation fees	68,252	52,998
Audit fees	161,814	160,479
Payable to Premier Wealth Management Limited	195	15
	<u>242,587</u>	<u>225,547</u>

**10. RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE**

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that 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. Movement in the number of units and net assets attributable to unitholders during the year was as follows:

	From 01st April 2023 to 31st March 2024		From 01st April 2022 to 31st March 2023	
	Units	Rs.	Units	Rs.
Balance as at beginning of the year	3,395,572	23,516,157	3,984,140	25,504,198
Units issued during the year	1,380	11,820	1,870	11,820
Units redeemed during the year	(1,530,742)	(11,005,866)	(590,438)	(3,590,951)
Increase/(decrease) in net assets attributable to unitholders	-	5,446,380	-	1,591,090
Balance as at end of the year	<u>1,866,210</u>	<u>17,968,491</u>	<u>3,395,572</u>	<u>23,516,157</u>
Adj: Income tax receivables	-	-	-	-
Net assets as per valuation	<u>1,866,210</u>	<u>17,968,491</u>	<u>3,395,572</u>	<u>23,516,157</u>

The creation price was Rs.9.63 per unit as at 31.03.2024 (31st March 2023 - Rs. 6.93) and the redemption price was Rs.9.62 as at 31.03.2024 (31st March 2023 - Rs. 6.92).

**11. UNRECOGNISED CONTRACTUAL COMMITMENTS**

There were no unrecognised contractual commitments as at the reporting date to be disclosed.

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS****12.1 Contingent liabilities**

There were no contingent liabilities as at the reporting date.

**12.2 Contingent assets**

There were no contingent assets as at the reporting date.



PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

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13. EVENTS OCCURRING AFTER THE REPORTING DATE

The Board of Directors of the Management Company has determined to wind-up the Premier Growth Fund with effect from 31st July 2024 pursuant to the Board Resolution dated 17th July 2024.

The Management of the Fund has notified the decision to wind up, to the Securities and Exchange Commission (SEC) through letter dated 19th July 2024 and the response from the SEC is pending as at the Auditor's Report date.

14. RELATED PARTY TRANSACTIONS

14.1 Responsible entity

The Fund Management Company, Premier Wealth Management Limited is a subsidiary of Ceylinco Seraka Limited. The Company's ultimate parent entity and controlling party is Inventure (Private) Limited which is incorporated and domiciled in Sri Lanka.

14.2 Key management personnel

a) Directors

Key management personnel include persons who were directors of Premier Wealth Management Limited at any time during the financial year.

- Mr. H.G.A. Sirisena
- Mr. L.V. Keragala
- Mr. G.A.H. Chandana

b) 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.

14.3 Key management personnel holding units

The key management personnel of Premier Wealth Management Limited have not held any units in the Fund.

14.4 Other transactions within the Fund

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

14.5 Related party unitholding

The Management Company held units in the Fund as follows:

Unitholder	Nature of relationship	Transactions during the period		Unitholding as at 31.03.2024	
		Investments Rs.	Redemptions Rs.	No. of units	Fair Value Rs.
Premier Wealth Management Limited	Management Company	-	-	-	-





PREMIER GROWTH FUND  
NOTES TO THE FINANCIAL STATEMENTS

14. RELATED PARTY TRANSACTIONS (CONTD..)

14.6 Key management personnel compensation

Payments made from the Fund to Premier Wealth Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Name of related company	Relationship	Transaction type	2023/2024 Rs.	2022/2023 Rs.
Hatton National Bank	Trustee and custodian	Custodian fee	142,749	137,501

The Fund maintains a current account with the Trustee, Hatton National Bank PLC through which all settlements of the Fund's transactions were made.

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Bank balance held at Hatton National Bank PLC	5,461	5,712

14.7 Transactions with Key Management Personnel (KMP) of the Company

Payments made from the Fund to Premier Wealth Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

15. COMPARATIVE INFORMATION

Comparative information of the Fund has been re-classified wherever necessary to conform to the current year's presentation/classification.



**PREMIER MONEY MARKET FUND  
COLOMBO 05**

**FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31<sup>ST</sup> MARCH 2024**



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 Colombo 02  
 Sri Lanka

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF PREMIER MONEY MARKET FUND

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of Premier Money Market Fund ("the Fund"), which comprise the statement of financial position as at 31<sup>st</sup> March 2024 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 material accounting policy information as set out on pages 05 to 16.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Fund as at 31<sup>st</sup> March 2024, 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 Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), 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.

#### Responsibilities of the Manager and Trustee for the Financial Statements

Premier Wealth Management Limited ("the Manager") of the Unit Trust 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 the Manager determines, 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, the Manager 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 the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is 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.

BDO Partners, a Sri Lankan Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Partners : Sujeeva Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA. R. Vasanthakumar Bsc (Acc), ACA. F. Sarah Z. Afker ACA, ACMA (UK), CGMA, MCSI (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law. Nirosha Yadivel Bsc (Acc), ACA, ACMA.



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.
- Conclude on the appropriateness of management'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 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 the Trustee 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 50 of the Collective Investment Scheme Code (CIS Code) issued by the Securities and Exchange Commission of Sri Lanka in terms of Section 183 of the Securities and Exchange Commission Act, No 19 of 2021 and the trust deed.

*BDO Partners*

CHARTERED ACCOUNTANTS

Colombo 02

31<sup>st</sup> July 2024

NV/dm

PREMIER MONEY MARKET FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2024

Page 1

	Note	2023/2024 Rs.	2022/2023 Rs.
<b>Investment income</b>			
Interest income	4	100,648,300	75,209,261
Capital gain on treasury bill		107,582	-
Placement fee income		-	41,348
<b>Total investment income</b>		<b>100,755,882</b>	<b>75,250,609</b>
<b>Expenses</b>			
Management fees		(2,012,832)	(1,384,680)
Trustee and custodian fees		(1,654,040)	(1,176,971)
Audit fees		(249,913)	(249,565)
Professional fees		(56,165)	(43,209)
WHT written off		(1,131,600)	(797,783)
<b>Total operating expenses</b>		<b>(5,104,550)</b>	<b>(3,652,208)</b>
<b>Net operating profit</b>		<b>95,651,332</b>	<b>71,598,401</b>
Finance expenses	5	(264,124)	(67,504)
<b>Profit before tax</b>		<b>95,387,208</b>	<b>71,530,897</b>
Income tax expense	6	-	-
<b>Increase in net assets attributable to unitholders</b>		<b>95,387,208</b>	<b>71,530,897</b>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 16 form an integral part of these financial statements.

Colombo  
31st July 2024



PREMIER MONEY MARKET FUND  
STATEMENTS OF FINANCIAL POSITION  
AS AT 31ST MARCH 2024

Page 2


	Note	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
<b>ASSETS</b>			
Cash and cash equivalents	7	11,889,602	1,566,998
Financial assets measured at amortised cost	8	775,231,794	417,707,270
Other receivables	9	36,122,613	3,488
<b>Total assets</b>		<b>823,244,009</b>	<b>419,277,756</b>
<b>UNITHOLDERS' FUNDS AND LIABILITIES</b>			
<b>Liabilities</b>			
Accrued expenses	10	773,712	542,347
Other financial liabilities	11	11,855,000	1,350,000
<b>Total liabilities</b>		<b>12,628,712</b>	<b>1,892,347</b>
<b>Unitholders' fund</b>			
Net assets attributable to unitholders	12	810,615,297	417,385,409
<b>Total unitholders' fund</b>		<b>810,615,297</b>	<b>417,385,409</b>
<b>Total unitholders' funds and liabilities</b>		<b>823,244,009</b>	<b>419,277,756</b>


Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 16 form an integral part of these financial statements.


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.

Signed for and on behalf of the Management Company by:

  
.....  
H.G.A. Sirisena  
Director  
Premier Wealth Management Limited  
Fund Management Company

  
.....  
G.A.H. Chandana  
Director  
Premier Wealth Management Limited  
Fund Management Company

Signed for and on behalf of the Trustee by:

  
.....  
Hatton National Bank PLC  
Trustee

Colombo  
31st July 2024  
NV/dm



PREMIER MONEY MARKET FUND  
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS  
FOR THE YEAR ENDED 31ST MARCH 2024

Page 3

	Rs.
Unitholders' funds as at 01st April 2022	637,655,172
Increase in net assets attributable to unitholders	71,530,897
Received on unit creations	631,440,609
Paid on unit redemptions	(923,241,269)
<b>Unitholders' funds as at 31st March 2023</b>	<u>417,385,409</u>
Increase in net assets attributable to unitholders	95,387,208
Received on unit creations	1,150,346,572
Paid on unit redemptions	(852,503,892)
<b>Unitholders' funds as at 31st March 2024</b>	<u><u>810,615,297</u></u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 16 form an integral part of these financial statements.

Colombo  
31st July 2024



PREMIER MONEY MARKET FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2024

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	2023/2024	2022/ 2023
	Rs.	Rs.
<b>Cash flows from operating activities</b>		
Interest received	125,110,813	58,752,198
Placement fee income	-	41,348
Net investment in securities	(383,539,303)	231,499,068
Net change in other financial liabilities	10,505,000	3,369,316
Operating expenses paid	(3,741,585)	(4,194,707)
Bank charges	264,124	(67,504)
Net change in account receivable	(36,119,125)	(40,759)
<b>Net cash (used in) generated from operating activities</b>	<u>(287,520,076)</u>	<u>289,358,960</u>
<b>Cash flows from financing activities</b>		
Cash received on creation of units	1,150,346,572	631,440,609
Cash paid on redemption of units	(852,503,892)	(923,241,269)
<b>Net cash generated from/(used in) financing activities</b>	<u>297,842,680</u>	<u>(291,800,660)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	10,322,604	(2,441,700)
<b>Cash and cash equivalents at the beginning of the year (Note A)</b>	1,566,998	4,008,698
<b>Cash and cash equivalents at the end of the year (Note B)</b>	<u>11,889,602</u>	<u>1,566,998</u>
<b>At the beginning</b>		<b>Note A</b>
Balance at bank	<u>1,566,998</u>	<u>4,008,698</u>
<b>At the end</b>		<b>Note B</b>
Balance at bank	<u>11,889,602</u>	<u>1,566,998</u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 16 form an integral part of these financial statements.

Colombo  
31st July 2024





**PREMIER MONEY MARKET FUND**

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**MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS****1. CORPORATE INFORMATION****1.1 General**

Premier Money Market Fund ("the Fund") is an open-ended Unit Trust Fund approved by the Securities and Exchange Commission of Sri Lanka. The Fund was launched on 15<sup>th</sup> July 2014.

The Management Company of the Fund, "Premier Wealth Management Limited" is a fully owned subsidiary of Ceylinco Seraka Limited, which has been incorporated and domiciled in Sri Lanka. The registered office of the Manager and its principal place of business are located at No.02, Gower Street, Colombo 05. The Trustee of the Fund is Hatton National Bank PLC, having an established business place at Hatton National Bank PLC, Custodian & Trustee Services, HNB Towers (Level 15), No. 479, T B Jayah Mawatha, Colombo 10, Sri Lanka.

**1.2 Operating activities**

The investment objective of the Fund is to optimise the income at very low levels of risk through investing diversified portfolio of high-quality, short-term money market securities in full compliance with regulations issued by the Securities and Exchange Commission of Sri Lanka.

**1.3 Date of authorisation for issue**

The Financial Statements of the Fund for the year ended 31<sup>st</sup> March 2024 were authorised for issue by the Fund Management Company and the Trustee on 31<sup>st</sup> July 2024.

**2. PREPARATION OF FINANCIAL STATEMENTS****2.1 Basis of preparation**

The Financial Statements have been prepared and presented in compliance with the relevant Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. The statement of financial position has been presented on a liquidity basis and assets and liabilities presented in decreasing order of liquidity and are not distinguished between the current and non-current. The Financial Statements have been prepared on the historical cost basis, except as noted in the following accounting policies. Historical cost is generally the fair value of the consideration given in exchange of assets. The Financial Statements have been presented in Sri Lankan rupees (Rs).

**2.2 Statement of compliance**

These Financial Statements which comprise the statement of financial position as at 31<sup>st</sup> March 2024, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the period ended and a summary of material accounting policy information and other explanatory information have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) laid down by The Institute of Chartered Accountants of Sri Lanka and the requirement of the Collective Investment Scheme Code (CIS Code).

**2.3 Basis of measurement**

The Financial Statements have been prepared under the historical cost convention with the exception of certain assets and liabilities at fair value.

**2.4 Functional and presentation currency**

The Financial Statements have been presented in Sri Lankan Rupees, the Fund's functional and presentation currency, which is the primary economic environment in which the Fund operates.

## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**2.5 Materiality and aggregation**

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

**2.6 Going concern**

These Financial Statements are prepared on the assumption that the Fund is a going concern i.e. as continuing in operation for the foreseeable future. It is, therefore, assumed that the Fund has neither the intention nor the necessity of liquidation.

**2.7 Summary of significant accounting policies****2.7.1 Significant accounting judgments, estimates and assumptions**

The preparation of Financial Statements in conformity with SLFRS 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 Fund's accounting policies, which are described below, the directors are required to make judgments and assumptions and use assumptions in measuring the 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 recognised in 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 the current and future periods.

Management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value. Following are the key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

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.

**2.7.2 Financial instruments****2.7.2.1 Initial recognition**

All financial assets are initially recognised 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.



## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**2.7.2.2 Initial measurement of financial assets**

The classification of financial assets at initial recognition depends on their contractual terms and the business model for managing the asset. On initial recognition, a financial asset is classified as measured at amortised cost. Financial assets are not re-classified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case, all affected financial assets are re-classified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Fund measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of financial assets.

A financial asset is measured at amortised cost if it meets both 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 the payments of principal and interest on the principal amount outstanding.

**2.7.2.3 Subsequent measurement and gains and losses**

Financial assets at amortised cost	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, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.
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**2.7.2.4 Impairment of financial assets**

At each reporting date, the Fund assesses to ascertain whether the 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 assets have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

**2.7.2.5 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 de-recognition is also recognised in profit or loss. Financial liabilities measured at amortised cost include accrued expenses and other payables.



## PREMIER MONEY MARKET FUND

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## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**2.7.2.6 De-recognition****2.7.2.6.1 Financial assets**

The Fund de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right 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 the 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 de-recognised.

**2.7.2.6.2 Financial liabilities**

The Fund de-recognises financial liability when its contractual obligations are discharged or cancelled, or expire. The Fund also de-recognises 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 recognition of a financial liability, the difference between the carrying amount is extinguished and the consideration paid is recognized in profit or loss.

**2.7.2.7 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 currently an 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.

**2.7.2.8 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 an insignificant risk of changes in values.

**2.7.2.9 Payables and provisions**

Payables are initially recognised at fair value, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Trust, and subsequently at amortised 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 the economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.



## PREMIER MONEY MARKET FUND

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## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

**2.7.3 Recognition of income**

Income is recognised to the extent that it is probable that the future economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific criteria must also be met before interest income is recognized.

**2.7.3.1 Interest income**

For all financial instruments measured at amortised 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.

**2.7.4 Expenditure recognition**

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

The management participation fees, the trustee fees and custodian fees of the Fund are as follows.

- management and registration fee - 0.35% of Net asset value of the Fund
- trustee fee - 0.20% of Net asset value of the Fund
- custody fee - Flat fee of Rs. 20,000 per month

**2.7.5 Taxation**

The charge for taxation is based on the results for the year as adjusted for disallowable items. With the enactment of the new Inland Revenue Act No 24 of 2017, effective from 01<sup>st</sup> April 2018, an eligible Unit Trust would not be liable for income tax on any income which is a 'pass-through' to its unitholders. Accordingly, post 31<sup>st</sup> March 2018, the Fund had considered all income as being a 'pass-through' to its unitholders.

**2.7.6 Unitholders' funds and net assets attributable to Unitholders**

Unitholders' funds have 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 valuation guidelines issued by the Unit Trust Association of Sri Lanka and directive issued by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****3.1 Financial instruments**

The Fund's principal financial assets comprise investment in fixed income securities and cash at bank. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Fund also has other financial instruments such as receivables and payables which arise directly from its operations.



## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

In accordance with SLFRS 09 Financial Instruments: recognition and measurement, the Fund's investments and receivables are classified as 'Financial instruments at amortised cost'. Payables are designated as 'Financial liabilities' at amortised cost.

### 3.2 Financial risk management objectives, policies and processes

Risk 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 market risk, interest rate risk, credit risk and liquidity risk.

#### 3.2.1 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 the established mandate limits and investment strategies. As such, unitholders can manage this risk through their choices of which investment portfolios to participate in.

#### 3.2.1.1 Interest rate risk

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

The Fund's exposure to interest rate risk primarily arises from changes in interest rates applicable to the investments.

The following sensitivity analysis demonstrates the Fund's sensitivity in the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

#### Impact on operating profit/net assets attributable to unitholders

	2023/2024 Rs.	2022/2023 Rs.
Change in interest rates of the Fund's investment in financial instruments		
+1%	1,476,123	752,093
-1%	(1,476,123)	(752,093)

#### 3.2.2 Credit risk

Credit risk is the risk that the counterparty to the financial instrument 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 amortised cost of these instruments as detailed below. It's the Fund's policy to enter into financial instruments with reputable counterparties.



## PREMIER MONEY MARKET FUND

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## MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

## 3.2.2.1 Risk concentration of credit risk exposure

Concentration of credit risk is managed by the counterparty and by the market sector. The Fund is also subject to credit risk on its bank balances and receivables. The credit risk exposure on these instruments is not deemed to be significant.

The Fund's exposure to credit risk can be analysed as follows:

	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
Credit rating of counterparties		
A+		252,074,005
A	734,930,012	59,977,216
A-	-	19,781,895
AAA	-	33,732,644
BB+	40,301,782	29,414,897
	<u>775,231,794</u>	<u>394,980,657</u>

## 3.2.3 Liquidity risk

The risk that the Fund will encounter difficulty in raising funds to meet its obligation to pay unit-holders. To enhance the liquidity, the Fund invests in financial instruments which, under normal market conditions, are readily convertible to cash. In addition, the Fund invests within established limits to ensure that there is no concentration of risk.

The following table analyses the Fund's maturity groupings based on the remaining period at the end of reporting date.

As at 31 <sup>st</sup> March 2024	Up to 3 months	3-12 months	Total Rs.
Financial assets	823,244,009	-	823,244,009
Financial Liabilities	12,628,712	-	12,628,712
As at 31 <sup>st</sup> March 2023	Up to 3 months	3-12 months	Total Rs.
Financial assets	288,469,573	130,804,695	419,274,268
Financial liabilities	1,875,441	-	1,875,441





PREMIER MONEY MARKET FUND  
NOTES TO THE FINANCIAL STATEMENTS

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	2023/2024 Rs.	2022/2023 Rs.
<b>4. INTEREST INCOME</b>		
Interest received on repurchase agreement	9,614,869	11,330,633
Interest on trust certificate	1,791,778	1,763,029
Interest received on deposits	20,113,550	24,148,091
Interest received on commercial papers	-	400,822
Interest on treasury bills	68,429,108	36,485,348
Interest on savings accounts	698,995	1,081,338
	<u>100,648,300</u>	<u>75,209,261</u>
<b>5. FINANCE EXPENSES</b>		
Bank charges	264,124	67,504
	<u>264,124</u>	<u>67,504</u>

**6. TAXATION**

Following the enactment of the new Inland Revenue Act No. 24 of 2017 effective from 1st April 2018, the Fund is deemed to be conducting an eligible investment business and is treated as a tax 'pass through' vehicle. Hence, no provision for income tax was made in the Financial Statements for the year ended 31st March 2024.

	2023/2024 Rs.	2022/2023 Rs.
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash at bank		
- Savings account - HNB Bank	11,884,602	1,561,998
- Cash at bank - HNB Bank	5,000	5,000
	<u>11,889,602</u>	<u>1,566,998</u>

**8. FINANCIAL ASSETS MEASURED AT AMORTISED COST**

Investment in deposits	8.1	40,301,782	123,124,758
Investment in repurchase agreements	8.2	86,839,897	39,682,406
Investment in treasury bills	8.3	648,090,115	254,900,106
		<u>775,231,794</u>	<u>417,707,270</u>

**8.1 Investment in deposits**

As at 31st March 2024

Financial Institution	Interest rate %	Face value Rs.	Cost Rs.	Carrying value Rs.	Holding as a % of net asset value
Alliance Finance PLC	20%	42,000,000	35,000,000	40,301,782	5%
		<u>42,000,000</u>	<u>35,000,000</u>	<u>40,301,782</u>	<u>5%</u>



PREMIER MONEY MARKET FUND  
NOTES TO THE FINANCIAL STATEMENTS

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## 8. FINANCIAL ASSETS MEASURED AT AMORTISED COST (CONTD...)

## 8.1 Investment in deposits (Contd....)

As at 31st March 2023

Financial Institution	Interest rate %	Face value Rs.	Cost Rs.	Carrying value Rs.	Holding as a % of net asset value
Bank of Ceylon	24.50 - 26.00%	85,080,000	68,000,000	75,183,353	18.01%
National Savings Bank	24.00 - 25.00%	21,250,000	17,000,000	18,526,507	4.44%
SDB Bank	23.00%	30,750,000	25,000,000	29,414,897	7.05%
		<u>137,080,000</u>	<u>110,000,000</u>	<u>123,124,757</u>	<u>29.50%</u>

## 8.2 Investment in repurchase agreements

As at 31st March 2024

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Acquity Securities Limited	9.80%	70,187,945	70,000,000	70,187,945	2.05%
Hatton National Bank	8.75%	16,651,952	16,636,000	16,651,952	8.66%
		<u>86,839,897</u>	<u>86,636,000</u>	<u>86,839,897</u>	<u>10.71%</u>

As at 31st March 2023

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Acquity Securities Limited	16.25 - 17.25%	39,783,965	39,657,000	39,682,406	9.51%
		<u>39,783,965</u>	<u>39,657,000</u>	<u>39,682,406</u>	<u>9.51%</u>

## 8.3 Investment in treasury bills

As at 31st March 2024

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Acquity Securities Limited	9.74% - 14.31%	658,796,982	637,629,150	648,090,115	79.95%
		<u>658,796,982</u>	<u>637,629,150</u>	<u>648,090,115</u>	<u>79.95%</u>

As at 31st March 2023

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Hatton National Bank	24.50 - 24.90%	20,000,000	16,030,490	19,781,895	4.74%
Acquity Securities Limited	22.00 - 31.03%	252,017,574	215,232,556	235,118,211	56.33%
		<u>272,017,574</u>	<u>231,263,046</u>	<u>254,900,106</u>	<u>61.07%</u>





PREMIER MONEY MARKET FUND  
NOTES TO THE FINANCIAL STATEMENTS

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	As at 31.03.2024 Rs.	As at 31.03.2023 Rs.
<b>9. OTHER RECEIVABLES</b>		
Receivable from Commercial Bank - FD Maturity	36,120,138	-
Interest receivable on Savings Accounts	2,475	3,488
	<u>36,122,613</u>	<u>3,488</u>
<b>10. ACCRUED EXPENSES</b>		
Management fees	246,015	123,952
Trustee fees	170,042	83,548
Tax consultation fees	66,069	53,029
Custodian fees	24,729	24,110
Auditor's remuneration	266,857	257,708
	<u>773,712</u>	<u>542,347</u>
<b>11. OTHER FINANCIAL LIABILITIES</b>		
Units to be created	11,855,000	1,350,000
	<u>11,855,000</u>	<u>1,350,000</u>
<b>12. RECONCILIATION BETWEEN THE NET ASSET VALUE AS PER FINANCIAL STATEMENTS AND THE PUBLISHED NET ASSET VALUE</b>		

The Fund considers its net assets attributable to unitholders as capital, not withstanding that the 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. The movement in number of units and net assets attributable to unitholders during the year were as follows;

	From 01st April 2023 to 31st March 2024		From 01st April 2022 to 31st March 2023	
	Units	Rs.	Units	Rs.
Balance at the beginning of the year	17,182,490	417,385,409	31,617,402	637,655,172
Units issued during the year	42,792,406	1,150,346,572	28,386,288	631,440,609
Units redeemed during the year	(31,937,130)	(852,503,892)	(42,821,200)	(923,241,269)
Increase in net assets attributable to unitholders	-	95,387,208	-	71,530,897
Balance at end of the year	<u>28,037,766</u>	<u>810,615,297</u>	<u>17,182,490</u>	<u>417,385,409</u>
Adj: Income tax receivables	-	-	-	-
Other audit entries adjustments	-	-	-	-
Net assets as per valuation	<u>28,037,766</u>	<u>810,615,297</u>	<u>17,182,490</u>	<u>417,385,409</u>

The creation price was at Rs. 28.91 per unit as at 31.03.2024 (31.03.2023 - Rs. 24.29) and the redemption price was at Rs. 28.91 (31.03.2023 - Rs. 24.29).

**13. UNRECOGNISED CONTRACTUAL COMMITMENTS**

There were no unrecognised contractual commitments as at the reporting date to be disclosed.



PREMIER MONEY MARKET FUND  
NOTES TO THE FINANCIAL STATEMENTS

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

14.1 Contingent liabilities

There were no contingent liabilities as at the reporting date.

14.2 Contingent assets

There were no contingent assets as at the reporting date.

15. EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in the financial statements.

16. RELATED PARTY TRANSACTIONS

16.1 Responsible entity

The Fund Management Company, "Premier Wealth Management Limited" is a subsidiary of Ceylinco Seraka Limited. The Company's ultimate parent entity and controlling party is Inventure (Private) Limited which has been incorporated and domiciled in Sri Lanka.

16.2 Key management personnel

a) Directors

Key management personnel include persons who were directors of Premier Wealth Management Limited at any time during the financial year.

- Mr. H G A Sirisena
- Mr. G A H Chandana
- Mr. L V Keragala

b) 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.

16.3 Key management personnel unitholding

Name	Relationship	No. of units	Value of Unit holding
<b>As at 31st March 2024</b>			
Mr. Hemantha Chandana	Director of Managing Company	149,420	4,319,960
<b>As at 31st March 2023</b>			
Mr. Hemantha Chandana	Director of Managing Company	103,679	2,518,940
Mr. Lakshika Keragala	Director of Managing Company	9,722	236,165

16.4 Other transactions within the Fund

Apart from those details disclosed in note 17.3, no key management personnel had entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at year end.



PREMIER MONEY MARKET FUND  
NOTES TO THE FINANCIAL STATEMENTS

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## 16. RELATED PARTY TRANSACTIONS (CONTD..)

## 16.5 Related party unitholding

Unitholder	Nature of relationship	Transactions during the period		Unitholding as at 31.03.2024	
		Subscription Rs.	Redemptions Rs.	No. of units	Fair Value Rs.
Premier Wealth Management Limited	Management company	4,644,000	4,218,000	106,046	3,065,948
Ceylinco Sereka Limited	Member of same group	1,100,000	920,000	176,064	5,090,298
Inventure (Private) Limited	Member of same group	-	837,500	96,968	2,803,509

## 16.6 Key Management Personnel's Compensation

Payments made from the Fund to Premier Wealth Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Name of Related Company	Relationship	Transaction type	Amount (Rs.)	Amount (Rs.)
			2023/2024	2022/2023
Premier Wealth Management Limited	Managing company	Management fee	2,012,832	1,384,680
Hatton National Bank	Custodian	Custodian fee	286,361	275,015
	Trustee	Trustee fee	1,367,679	901,956

The Fund was invested in treasury bills repos through Hatton National Bank PLC.

	Interest income 2023/2024	As at 31.03.2024	Interest income 2022/2023	As at 31.03.2023
	Rs.	Rs.	Rs.	Rs.
Hatton National Bank PLC	9,614,869	86,839,897	11,330,633	39,682,406

The Fund maintains a current account with the Trustee, Hatton National Bank PLC through which all settlements of transactions of the Fund were made.

	As at 31.03.2024	As at 31.03.2023
	Rs.	Rs.
Bank balance held at Hatton National Bank PLC	11,889,602	1,566,998

## 16.7 Transactions with Key Management Personnel (KMP) of the Company

Payments made from the Fund to Premier Wealth Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

## 17. COMPARATIVE INFORMATION

Comparative information of the Fund has been re-classified wherever necessary to conform to the current year's presentation/classification.

## Corporate information

### Fund Manager/ Registrar

Premier Wealth Management Limited  
No. 02, Gower Street,  
Colombo 05.  
Tel : +94 11 255 4110  
Fax : +94 11 250 4138  
E-mail : info@premierwealth.lk  
Web : www.premierwealth.lk

### Trustee and Custodian

Hatton National Bank PLC, Head Office  
HNB Towers, No. 479, T B Jayah Mawatha,  
Colombo 10.  
Tel : +94 11 266 4664  
          +94 11 266 2772  
          +94 11 476 4764  
Fax : +94 11 266 2814  
          +94 11 266 2832  
Web : www.hnb.net

### Fund Auditors

BDO Partners  
Charter House,  
65/2 Sir Chittampalam A Gardiner Mawatha,  
Colombo 02.  
Tel : +94 11 2421878  
Fax : +94 11 2336064  
Web : www.bdo.lk

### Bankers

Hatton National Bank PLC, Head Office  
HNB Towers, No. 479, T B Jayah Mawatha,  
Colombo 10.  
Tel : +94 11 266 4664  
          +94 11 266 2772  
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