

# CEYBANK SAVINGS PLUS FUND

## ANNUAL REPORT 2023

Managed By



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

## CONTENTS

Corporate Information	1
Report of the Manager	2
Report of the Auditors	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Unit holders Funds	6
Statement of Cash Flow	7
Notes to the Financial Statements	8
Declaration by Trustee and Managing Company	9
Management Team	10

**CEYBANK SAVINGS PLUS FUND  
ANNUAL REPORT-2023  
CORPORATE INFORMATION**

**FUND MANAGERS & REGISTRAR**

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

**TRUSTEE**

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

**DIRECTORS OF THE  
MANAGEMENT COMPANY**

Mr. A.C.M. Fernando  
Chairman

Mr. I. Ferdinands  
CEO/Executive Director

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

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

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

Ms. S.Kulasinghe  
(Nominee - Sri Lanka Insurance)

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

**AUDITORS**

BDO Partners  
Chartered Accountants

**TAX CONSULTANTS**

Ernst & Young  
Chartered Accountants

**BANKERS & CUSTODIAN**

Bank of Ceylon

**LAWYERS**

F. J. & G. De Saram  
Attorneys –at-Law

Nithya Partners  
Attorneys –at-Law



# CEYBANK SAVINGS PLUS MONEY MARKET FUND - Annual Report 2023

## REPORT OF THE MANAGER

We have great pleasure in presenting the Manager's Report and Audited Accounts of the Ceybank Savings Plus Money Market Fund for the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

The Net Asset Value per unit of your Fund appreciated by 18.81% during the period.

### Economy

Amidst the regaining fundamentals in the economy, the Sri Lankan Economy witnessed a negative GDP growth of 2.3%YoY during the year 2023 against the crisis driven contraction of 7.3%YoY in year 2022 (base year=2015). Sector wise, both Industry and Services sectors slumped by 9.2%YoY and 0.2%YoY respectively while the Agriculture sector accounted a growth of 2.6%YoY during 2023.

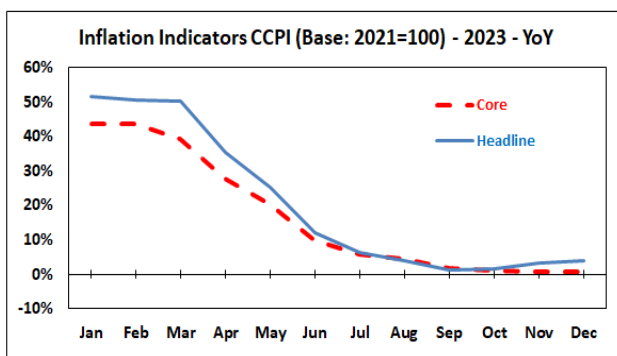


Figure:1 - (Source: Department of Census & Statistics)

Year on Year Inflation (*Figure:1*) measured by the CCPI which was at 51.7%YoY in January 2023 showed a decelerated trend by ending at 4%YoY in December 2023 (Base: 2021). The execution of some measures including price controls, favourable supply side developments, gradual lifting of the import ban on some items, appreciating of local currency, the sluggish recovery in domestic demand over low disposable income amidst tight monetary and fiscal policy adopted by the government, the slowdown in private sector credit growth and the base effect chiefly resulted in this slowdown in inflation.

Market interest rates (*Figure:2*) declined during the year. The benchmark 12-month Treasury bill rate which was at 29.16% p.a. at the beginning of the year dropped gradually in line with the slowdown in inflation and the appreciation of LKR. Treasury Bill yields plunged by 1,623 basis points, to close at 12.93% p.a. at the end of the year. This allowed the downward adjustment in market lending rates with an aim to retrieve the economic activities in the country. Long term Treasury bond yields also moved in tandem with the Treasury Bills during this period. Premiums on corporate paper yields, remained around 2-3% above Treasury yields.

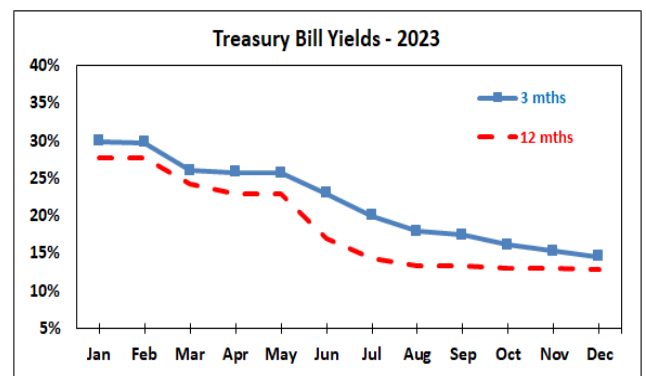


Figure: 2 - (Source: CBSL)

Overnight repo market rates recorded a downward trend and traded within a range of 16.50% and 9% p.a. The exchange rate which was at 363.11 (Rs/US\$) at the beginning of 2023, appreciated by 10.8% to 323.92 (Rs/US\$), as at end December 2023.

The Central Bank key policy rates were changed five times during the year. Both Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were reduced by a total of 550 bps in year 2023. The SDFR and SLFR at the end of the year were 9% and 10% respectively, while the SRR was 2%.

## **Fund Performance**

The Net Asset Value per unit of your Fund appreciated by 18.81% during the period under review. The Fund generated Rs 2.31 million as net operating profit during the period. The Fund was mainly invested in a mix of Treasury bills and Repurchase Agreements with maturities less than 12 months.

## **Future Outlook**

Despite the contraction of GDP by 2.3% recorded in 2023, a turnaround in Sri Lankan economy would be expected in 2024 in the midst of retrieving macro-economic indicators with the implementation of structural reforms in the country as per the agreement on IMF-EFF. The upside in domestic production, gradual expansion in Agriculture, Industry and Services sectors, recovery in tourism sector, increase in workers' remittances, completion of external debt restructuring process by June 2024 and faster implementation of several vital reforms like converting loss making SOEs to positive contributors would probably contribute to deliver the growth in 2024. However, the uncertainties in external debt restructuring, fluctuations in global crude oil prices, the impact of surge in taxes, the ongoing geopolitical tensions in Eastern Europe and Middle East by affecting tourism, tea exports & remittances and the policy uncertainties in the economy owing to Elections are the crucial risk factors to be concerned over the improvement in economic activities in the year 2024.

The policy makers are trying to enhance the economic activities through monetary and fiscal stimulus measures with a view to foster sustainable economic growth over the medium term in the country. This includes the reduction in elevated market lending rates to stimulate the credit to productive sectors in the economy. Despite the existing short-term pressure in inflation due to hike in VAT & duties, the inflation would hover around at a single digit level backed by the stringent policies adopted by the authorities.

As a result of gradual lifting of import restrictions in line with the increase in demand with the gradual economic recovery and the building up of foreign reserve position against the future external debt payment, we would expect the currency to display a moderate depreciation against USD toward the end December 2024 despite the improvement in remittances & tourism earnings and the expectation of the receipts of IMF third tranche and other FDIs followed by the successful completion of foreign debt restructuring process by June 2024.

Considering these factors, the Fund is currently invested in short term Treasury bills and Repurchase Agreements. The objective of the Fund is to provide liquidity and maximize returns for the investor. The Managers will continue to monitor the changing environment to address any change required in the asset allocation in order to meet the Fund objective.

## **Management**

We take this opportunity to thank our valued unit holders for the confidence placed in us, which has been a great source of encouragement. We also place on record our appreciation for the unstinted support and cooperation extended by the Securities and Exchange Commission of Sri Lanka, the Trustee, National Savings Bank and Custodian Bank of Ceylon.

Our sincere appreciation is also due to the stakeholders and the Board of Directors for their support. Our achievements would not have been possible without the skills and commitment of the Management Team. We take great pleasure in thanking them for their contribution and dedication throughout the year and look forward to their support in the coming year too.

SGD  
Kanchana Karannagoda  
Fund Manager  
March 2024

**CEYBANK SAVINGS PLUS FUND  
COLOMBO 01**

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





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

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CEYBANK SAVINGS PLUS FUND**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Ceybank Savings Plus Fund ("the Fund"), which comprise the statement of financial position as at 31<sup>st</sup> December 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 material 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 31<sup>st</sup> December 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 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 Management and Those Charged with Governance for the Financial Statements**

Ceybank Asset Management Limited ("Management") and the Trustee of the Fund ("the Trustee") are 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 management 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, management 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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





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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Collective Investment Scheme (CIS) Code of 2022 issued by the Securities and Exchange Commission of Sri Lanka under the Act No.19 of 2021 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**

**08<sup>th</sup> April 2024**

NV/kp



CEYBANK SAVINGS PLUS FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2023

Page 1

	Note	2023 Rs.	2022 Rs.
Income on financial assets	4	2,772,454	468,355
<b>Total investment income</b>		<u>2,772,454</u>	<u>468,355</u>
<b>Other income</b>			
Miscellaneous receipts		330,063	1,952,095
Reversal of impairment of financial assets		-	230,633,238
		<u>3,102,517</u>	<u>233,053,688</u>
<b>Expenses</b>			
Management fee and Trustee fee		(111,339)	-
Custodian fees		(165,000)	-
Audit fee		(195,000)	(111,573)
Other expenses		(311,462)	(3,015,726)
		<u>(782,801)</u>	<u>(3,127,299)</u>
<b>Profit before tax</b>	5	<u>2,319,716</u>	<u>229,926,389</u>
Income tax expense		-	-
<b>Increase in net assets attributable to unitholders</b>		<u><u>2,319,716</u></u>	<u><u>229,926,389</u></u>

Figures in brackets indicate deductions.

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

Colombo  
8th April 2024





CEYBANK SAVINGS PLUS FUND  
STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2023

Page 2


	Note	As at 31.12.2023 Rs.	As at 31.12.2022 Rs.
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets at amortised cost	7	13,528,067	13,510,199
Tax receivable	8	-	-
Cash and cash equivalents	9	107,043	707,462
<b>Total current assets</b>		<u>13,635,110</u>	<u>14,217,661</u>
<b>Total assets</b>		<u>13,635,110</u>	<u>14,217,661</u>
<b>UNITHOLDERS' FUNDS AND LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	10	333,802	1,580,812
<b>Total current liabilities</b>		<u>333,802</u>	<u>1,580,812</u>
Unitholders' fund		13,301,308	12,636,849
<b>Total unitholders' fund</b>		<u>13,301,308</u>	<u>12,636,849</u>
<b>Total unitholders' funds and liabilities</b>		<u>13,635,110</u>	<u>14,217,661</u>


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

The Board of Directors of the Management Company and the Trustee are responsible for the preparation and presentation of these financial statements.

The financial statements were approved by the Management Company and the Trustee on 19th March 2024 and 15th April 2024 respectively.

  
.....  
Mr. Ian Ferdinands  
Director

  
.....  
National Savings Bank  
Trustee

  
.....  
Director  
Management Company

Colombo  
8th April 2024  
NV/kp





CEYBANK SAVINGS PLUS FUND  
STATEMENT OF CHANGES IN UNITHOLDERS' FUND  
FOR THE YEAR ENDED 31ST DECEMBER 2023

Page 3

	Note	Unit capital Rs.	Retained earnings / (Accumulated losses) Rs.	Total Rs.
Balance as at 01st January 2022		161,871,844	(157,576,051)	4,295,793
Increase in net assets attributable to unitholders		-	229,926,389	229,926,389
Redemption of Kotagala Plantation units	7.2	(153,050,589)	(68,534,744)	(221,585,333)
<b>Balance as at 31st December 2022</b>		<b>8,821,255</b>	<b>3,815,594</b>	<b>12,636,849</b>
Increase in net assets attributable to unitholders		-	2,319,716	2,319,716
Received on unit creations		412,780	240,220	653,000
Paid on unit redemptions		(1,440,375)	(867,882)	(2,308,257)
<b>Balance as at 31st December 2023</b>		<b>7,793,660</b>	<b>5,507,648</b>	<b>13,301,308</b>

Figures in brackets indicate deductions.

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

Colombo  
8th April 2024





CEYBANK SAVINGS PLUS FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST DECEMBER 2023

Page 4

	2023 Rs.	2022 Rs.
<b>Cash flow from operating activities</b>		
Interest received	2,772,454	468,355
Receipt from Kotagala Plantation-on the legal case final settlement	-	11,000,000
Net investment in financial assets	(17,868)	(9,001,814)
Micellaneous receipts	330,063	-
Management fees and trustee fees paid	(233,423)	-
Other expenses paid	(1,796,388)	(2,087,021)
<b>Net cash generated from operating activities</b>	<u>1,054,838</u>	<u>379,520</u>
<b>Cash flows from financing activities</b>		
Proceeds from Applications from Unitholders	653,000	-
Payments for redemptions by unitholders	(2,308,257)	-
<b>Net cash used in financing activities</b>	<u>(1,655,257)</u>	<u>-</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(600,419)	379,520
<b>Cash and cash equivalents at the beginning of the year (Note A)</b>	707,462	327,942
<b>Cash and cash equivalents at the end of the year (Note B)</b>	<u>107,043</u>	<u>707,462</u>
<b>At the beginning</b>		<b>Note A</b>
Cash at bank	<u>707,462</u>	<u>327,942</u>
<b>At the end</b>		<b>Note B</b>
Cash at bank	<u>107,043</u>	<u>707,462</u>

Figures in brackets indicate deductions.

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

Colombo  
8th April 2024





**1. CORPORATE INFORMATION**

**1.1 General**

Under Section 31A of the Securities and Exchange Commission of Sri Lanka, Act No.36 of 1987 (as amended by the Act No. 26 of 1991, the Act No. 18 of 2003 and the Act No.47 of 2009), the Securities and Exchange Commission of Sri Lanka granted a license to operate the Fund to Ceybank Asset Management Limited (“the Management Company”) on 02<sup>nd</sup> June 2009. The Fund commenced its commercial operations on 22<sup>nd</sup> June 2009. The registered office of the Management Company is located at No 85, York Street, Colombo 01.

**1.2 Principal activities and nature of operations**

The Fund is an open-ended unit trust and invests mainly on money market in Sri Lanka to maximise the short-term current income while ensuring the ease of liquidity by investing in a portfolio of money market instruments and to provide a regular stream of dividend income bi-annually. The Fund also invests in government securities, bank deposits and corporate debt instruments with maturities less than one year.

**1.3 Date of Authorisation for Issue**

The Financial Statements of Ceybank Savings Plus Fund for the year ended 31<sup>st</sup> December 2023 were authorised for issue by the Fund Management Company and the Trustee on 19<sup>th</sup> March 2024 and 15<sup>th</sup> April 2024 respectively.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 General accounting policies**

**2.1.1 Basis of preparation**

The financial statements are prepared in compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka and are adopted as directed by the Securities and Exchange Commission of Sri Lanka.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise it is stated.

The statement of financial position is on liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between the current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

**2.1.2 Statement of compliance**

These financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and the requirements of the unit trust deed and CIS (Collective Investment Scheme) code of the Securities and Exchange Commission of Sri Lanka.





### 2.1.3 Responsibility for financial statements

The Board of Directors of the Management Company and the Trustee are responsible for the preparation and presentation of the financial statements of the Fund as per the provisions of the unit trust deed and CIS code and in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

These financial statements include the following components:

- a statement of comprehensive income providing the information on the financial performance of the Fund for the year under review
- a statement of financial position providing the information on the financial position of the Fund as at the year-end
- a statement of changes in unitholder funds depicting all changes in unitholders' funds during the year under review of the Fund
- a statement of cash flows providing the information to the users, on the ability of the Fund to generate cash and cash equivalents and the needs of entities to utilise those cash flows
- notes to the financial statements comprising accounting policies and other explanatory information

### 2.1.4 Basis of measurement

The financial statements of the Fund have been prepared under the historical cost convention basis unless otherwise indicated.

### 2.1.5 Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the functional currency). The financial statements are presented in Sri Lankan Rupees.

### 2.1.6 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 as permitted by the Sri Lanka Accounting Standard-LKAS 1 on "Presentation of Financial Statements".

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is legally an enforceable right to settle on a net basis or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless it is required or permitted by any accounting standard or interpretation as specifically disclosed in the accounting policies.

### 2.1.7 Going concern

The Fund's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern and it does not intend either to liquidate or to cease operations of the Fund.





Management of the Fund has continuously assessed the potential impact of economic crisis on the Fund's operations, and is confident that it will not impact the going concern ability of the Fund. Therefore, the financial statements continue to be prepared on the going concern basis.

**2.1.8 Significant judgment and estimates**

Management considers credit, liquidity and market risk and assesses the impact on valuation of investments when determining the fair value. The following is the key source of estimation uncertainty at the date of the statement of financial position, that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

**2.2 Statement of comprehensive income**

**2.2.1 Revenue recognition**

Interest income is recognised in profit or loss for all financial instruments measured at amortised cost using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset and interest reflects the income earned on cash held at Bank and on direct fixed interest investments.

**2.2.2 Expenditure recognition**

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

**2.2.3 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 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 March 2018, the Fund has considered all income as being a 'pass through' its unitholders.

**2.2.4 Distribution**

In accordance with the trust deed, the Fund distributes income adjusted for amounts determined by Ceybank Asset Management Limited, to unitholders by cash or reinvestment. The distributions are recognised in the statement of changes in unitholders' funds as finance costs attributable to unitholders.

**2.2.5 Increase/(decrease)in net assets attributable to unitholders**

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in statement of changes in unitholders' funds.

**2.3 Statement of financial position**

**2.3.1 Financial instruments**

The Fund's principal financial assets comprise investments in trading 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's principal financial liabilities comprise amounts attributable to unitholders, which are the amounts owed to unitholders of the Fund.





### 2.3.1.1 Classification

SLFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Fund's business model for managing the assets' and the instruments' contractual cash flow characteristics and categorised as:

- Debt instruments at Amortised Cost
- Debt instruments at Fair Value through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- Financial Assets at Fair Value through Profit or Loss (FVTPL)

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows
- 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

The financial assets of the Fund are classified as financial assets at amortised cost which include repurchase agreements, commercial papers and money market saving instruments.

#### 2.3.1.1.1 Financial assets at amortised cost

In line with the requirements of SLFRS-09, the Fund applies the amortised cost method to measure the financial assets for which an entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are these of solely the payments of the principal amount and interest (referred to as "SPPI").

- Principal is the fair value of the instrument at initial recognition.
- Interest is the return within a basic lending arrangement and typically consists of consideration for the time value of money and credit risk. It may also include consideration for other basic lending risks such as liquidity risk as well as a profit margin.

The Fund determines its business model at the level that best reflects how it manages a group of financial assets to achieve its business objective.





**2.3.1.2 Recognition/de-recognition**

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are de-recognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities at fair value through profit or loss are de-recognised when the obligation specified in the contract is discharged or has expired.

Realised gains and realised losses on derecognition are determined using the weighted average method and are included in the profit or loss in the period in which they arise. The realised gain is the difference between an instrument's weighted average cost and disposal amount.

**2.3.2 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 asset 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 recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

**2.3.3 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 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 approved by the Securities and Exchange Commission of Sri Lanka, by the number of units in issue.

Dividends to unitholders are declared according to the explanatory memorandum. Distribution to unitholders is recognised in the statement of changes in unitholders' funds. Income not distributed is included in net assets attributable to unitholders.

**2.3.4 Increase/decrease in net assets attributable to unitholders**

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in statement of changes in unitholders' funds.





**2.3.5 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and interest accrued on cash held in bank.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

**2.3.6 Payables**

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the trust deed.

**2.3.7 Applications and redemptions**

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded as gross of any exit fees payable after the cancellation of units redeemed.

**3. FINANCIAL RISK MANAGEMENT**

The Fund's activities are exposed to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's product disclosure statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the Management Company.

The Fund uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and rating analysis for credit risk.

**3.1 Market risk**

**3.1.1 Cash flow and fair value interest rate risk**

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates exposed the Fund to fair value interest rate risk. The Fund's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.





The Fund's policy is to hold all its net assets attributable to unitholders invested in debt/equity securities. The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair values, categorised by the earlier contractual reprising or maturity dates.

As at 31 <sup>st</sup> December 2023	Floating interest Rs.	Fixed interest Rs.	Non- interest Rs.	Total Rs.
<b>Financial assets:</b>				
Cash and cash equivalents	Nil	Nil	107,043	107,043
Financial assets at amortised cost	Nil	13,528,067	Nil	13,528,067
<b>Total exposure</b>	<b>Nil</b>	<b>13,528,067</b>	<b>107,043</b>	<b>13,635,110</b>

As at 31 <sup>st</sup> December 2022	Floating interest Rs.	Fixed interest Rs.	Non- interest Rs.	Total Rs.
<b>Financial assets</b>				
Cash and cash equivalents	Nil	Nil	707,462	707,462
Financial assets at amortised cost	Nil	13,510,199	Nil	13,510,199
<b>Total exposure</b>	<b>Nil</b>	<b>13,510,199</b>	<b>707,462</b>	<b>14,217,661</b>

### 3.2 Summarised sensitivity analysis

The following table summarises the sensitivity of the Funds operating profit and net assets attributable to unitholders to interest rate risk and other price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Fund's investment with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than it is anticipated due to a number of factors, including unusually large market shocks resulting from changes in performances and correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

Change in interest rate of the Trust's investment in trading securities:	Impact on operating profit/net assets attributable to unitholders' on interest rate risk 31 <sup>st</sup> December 2023 Rs.	Impact on operating profit/net assets attributable to unitholders' on interest rate risk 31 <sup>st</sup> December 2022 Rs.
	+1.5%	41,586
-1.5%	(41,586)	(7,025)





**3.3 Credit risk**

The Fund is exposed to credit risk, which is the risk the counterparty will be unable to pay amounts in full when they fall due.

The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities and cash and cash equivalents.

**3.3.1 Debt securities**

The Fund invests in debt securities which are risk free investments. An analysis of debt by rating is set out in the table below.

	31 <sup>st</sup> December 2023 Rs.	31 <sup>st</sup> December 2022 Rs.
<b>Re-purchase agreements rating</b>		
Risk free	13,528,067	13,510,199
<b>Total</b>	<b>13,528,067</b>	<b>13,510,199</b>

**3.3.2 Cash and cash equivalents**

All counterparties have a rating of CC as determined by the fitch rating agency. However, in accordance with the Fund's policy, the investment manager monitors the Fund's credit position on a daily basis, to maintain credit risk at a minimum level.

**3.4 Liquidity risk**

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

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

Units are redeemed on demand at the unitholders' option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them from the medium to a long-term.

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



31 <sup>st</sup> December 2023	Less than one month Rs.	01 to 06 months Rs.	06 to 12 months Rs.	Total Rs.
<b>Accrued expenses</b>				
- Other payables to UTMCL	Nil	279,998	Nil	279,998
- Other creditors	Nil	42,916	10,888	53,804
<b>Contractual cash flows (Excluding gross settled derivatives)</b>	Nil	322,914	10,888	333,802

31 <sup>st</sup> December 2022	Less than one month Rs.	01 to 06 months Rs.	06 to 12 months Rs.	Total Rs.
<b>Accrued expenses</b>				
- Other payables to UTMCL	Nil	Nil	1,458,351	1,458,351
- Other creditors	Nil	111,573	10,888	122,461
<b>Contractual cash flows (Excluding gross settled derivatives)</b>	Nil	111,573	1,469,239	1,580,812





	2023 Rs.	2022 Rs.
<b>4. INCOME ON FINANCIAL ASSETS</b>		
Interest income on financial assets		
- Treasury bills	2,447,206	-
- Repurchase agreements	325,248	468,355
	<u>2,772,454</u>	<u>468,355</u>

**5. PROFIT BEFORE TAX IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:**

Bank charges	39,050	3,700
Professional and legal fee	-	2,896,196
Taxation fee	85,000	115,830
Audit fee	195,000	111,573
Miscellaneous expenses	240,303	-

**6. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

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

	From 1st January 2023 to 31st December 2023		From 1st January 2022 to 31st December 2022	
	Number	Rs.	Number	Rs.
Opening balance	880,719	12,636,849	16,161,939	4,295,793
Applications	40,612	653,000	-	-
Redemptions	(141,040)	(2,308,257)	(15,281,220)	(221,585,333)
Increase/(decrease) in net assets attributable to unitholders	-	2,319,716	-	229,926,389
Closing balance	<u>780,291</u>	<u>13,301,308</u>	<u>880,719</u>	<u>12,636,849</u>

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

**6.1 Capital risk management**

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.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the responsible entity. In terms of the Fund's constitution, the responsible entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of the unitholders.



		As at 31.12.2023 Rs.	As at 31.12.2022 Rs.
<b>7. FINANCIAL ASSETS AT AMORTISED COST</b>			
Investment in repurchase agreements	Note 7.1	2,201,179	13,510,199
Investment in treasury bills	Note 7.2	11,326,888	-
		<u>13,528,067</u>	<u>13,510,199</u>

**7.1 Investment in repurchase agreements**

As at 31st December 2023

Dealer	Yield	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
Bank of Ceylon	6.50%	29-Dec-23	2-Jan-24	2,200,000	2,201,179
				<u>2,200,000</u>	<u>2,201,179</u>

As at 31st December 2022

Dealer	Yield	Investment date	Maturity date	Cost Rs.	Recoverable amount Rs.
Bank of Ceylon	13.75%	30-Dec-22	9-Jan-23	13,500,000	13,510,199
				<u>13,500,000</u>	<u>13,510,199</u>

**7.2 Investment in treasury bills**

As at 31st December, 2023

Dealer	Yield	Investment Date	Maturity Date	Cost Rs.	Recoverable amount Rs.
Wealth Trust Securities Ltd.	17.58%	4-Aug-2023	2-Feb-2024	4,596,010	4,928,968
Wealth Trust Securities Ltd.	15.48%	25-Aug-2023	23-Feb-2024	1,856,320	1,958,159
Wealth Trust Securities Ltd.	15.83%	3-Nov-2023	2-Feb-2024	4,328,694	4,439,762
				<u>10,781,024</u>	<u>11,326,889</u>





	As at 31.12.2023 Rs.	As at 31.12.2022 Rs.
<b>8. TAX RECEIVABLE</b>		
Balance at the beginning of the year	2,192,525	2,192,525
Add: Income tax expense for the year	-	-
	<u>2,192,525</u>	<u>2,192,525</u>
Less: Provision for tax recoverable	<u>(2,192,525)</u>	<u>(2,192,525)</u>
Balance as at the end of the year	<u>-</u>	<u>-</u>
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash at bank - Bank of Ceylon		
- Bank A/C - Operation	71,255	671,524
- Bank A/C - Redemption	20,788	20,938
- Bank A/C - Income distribution	15,000	15,000
	<u>107,043</u>	<u>707,462</u>
<b>10. OTHER PAYABLES</b>		
Other payables to UTMCL	85,000	1,458,351
Management fee payable	10,224	-
Other creditors	205,886	122,461
Custodian fees payable	32,692	-
	<u>333,802</u>	<u>1,580,812</u>

**11. UNRECOGNISED CONTRACTUAL COMMITMENTS**

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

**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.

**13. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

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

**14. RELATED PARTY TRANSACTIONS**

**14.1 Responsible entity**

The responsible entity of Ceybank Savings Plus Fund is Ceybank Asset Management Limited.

**14.2 Key management personnel**

**a) Directors**

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

- |  |                         |
|--|-------------------------|
| - Mr. A.C.M. Fernando (Chairman)                 | - Mr. A.D. Perera       |
| - Mr. I.C.C. Ferdinands (CEO/Executive Director) | - Ms. Vasantha Govindan |
| - Mr. G.A. Jayashantha                           | - Ms. W.S. Kulasinghe   |
| - Mr. R.M.N. Jeewantha                           |                         |





14. RELATED PARTY TRANSACTIONS (CONTD....)

14.2 Key management personnel (Contd....)

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.

c) Key management personnel unitholdings

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

d) Other transactions within the Fund

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

14.3 Related party unitholding

The Management Company of Ceybank Savings Plus Fund did not hold any units in the Fund.

14.4 Key management personnel compensation

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

Name of related company	Relationship	Transaction	Amount (Rs.)	
			2023	2022
Ceybank Asset Management Limited	Management Company	Management fee	92,784	-
Bank of Ceylon	Custodian	Custodian fee	165,000	-
National Savings Bank	Trustee	Trustee fee	18,555	-

15. COMPARATIVE INFORMATION

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

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

	As at 31.12.2023 Rs.	As at 31.12.2022 Rs.
Net asset value as per financial statements	13,301,308	12,636,849
Audit fee adjustment	81,000	111,573
Reversal of impairment of financial assets	-	(9,047,905)
Published net asset value	<u>13,382,308</u>	<u>3,700,517</u>
No of units outstanding	780,291	880,719
Redemption of units held by Kotagala Plantation PLC	-	15,281,220
Published No of units	<u>780,291</u>	<u>16,161,939</u>
Published net asset value per unit	<u>17.15</u>	<u>0.23</u>



**CEYBANK SAVINGS PLUS FUND  
ANNUAL REPORT-2023**

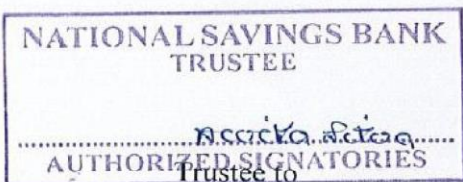
**DECLARATION BY TRUSTEE AND THE MANAGING COMPANY**

**DECLARATION BY  
TRUSTEES AND MANAGING COMPANY**

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


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

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



Ceybank Unit Trust Funds

  
Risk & Compliance Officer  
Ceybank Asset Management Ltd

  
General Manger  
Ceybank Asset Management Ltd



**CEYBANK ASSET MANAGEMENT LTD**

**MANAGEMENT TEAM**

**CEO / EXECUTIVE DIRECTOR**

Ian Ferdinands  
Chartered Marketer  
Certified e Marketer  
MBA (Finance)

**General Manager**

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

**Fund Manager**

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

**Risk & Compliance Officer**

Eranga Manthrirathna  
B.B.A Sp. (Finance)  
CIMA, CGMA

**Marketing Manager**

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

**Accountant**

Abirami Navaratnam  
Chartered Accountancy (Strategic Level)  
B.Sc. Applied Accounting.  
MBA

**IT Manager**

Sameera Fernanndo

**Registrar**

Pamudi Kariyawasam





**Managers of the Ceybank Unit Trust Funds**

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