

PREMIER WEALTH FUNDS

PREMIER WEALTH FUNDS ANNUAL REPORT 2022-2023

Trustee & Custodian



HNB

HATTON NATIONAL BANK PLC, HEAD OFFICE

Fund Manager

Premier  Wealth
Management

PREMIER WEALTH MANAGEMENT LIMITED

Table of Content

	Page No.
1. Fund Manager's Review	3
2. Financial Statements	
Premier Growth Fund	5
Premier Money Market Fund	26
3. Corporate Information	43

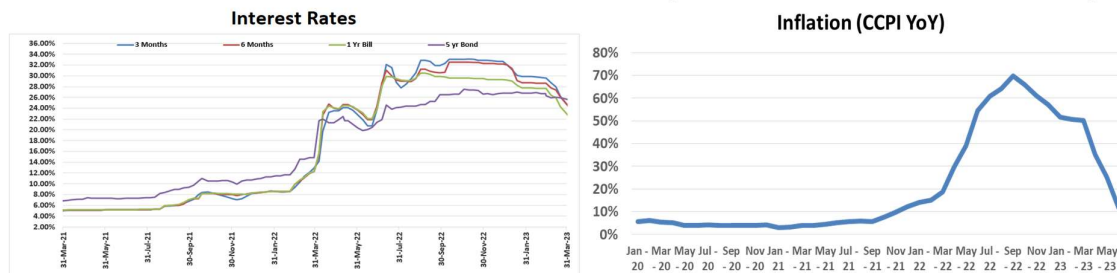
Fund Manager's Review

Our Valued Investors,

The imbalances in the economy present significant challenges for the future. The growth potential relies on the outcome of debt restructuring and implementing structural reforms. However, efforts to reduce the fiscal deficit may dampen these prospects, although the deficit is expected to decline gradually over the medium-term. Inflation is predicted to decrease as the monetization of fiscal deficits is controlled. The current account deficit is anticipated to decrease due to reduced imports, despite slower exports caused by weak global demand.

There are several potential risks to consider. These include a slow progress of debt restructuring, limited external financial support, a more severe global economic slowdown, and a prolonged recovery from the ongoing crisis. A decrease in external trade equilibrium could have negative effects on domestic trade, economic activity, employment, and incomes.

While the necessary macro-economic adjustments may initially impact growth levels negatively, they will ultimately address the overall imbalances, restore access to international financial markets, and establish a foundation for sustainable growth. On a positive note, the government's reform program, backed by international partners' financial support, has the potential to boost confidence and attract new investments, which are essential for revitalizing the labour market and restoring livelihoods. .



Premier Growth Fund, a balanced fund which focuses on investments in rated debt instruments, Government Securities, deposits with financial institutions and equity, was able to record a return of 8.17% (net of fees) for the period under review, compared to - 4.61% achieved during the previous period.

References:

(1). <https://www.worldbank.org/en/home> (2).

(2). https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20230404_Monetary_Policy_Review_No_3_2023_e_Yg5k8.pdf

PREMIER GROWTH FUND
COLOMBO 05

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH 2023



Tel : +94-11-2421878-79-70
 +94-11-2387002-03
 Fax : +94-11-2336064
 E-mail : bdopartners@bdo.lk
 Website : www.bdo.lk

Chartered Accountants
 "Charter House"
 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 31st March 2023 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 as set out on pages 05 to 17.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31st March 2023, 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 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.

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.



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

As required by 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, we have obtained all the information and explanations that were required for the audit and, as far as it appears from our examination, proper accounting records have been kept by the Fund.

BDO Partners

CHARTERED ACCOUNTANTS

Colombo 02

30th June 2023

NV/kp

PREMIER GROWTH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2023

Page 1

	Note	2022/2023 Rs.	2021/2022 Rs.
Investment income			
Dividend income		16,153	14,936
Interest income	4	3,721,943	2,854,074
Net change in financial assets held at fair value through profit or loss		77,924	(47,706)
Net unrealized loss on financial assets held at amortized cost		(1,828,312)	(3,735,319)
Total investment income/(expense)		1,987,708	(914,015)
Expenses			
Custodian fee		(137,501)	(129,600)
Audit fee		(157,704)	(136,775)
Transaction cost		(1,529)	-
Professional fees		(43,081)	(43,276)
Write-off of tax receivable		(54,479)	(74,056)
Total operating expenses		(394,294)	(383,707)
Net operating profit/(loss)		1,593,414	(1,297,722)
Finance expenses		(2,324)	(1,439)
Profit/(loss) before tax		1,591,090	(1,299,161)
Income tax expense		-	-
Increase/(decrease) in net assets attributable to unitholders		1,591,090	(1,299,161)

Figures in brackets indicate deductions.

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

Colombo
30th June 2023

PREMIER GROWTH FUND
STATEMENTS OF FINANCIAL POSITION
AS AT 31ST MARCH 2023

Page 2

	Note	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
ASSETS			
Cash and cash equivalents	5	5,712	451,586
Financial assets - fair value through profit or loss	6	178,158	233,660
Financial assets measured at amortised cost	7	23,557,834	25,058,935
Other receivables	9	-	4,933
Income tax receivable	8	-	-
Total current assets		<u>23,741,704</u>	<u>25,749,114</u>
Total assets		<u>23,741,704</u>	<u>25,749,114</u>
UNITHOLDERS' FUNDS AND LIABILITIES			
Liabilities			
Accrued expenses and other payables	10	225,547	244,916
Total liabilities		<u>225,547</u>	<u>244,916</u>
Unitholders' fund			
Net assets attributable to unitholders	11	23,516,157	25,504,198
Total unitholders' fund		<u>23,516,157</u>	<u>25,504,198</u>
Total unitholders' funds and liabilities		<u>23,741,704</u>	<u>25,749,114</u>

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 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
30th June 2023
NV/kp



PREMIER GROWTH FUND
STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS
FOR THE YEAR ENDED 31ST MARCH 2023

Page 3

	Rs.
Unitholders' funds as at 01st April 2021	27,283,479
Increase/(decrease) in net assets attributable to unitholders	(1,299,161)
Creations of units	31,520
Redemption of units	(511,640)
Unitholders' funds as at 31st March 2022	<u>25,504,198</u>
Increase/(decrease) in net assets attributable to unitholders	1,591,090
Creations of units	11,820
Redemption of units	(3,590,951)
Unitholders' funds as at 31st March 2023	<u><u>23,516,157</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
30th June 2023



PREMIER GROWTH FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2023

Page 4

	2022/2023	2021/2022
	Rs.	Rs.
Cash flows from operating activities		
Interest received	3,721,943	2,854,019
Dividend received	16,153	14,833
Net realized gain on equity investments	77,924	-
WHT written off	(54,479)	-
Operating expenses paid	(361,508)	(263,413)
Net investment in financial assets	(266,776)	(2,051,990)
Net cash generated from operating activities	<u>3,133,257</u>	<u>553,449</u>
Cash flows from financing activities		
Cash received on creation of units	11,820	31,520
Cash paid on redemption of units	(3,590,951)	(511,640)
Net cash used in financing activities	<u>(3,579,131)</u>	<u>(480,120)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(445,874)</u>	<u>73,329</u>
Cash and cash equivalents at the beginning of the year (Note A)	451,586	378,257
Cash and cash equivalents at the end of the year (Note B)	<u>5,712</u>	<u>451,586</u>
At the beginning		Note A
Balance at bank	<u>451,586</u>	<u>378,257</u>
At the end		Note B
Balance at bank	<u>5,712</u>	<u>451,586</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
30th June 2023





PREMIER GROWTH FUND

Page 5

SIGNIFICANT ACCOUNTING POLICIES 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 portfolio of equity securities listed on the Colombo Stock Exchange and high credit quality fixed income securities.

1.3 Date of authorization for issue

The financial statements of the Fund for the year ended 31st March 2023 were authorized for issue by the Fund Management Company and the Trustee on 30th June 2023.

2. PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

The financial statements have been prepared and presented in accordance with, and 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 31st March 2023, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the period ended and a summary of significant accounting policies 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 unit trust 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.

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.

PREMIER GROWTH FUND

Page 6

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

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

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.

The Management of the Fund has assessed the the potential impact of economic crisis on the Fund's operation and is confident that it will not impact he going concern ability of the Fund.

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 recognized 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.

- 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.



PREMIER GROWTH FUND
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Page 7

2.7.2 Financial instruments

2.7.2.1 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 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; 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.

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 recognizing the gains and losses on them on different bases.

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 recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognized in profit or loss.



PREMIER GROWTH FUND

Page 8

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

2.7.2.4 Impairment of financial assets

The Fund recognizes 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;
- 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.

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.

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



PREMIER GROWTH FUND

Page 9

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

2.7.2.9 De-recognition**2.7.2.9.1 Financial assets**

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

The Fund derecognizes 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 recognized 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 derecognized.

2.7.2.9.2 Financial liabilities

The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Fund also de-recognizes 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 recognized at fair value.

In recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized 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 recognized 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.

2.7.4 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 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 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.



PREMIER GROWTH FUND

Page 10

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

2.7.5 Recognition of income

Income 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. The following specific criteria must also be met before interest income is recognized.

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

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

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

Unrealized 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 recognized 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.

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 01st 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 31st March 2018, the Fund has considered all income as being a 'pass-through' to its unitholders.



PREMIER GROWTH FUND

Page 11

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

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

The following sensitivity analysis summarizes 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.



PREMIER GROWTH FUND

Page 12

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Impact on operating profit/net assets attributable to unitholders

	2022/2023	2021/2022
	Rs.	Rs.
Change in price of the Fund's investment in financial instruments		
+10%	17,816	23,366
-10%	(17,816)	(23,366)

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

	2022/2023	2021/2022
	Rs.	Rs.
Change in interest rates of the Fund's investment in financial instruments		
+1%	37,219	28,541
-1%	(37,219)	(28,541)

3.2.2 Credit risk

Credit risk is the risk that the counterparty to the financial instrument will fail to discharge an obligation and causes 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.

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.



PREMIER GROWTH FUND
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Page 13

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

	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
Credit rating of counterparties		
A-	28,717	3,570,511
A	5,936,817	4,028,823
A+	975,262	1,243,861
AA-	-	1,000,784
AA+	-	-
AAA	-	3,544,877
BBB+	2,727,510	5,180,906
BBB	2,896,132	313,427
	<u>12,564,438</u>	<u>18,883,189</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 31.03.2023				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
Assets	As at 31.03.2022				Total Rs.
	Up to 3 months	3-12 Months	1-3 years	Over 3 Years	
Financial assets	8,772,591	-	16,971,589	-	25,744,180
Financial liabilities	244,918	-	-	-	244,918



PREMIER GROWTH FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 14

	2022/2023		2021/2022			
	Rs.		Rs.			
4. INTEREST INCOME						
Interest received on repos		428,875		113,786		
Interest received on treasury bonds		695,830		649,260		
Interest received on deposits		61,193		319,770		
Interest received on debenture		1,624,262		1,625,251		
Interest on savings deposits		82,704		23,292		
Interest received on treasury bills		829,079		122,715		
		<u>3,721,943</u>		<u>2,854,074</u>		
		As at		As at		
		31.03.2023		31.03.2022		
		Rs.		Rs.		
5. CASH AND CASH EQUIVALENTS						
Cash at bank						
- Hatton National Bank PLC - current account		5,000		5,000		
- Hatton National Bank PLC - savings account		712		446,586		
		<u>5,712</u>		<u>451,586</u>		
6. FINANCIAL ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS						
	As at		As at			
	31.03.2023		31.03.2022			
	No. of	Cost	Market	No. of	Cost	Market
	Shares	Rs.	Value	Shares	Rs.	Value
		Rs.	Rs.		Rs.	Rs.
Banking						
Commercial Bank of Ceylon PLC	1,166	63.60	74,158	1,102	62.70	69,095
	<u>1,166</u>	<u>63.60</u>	<u>74,158</u>	<u>1,102</u>	<u>62.70</u>	<u>69,095</u>
Telecommunication Services						
Dialog Axiata PLC	10,000	10.40	104,000	10,000	10.00	100,000
	<u>10,000</u>	<u>10.40</u>	<u>104,000</u>	<u>10,000</u>	<u>10.00</u>	<u>100,000</u>
Telecommunication Services						
Sri Lanka Telecom PLC	-	-	-	1,850	34.90	64,565
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,850</u>	<u>34.90</u>	<u>64,565</u>
	<u>11,166</u>		<u>178,158</u>	<u>12,952</u>		<u>233,660</u>
7. FINANCIAL ASSETS MEASURED AT AMORTISED COST						
				As at	As at	
				31.03.2023	31.03.2022	
				Rs.	Rs.	
Investments in treasury bonds	7.1			6,153,080	6,175,748	
Investments in deposits	7.2			-	7,086,562	
Investments in repurchase agreements	7.3			3,602,455	1,000,784	
Investments in debentures - listed	7.4			8,961,983	10,795,841	
Investments in treasury bills	7.5			4,840,316	-	
				<u>23,557,834</u>	<u>25,058,935</u>	





PREMIER GROWTH FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 15

7. FINANCIAL ASSETS MEASURED AT AMORTISED COST (CONTD...)

7.1 Investments in treasury bonds

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	11.50%	6,000,000	6,332,226	6,153,080	26.17%
		<u>6,000,000</u>	<u>6,332,226</u>	<u>6,153,080</u>	<u>26.17%</u>

As at 31st March 2022

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Acquity Securities Limited	6.74%	6,000,000	6,332,226	6,175,748	24.21%
		<u>6,000,000</u>	<u>6,332,226</u>	<u>6,175,748</u>	<u>24.21%</u>

7.2 Investments in deposits

As at 31st March 2022

Financial institution	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Abans Finance PLC	8.36%	3,572,148	3,500,000	3,541,685	13.89%
Bank of Ceylon	9.00%	3,577,671	3,500,000	3,544,877	13.90%
		<u>7,149,819</u>	<u>7,000,000</u>	<u>7,086,562</u>	<u>27.79%</u>

7.3 Investments in repurchase agreements

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	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>

As at 31st March 2022

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Hatton National Bank	7.15%	1,001,371	1,000,000	1,000,784	4.26%
		<u>1,001,371</u>	<u>1,000,000</u>	<u>1,000,784</u>	<u>4.26%</u>

7.4 Investments in debentures - listed

As at 31st March 2023

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Lanka Orix Finance Companu PLC	14.75%	440,400	449,836	428,060	1.82%
Softlogioc 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>



PREMIER GROWTH FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 16

7. FINANCIAL ASSETS MEASURED AT AMORTISED COST (CONTD...)

7.4 Investments in debentures - listed (Contd...)

As at 31st March 2022

Dealer	Yield %	Face value		Carrying value	Holding as a % of net asset value
		Rs.	Cost Rs.		
Lanka Orix Finance Companu PLC	14.75%	440,400	440,400	436,100	1.71%
Softlogioc Capital PLC	15.00%	2,800,000	2,800,000	2,629,063	10.31%
Siyapatha Finance PLC	11.25%	500,000	500,000	504,411	1.98%
Commercial Leasing & Finance PLC	10.50%	500,000	500,000	396,645	1.56%
Asia Asset Finance PLC	10.28%	30,000	30,000	28,825	0.11%
LOLC Holdings PLC	12.00%	3,900,000	3,900,000	2,691,668	10.55%
Commercial Credit and Finance PLC	9.00%	400,000	400,000	313,427	1.23%
Peoples Leasing & Finance PLC	9.00%	1,500,000	1,500,000	1,243,861	4.88%
CDB Finance PLC	13.43-15.00%	2,790,000	2,790,000	2,551,841	10.01%
		<u>12,860,400</u>	<u>12,860,400</u>	<u>10,795,841</u>	<u>42.33%</u>

7.5 Investments in treasury bills

As at 31st March 2023

Dealer	Yield %	Face value		Carrying value	Holding as a % of net asset value
		Rs.	Cost Rs.		
Acquity Securities Limited	24.51%	5,000,000	4,014,775	4,840,316	20.58%
		<u>5,000,000</u>	<u>4,014,775</u>	<u>4,840,316</u>	<u>20.58%</u>

As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
----------------------------	----------------------------

8. INCOME TAX RECEIVABLE

Balance at the beginning of the year			74,056
Withholding taxes deducted during the year		-	-
Balance at the beginning of the year		54,479	74,056
(-) Provision for income tax receivable			
(-) Write off WHT receivable			(74,056)
Balance at the end of the year		(54,479)	-

9. OTHER RECEIVABLES

Dividend receivables			4,779
Interest receivable on savings account			154
			<u>4,933</u>

10. ACCRUED EXPENSES AND OTHER PAYABLES

Custodian fees payable		12,055	11,007
Tax consultation fees payable		52,998	96,197
Audit fees payable		160,479	137,232
Payable to Premier Wealth Management Limited		15	480
		<u>225,547</u>	<u>244,916</u>

11. 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 2022 to 31st March 2023		From 01st April 2021 to 31st March 2022	
	Units	Rs.	Units	Rs.
Units as at beginning of the year				
Units issued during the year	3,984,140	25,504,198	4,057,527	27,283,479
Units redeemed during the year	1,870	11,820	4,686	31,520
Increase/(decrease) in net assets	(590,438)	(3,590,951)	(78,073)	(511,640)
Units as at end of the year		1,591,090		(1,299,161)
	<u>3,395,572</u>	<u>23,516,157</u>	<u>3,984,140</u>	<u>25,504,198</u>
Adj: Income tax receivables				
Net assets as per valuation	<u>3,395,572</u>	<u>23,516,157</u>	<u>3,984,140</u>	<u>25,504,198</u>

The creation price was Rs.6.93 per unit as at 31.03.2023 (31st March 2022 - Rs. 6.41) and the redemption price was Rs.6.92 as at 31.03.2023 (31st March 2022 - Rs. 6.40)

PREMIER GROWTH FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 17

12. UNRECOGNISED CONTRACTUAL COMMITMENTS

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

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

13.1 Contingent liabilities

There were no contingent liabilities as at the reporting date.

13.2 Contingent assets

There were no contingent assets as at the reporting date.

14. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material transactions since the reporting date which would require adjustments to, or disclosures in the financial statements.

15. RELATED PARTY TRANSACTIONS

15.1 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.

15.2 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.

15.3 Key management personnel holding units

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

15.4 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.



PREMIER GROWTH FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 18

15. RELATED PARTY TRANSACTIONS (CONTD..)

15.5 Related party unitholding

The Management Company held units in the Fund as follows:

Unitholder	Nature of relationship	Transactions during the period		Unitholding as at 31.03.2023	
		Investments Rs.	Redemptions Rs.	No. of units	Fair Value Rs.
Premier Wealth Management Limited	Management Company	-	2,846,953	-	-

15.6 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	2022/2023 Rs.	2021/2022 Rs.
Hatton National Bank	Trustee and custodian	Custodian fee	137,501	129,600

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 31.03.2023 Rs.	As at 31.03.2022 Rs.
Bank balance held at Hatton National Bank PLC	5,712	451,586

15.7 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.

16. COMPARATIVE INFORMATION

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

17. IMPACT OF ECONOMIC CRISIS

Sri Lanka is currently experiencing an economic crisis due to depletion of foreign currency reserves and balance of payment issues. As a result, most industries, including the Fund, face an unprecedented level of challenges for future operations and consequent earnings over the foreseeable future. Premier Growth Fund (PGF) invests in equity securities listed on the Colombo Stock Exchange, Corporate bonds, government securities and fixed deposits. As a result of the economic crisis, volatility in the financial markets has increased, followed by rise in market interest rates due to CBSL policy rate hikes, Fund experienced a temporary surge in redemptions. However, the Fund Management is confident that the Fund will be able to successfully navigate through the crisis due to the anticipated increase in level of operations and the prudent decision making process which have ensured the stringent cost management of operations. The strength and the experience of the Unitholders and the Management Team are an added comfort which will ensure the continued support during this challenging period.



**PREMIER MONEY MARKET FUND
COLOMBO - 05**

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH 2023**



Tel : +94-11-2421878-79-70
 +94-11-2387002-03
 Fax : +94-11-2336064
 E-mail : bdopartners@bdo.lk
 Website : www.bdo.lk

Chartered Accountants
 "Charter House"
 65/2, Sir Chittampalam A Gardiner Mawatha
 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 31st March 2023 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 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 31st March 2023, 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 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.

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 : Sujeewa 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 ACA. 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

As required by 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, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Fund.

BDO Partners
CHARTERED ACCOUNTANTS
Colombo 02
30th June 2023
NV/cc

PREMIER MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2023

Page 1

	Note	2022/2023 Rs.	2021/2022 Rs.
Investment income			
Interest income	4	75,209,261	45,767,455
Placement fee income		41,348	1,023,049
Total investment income		<u>75,250,609</u>	<u>46,790,504</u>
Expenses			
Management fees		(1,384,680)	(2,253,803)
Trustee and custodian fees		(1,176,971)	(1,650,817)
Audit fees		(249,565)	(215,565)
Professional fees		(43,209)	(43,308)
Write-off of tax receivable		(797,783)	(3,371,946)
Total operating expenses		<u>(3,652,208)</u>	<u>(7,535,439)</u>
Net operating profit		<u>71,598,401</u>	<u>39,255,065</u>
Finance expenses	5	(67,504)	(18,061)
Profit before tax		<u>71,530,897</u>	<u>39,237,004</u>
Income tax expense		-	-
Increase in net assets attributable to unitholders		<u><u>71,530,897</u></u>	<u><u>39,237,004</u></u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 17 form an integral part of these financial statements.

Colombo
30th June 2023



PREMIER MONEY MARKET FUND
STATEMENTS OF FINANCIAL POSITION
AS AT 31ST MARCH 2023

Page 2

	Note	As at	As at
		31.03.2023	31.03.2022
		Rs.	Rs.
ASSETS			
Cash and cash equivalents	6	1,566,998	4,008,698
Financial assets measured at amortized cost	7	417,707,270	638,211,499
Other receivables	8	3,488	41,113
Income tax receivable	9	-	-
Total current assets		419,277,756	642,261,310
Total assets		419,277,756	642,261,310
UNITHOLDERS' FUNDS AND LIABILITIES			
Liabilities			
Accrued expenses and other payables	10	542,347	559,425
Other financial liabilities	11	1,350,000	4,046,713
Total liabilities		1,892,347	4,606,138
Unitholders' fund			
Net assets attributable to unitholders	12	417,385,409	637,655,172
Total unitholders' fund		417,385,409	637,655,172
Total unitholders' funds and liabilities		419,277,756	642,261,310

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 17 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
30th June 2023
NV/cc



PREMIER MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUNDS
FOR THE YEAR ENDED 31ST MARCH 2023

Page 3

	Rs.
Unitholders' funds as at 01st April 2021	684,702,617
Increase in net assets attributable to unitholders	39,237,004
Received on unit creations	673,962,462
Paid on unit redemptions	(760,246,911)
Unitholders' funds as at 31st March 2022	<u>637,655,172</u>
Increase in net assets attributable to unitholders	71,530,897
Received on unit creations	631,440,609
Paid on unit redemptions	(923,241,269)
Unitholders' funds as at 31st March 2023	<u><u>417,385,409</u></u>

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 17 form an integral part of these financial statements.

Colombo
30th June 2023



PREMIER MONEY MARKET FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2023

Page 4

	2022/2023 Rs.	2021/ 2022 Rs.
Cash flows from operating activities		
Interest received	74,449,103	45,726,696
Net investment in securities	220,504,229	44,123,830
Net change in other financial liabilities	(2,696,713)	3,369,316
WHT written off	797,783	-
Operating expenses paid	(3,669,286)	(3,599,162)
Placement fee income received	41,348	392,365
Bank charges	(67,504)	(18,061)
Net cash generated from operating activities	289,358,960	89,994,984
Cash flows from financing activities		
Cash received on creation of units	631,440,609	673,962,462
Cash paid on redemption of units	(923,241,269)	(760,246,911)
Net cash used in from financing activities	(291,800,660)	(86,284,449)
Net (decrease)/increase in cash and cash equivalents	(2,441,700)	3,710,535
Cash and cash equivalents at the beginning of the year (Note A)	4,008,698	298,163
Cash and cash equivalents at the end of the year (Note B)	1,566,998	4,008,698
At the beginning		Note A
Balance at bank	4,008,698	298,163
At the end		Note B
Balance at bank	1,566,998	4,008,698

Figures in brackets indicate deductions.

The accounting policies and notes on page 05 to 17 form an integral part of these financial statements.

Colombo
30th June 2023





PREMIER MONEY MARKET FUND
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Page 5

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 15th 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 optimize 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 Securities and Exchange Commission of Sri Lanka.

1.3 Date of authorization for issue

The financial statements of the Fund for the year ended 31st March 2023 were authorized for issue by the Fund Management Company and the Trustee on 30th June 2023.

2. PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

The financial statements have been prepared and presented in accordance with, and 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 31st March 2023, statement of comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the period ended and a summary of significant accounting policies 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 Unit Trust 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.

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.

PREMIER MONEY MARKET FUND

Page 6

SIGNIFICANT ACCOUNTING POLICIES 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.

The Management of the Fund has assessed the potential impact of economic crisis on the Fund's operation and is confident that it will not impact the going concern ability of the Fund.

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 recognized 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 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.



PREMIER MONEY MARKET FUND
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Page 7

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 amortized 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 amortized 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 the payments of principal and interest on the principal amount outstanding.

2.7.2.3 Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
------------------------------------	---

2.7.2.4 Impairment of financial assets

At each reporting date, the Fund assesses to ascertain whether the financial assets carried at amortized 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 amortized 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 amortized cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Any gain or loss on de-recognition is also recognized in profit or loss. Financial liabilities measured at amortized cost include accrued expenses and other payables.



PREMIER MONEY MARKET FUND
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Page 8

2.7.2.6 De-recognition

2.7.2.6.1 Financial assets

The Fund de-recognizes 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 recognized 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-recognized.

2.7.2.6.2 Financial liabilities

The Fund de-recognizes financial liability when its contractual obligations are discharged or cancelled, or expire. The Fund also de-recognizes 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 recognized 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 a currently enforceable legal right to offset the recognized 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 recognized 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 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 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

Page 9

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

2.7.3 Recognition of income

Income 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. 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 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.

2.7.4 Expenditure recognition

All expenses, including management fees and trustee fees, are recognized 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 01st 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 31st 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.



PREMIER MONEY MARKET FUND
SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

Page 10

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

	2022/2023	2021/2022
	Rs.	Rs.
Change in interest rates of the Fund's investment in financial instruments		
+1%	752,093	457,675
-1%	(752,093)	(457,675)

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 amortized 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

Page 11

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

3.2.2.1 Risk concentration of credit risk exposure

Concentration of credit risk is managed by 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 analyzed as follows:

	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
Credit rating of counterparties		
A+	252,074,005	-
A	59,977,216	143,118,136
A-	19,781,895	52,925,185
AAA	33,732,644	-
AA-	-	256,791,826
AAA-	-	40,577,808
BB+	29,414,897	
BBB	-	21,188,247
BBB+	-	102,116,326
BBB-	-	21,493,971
	<u>394,980,657</u>	<u>638,211,499</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 period.

	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
	<u>Up to 3 months</u>	<u>3-12 months</u>	<u>Total Rs.</u>
Financial assets	245,503,850	396,716,348	642,220,198
Financial liabilities	4,606,138	-	4,606,138



PREMIER MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 12

	2022/2023 Rs.	2021/2022 Rs.	
4. INTEREST INCOME			
Interest received on repos	11,330,633	2,395,736	
Interest on trust certificate	1,763,029	6,592,149	
Interest received on deposits	24,148,091	31,153,241	
Interest received on commercial papers	400,822	5,377,312	
Interest on treasury bills	36,485,348	-	
Interest on debentures	-	44,704	
Interest on savings accounts	1,081,338	204,313	
	<u>75,209,261</u>	<u>45,767,455</u>	
5. FINANCE EXPENSES			
Bank charges	67,504	18,061	
	<u>67,504</u>	<u>18,061</u>	
	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.	
6. CASH AND CASH EQUIVALENTS			
Cash at bank			
- Savings account - HNB Bank	1,561,998	4,003,698	
- Cash at bank - HNB Bank	5,000	5,000	
	<u>1,566,998</u>	<u>4,008,698</u>	
7. FINANCIAL ASSETS MEASURED AT AMORTIZED COST			
Investment in deposits	7.1	123,124,758	280,124,199
Investment in repurchase agreements	7.2	39,682,406	220,001,178
Investment in treasury bills	7.3	254,900,106	-
Investment in trust certificate	7.4	-	116,592,149
Investment in commercial papers	7.5	-	21,493,973
		<u>417,707,270</u>	<u>638,211,499</u>

7.1 Investment in deposits

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>





PREMIER MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 13

7. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (CONTD...)

7.1 Investment in deposits (contd...)

As at 31st March 2022

Financial institution	Interest rate %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
LB Finance PLC	7.11%	26,777,500	25,000,000	26,636,274	4.18%
Commercial Credit & Finance PLC	7.11%	21,422,000	20,000,000	21,188,247	3.32%
Citizen Development Business Finance PLC	6.50 - 6.65%	60,742,500	57,000,000	60,025,904	9.41%
Abans Finance PLC	7.21%	26,802,500	25,000,000	26,288,911	4.12%
Commecial Leasing & Finance PLC	7.11%	58,910,500	55,000,000	58,310,533	9.14%
Richard Pieris Finance	7.21%	37,523,500	35,000,000	36,790,648	5.77%
Vallibel Finance PLC	9.88%	10,988,000	10,000,000	10,305,874	1.62%
Bank of Ceylon	9.25%	40,912,329	40,000,000	40,577,808	6.36%
		<u>284,078,829</u>	<u>267,000,000</u>	<u>280,124,199</u>	<u>43.93%</u>

7.2 Investment in repurchase agreements

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>

As at 31st March 2022

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Acquity Securities Limited	7.50 - 8.30%	220,219,000	219,800,000	220,001,178	34.50%
		<u>220,219,000</u>	<u>219,800,000</u>	<u>220,001,178</u>	<u>34.50%</u>

7.3 Investment in treasury bills

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>

7.4 Investment in trust certificate

As at 31st March 2022

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Commercial Leasing & Finance PLC	7.25%	32,026,027	30,000,000	32,026,027	5.02%
Browns & Company PLC	8.68 - 9.68%	32,112,712	30,000,000	32,112,713	5.04%
LOLC Holding PLC	8.55%	54,216,438	50,000,000	52,453,409	8.23%
		<u>118,355,178</u>	<u>110,000,000</u>	<u>116,592,149</u>	<u>18.28%</u>

7.5 Investment in commercial papers

As at 31st March 2022

Dealer	Yeild %	Face value Rs.	Cost Rs.	Carring value Rs.	Holding as a % of net asset value
Softlogic Holding PLC	9.50%	21,894,795	20,000,000	21,493,973	3.37%
		<u>21,894,795</u>	<u>20,000,000</u>	<u>21,493,973</u>	<u>3.37%</u>



PREMIER MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 14

	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
8. OTHER RECEIVABLES		
Other receivables	3,488	41,113
	<u>3,488</u>	<u>41,113</u>
9. INCOME TAX RECEIVABLE		
Balance at the beginning of the year	-	3,371,946
Withholding tax receivables	797,783	-
	<u>797,783</u>	<u>3,371,946</u>
(-) Provision for income tax receivable	-	(3,371,946)
(-) Write off WHT receivable	(797,783)	-
	<u>-</u>	<u>-</u>
10. ACCRUED EXPENSES AND OTHER PAYABLES		
Management fees	123,952	139,148
Trustee fees	83,548	85,874
Tax consultation fees	53,029	96,186
Custodian fees	24,110	22,075
Auditor's remuneration	257,708	216,142
	<u>542,347</u>	<u>559,425</u>
11. OTHER FINANCIAL LIABILITIES		
Other payables	-	46,713
Units to be created	1,350,000	4,000,000
	<u>1,350,000</u>	<u>4,046,713</u>
12. 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, 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 period were as follows;

	From 01st April 2022 to 31st March 2023		From 01st April 2021 to 31st March 2022	
	Units	Rs.	Units	Rs.
Units at beginning of the year	31,617,402	637,655,172	36,085,731	684,702,617
Units issued during the year	28,386,288	631,440,609	34,351,439	673,962,462
Units redeemed during the year	(42,821,200)	(923,241,269)	(38,819,768)	(760,246,911)
Increase in net assets attributable to unit-	-	71,530,897	-	39,237,004
Units at end of the year	<u>17,182,490</u>	<u>417,385,409</u>	<u>31,617,402</u>	<u>637,655,172</u>
Adj: Income tax receivables	-	-	-	-
Other audit entries adjustments	-	-	-	-
Net assets as per valuation	<u>17,182,490</u>	<u>417,385,409</u>	<u>31,617,402</u>	<u>637,655,172</u>

The creation price was at Rs. 24.29 per unit as at 31.03.2023 (31.03.2022 - Rs. 20.16) and the redemption price was at Rs. 24.29 (31.03.2022 - Rs. 20.16).



PREMIER MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 15

13. UNRECOGNISED CONTRACTUAL COMMITMENTS

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

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
As at 31st March 2023			
Mr. Hemantha Chandana	Director of Managing Company	103,679	2,518,940
Mr. Lakshika Keragala	Director of Managing Company	9,722	236,165
As at 31st March 2022			
Mr. Hemantha Chandana	Director of Managing Company	513	10,350
Mr. Lakshika Keragala	Director of Managing Company	555	11,197

16.4 Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel has entered into a material contract with the Fund during the financial period 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

Page 16

16. RELATED PARTY TRANSACTIONS (CONTD..)

16.5 Related party unitholding

Unitholder	Nature of relationship	Transactions during the period		Unitholding as at 31.03.2023	
		investments Rs.	Redemptions Rs.	No. of units	Fair Value Rs.
Premier Wealth Management Limited	Management company	16,587,600	16,196,000	91,818	2,230,379
Ceylinco Sereka Limited	Member of same group	-	1,115,000	174,176	4,230,952
Inventure (Private) Limited	Member of same group	-	365,000	128,368	3,118,223

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.)
			2022/2023	2021/2022
Premier Wealth Management Limited	Managing company	Management fee	1,384,680	2,253,803
Hatton National Bank	Custodian Trustee	Custodian fee	275,015	259,755
		Trustee fee	901,956	1,391,062

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

	Interest income 2022/2023	As at 31.03.2023	Interest income 2021/2022	As at 31.03.2022
	Rs.	Rs.	Rs.	Rs.
Hatton National Bank PLC	11,330,633	39,682,406	2,395,736	220,001,178

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 31.03.2023	As at 31.03.2022
	Rs.	Rs.
Bank balance held at Hatton National Bank PLC	1,566,998	4,008,698

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.



PREMIER MONEY MARKET FUND
NOTES TO THE FINANCIAL STATEMENTS

Page 17

17. COMPARATIVE INFORMATION

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

18. IMPACT OF ECONOMIC CRISIS

Sri Lanka is currently experiencing an economic crisis due to depletion of foreign currency reserves and balance of payment issues. As a result, most industries, including the Fund, face an unprecedented level of challenges for future operations and consequent earnings over the foreseeable future. Premier Money Market Fund (PMMF) invests in short-term (maturity period of one year or less) instruments such as fixed deposits, Government Securities etc. As a result of the economic crisis, volatility in the financial markets has increased, followed by rise in market interest rates due to CBSL policy rate hikes, Fund experienced a temporary surge in redemptions.



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
 +94 11 476 4764
Fax : +94 11 266 2814
 +94 11 266 2832
Web : www.hnb.net



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