



NDB | WEALTH

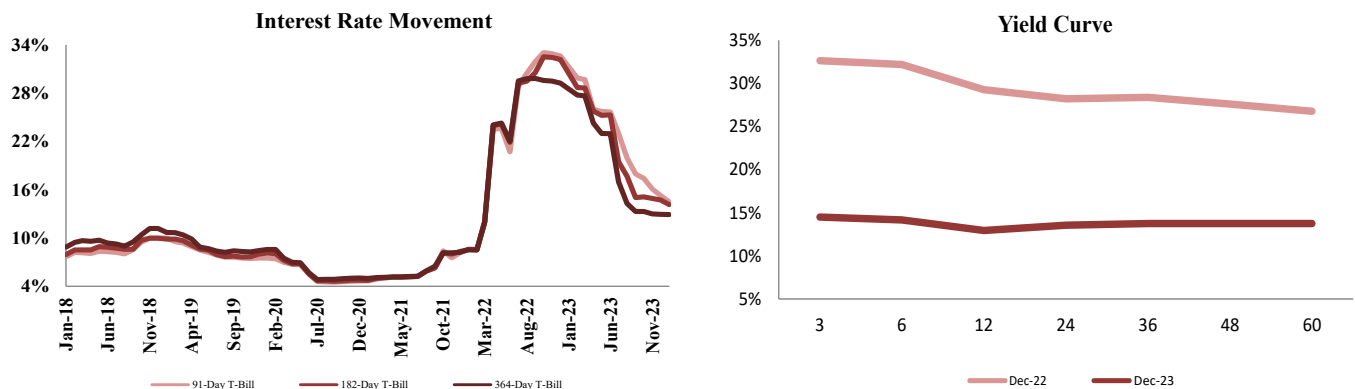
NDB WEALTH MONEY FUND

Financial statements for the period
ended 31st December 2023

Fund Review 2023 - NDB Wealth Money Fund

Interest rates saw a sharp decrease in 2023 with the Central Bank of Sri Lanka (CBSL) relaxing its monetary policy stance considerably, slashing policy rates by 6.50% to spur economic activity with inflation having contained to single-digit levels. Accordingly, the Standing Lending Facility Rate (SLF) and the Standing Deposit Facility Rate (SDF) were brought down to 10% and 9% respectively during the year. On this backdrop, interest rates declined across the yield curve with the benchmark 364-day Treasury bill rate falling to 12.93% by end December 2023 from 27.78% seen at the beginning of the year (Source: Central Bank of Sri Lanka).

The country as a whole went through painful reforms to come out of its worst economic crisis with significant fiscal consolidation measures undertaken to contain budget deficits. Thus, overall deficit for 2023 is expected to be within the budget, owing to significant tax collections, yielding from revenue enhancing measures that were carried out by the government on top of expenditure rationalization strategies. Given the economy returning to stability, foreign investors were net buyers on rupee denominated government securities to the value of LKR 91.87 bn (Source: CBSL).



Source: Central Bank of Sri Lanka

Private sector credit growth turned positive after twelve months of contraction on the back of the steep decline in interest rates. Further, inflation fell considerably during 2023 to close the year at 4% on a year-on-year basis from 51.7% levels seen in January backed by the appreciation of the Sri Lankan Rupee and easing global commodity prices as well as the base effect. (Source: Central Bank of Sri Lanka).

During the year under review the NDB Wealth Money Fund yielded the following returns commensurate with the risk parameters and the objective of the Fund:

NDB Wealth Money Fund		*Average Weighted Deposit Rate (AWDR) ^{*12-month avg.}
Performance - 2023	24.03% (after fees)	14.06%

*Source: Central Bank of Sri Lanka

With inflation under control, the Central Bank is expected to implement further monetary easing measures, to foster economic recovery thus, a further decline in interest rates can be anticipated during 2024.

NDB WEALTH MONEY FUND
FINANCIAL STATEMENTS
31 DECEMBER 2023



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chartered accountants

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF NDB WEALTH MONEY FUND

Report on the Financial Statements

Opinion

We have audited the financial statements of NDB Wealth Money Fund ("The Fund"), which comprise the Statement of Financial Position as at 31 December 2023, and the Statement Of Profit Or Loss And Other Comprehensive Income, Statement of Changes in Unitholders and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 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 Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The fund management company is responsible for the other information. The other information generally comprises the information included in the fund manager's report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The fund management company and trustee are responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The fund management company is responsible for overseeing the Company'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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 fund management company 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 Rule 27(3) of the Unit Trust Code of September 2011 issued by the Securities and Exchange Commission of Sri Lanka under the Act no. 36 of 1987 as Amended by Act no. 26 of 1991, Act no. 18 of 2003 and Act No. 47 of 2009 and the trust deed.


W. R. Rodrigo & Co.,
Chartered Accountants

10 March 2024
Colombo



NDB WEALTH MONEY FUND
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	2023 Rs.	2022 Rs.
ASSETS			
Cash at Bank	6	25,000	25,000
Financial Assets Measured at Amortised Cost	7	189,645,403,747	47,569,214,255
Total Assets		189,645,428,747	47,569,239,255
UNIT HOLDERS' FUNDS AND LIABILITIES			
LIABILITIES			
Accrued Expenses	9	108,582,549	28,249,685
Total Liabilities		108,582,549	28,249,685
Net Assets Attributable to Unitholders		189,536,846,206	47,540,989,570
UNITHOLDER'S FUNDS			
Unit Capital		59,813,377,569	18,608,001,581
Retained Earnings		129,723,468,637	28,932,987,989
Net Assets Attributable to Unitholders	10	189,536,846,206	47,540,989,570

These financial statements are in compliance with the requirements of the Securities and Exchange Commission Act No. 47 of 2009

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



Director
NDB Wealth Management Ltd
Fund Management Company



Trustee
Hatton National Bank



Director
NDB Wealth Management Ltd
Fund Management Company

Figures in brackets indicate deductions.

The accounting policies and notes from 7 to 18 form an integral part of these financial statements.



NDB WEALTH MONEY FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2023

	Note	2023 Rs.	2022 Rs.
Interest Income	3	21,003,384,507	4,719,993,673
Realised Gain/(Loss) on Sale of Financial Assets		19,573,030	611,692,648
Expenses	4	(709,614,117)	(199,688,734)
Profit Before Tax		20,313,343,420	5,131,997,587
Income Tax Expense	5	-	-
Profit For the Year		20,313,343,420	5,131,997,587
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		20,313,343,420	5,131,997,587
Increase in Net Assets Attributable to Unitholders		20,313,343,420	5,131,997,587

Figures in brackets indicate deductions.

The accounting policies and notes from 7 to 18 form an integral part of these financial statements.



NDB WEALTH MONEY FUND

STATEMENT OF CHANGES IN UNITHOLDERS' FUND

For the Year Ended 31 December 2023

	Unit capital Rs.	Retained earnings Rs.	Total Rs.
Balance as at 1 January 2022	10,869,132,706	12,707,174,146	23,576,306,851
Net decrease due to creation and redemption of units	7,738,868,875	11,093,816,255	18,832,685,130
Increase in net assets attributable to unitholders	-	5,131,997,587	5,131,997,587
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	5,131,997,587	5,131,997,587
Balance as at 31 December 2022	<u>18,608,001,581</u>	<u>28,932,987,989</u>	<u>47,540,989,570</u>
Net decrease due to creation and redemption of units	41,205,375,989	80,477,137,227	121,682,513,216
Increase in net assets attributable to unitholders	-	20,313,343,421	20,313,343,421
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	20,313,343,421	20,313,343,421
Balance as at 31 December 2023	<u>59,813,377,569</u>	<u>129,723,468,637</u>	<u>189,536,846,206</u>

Figures in brackets indicate deductions.

The accounting policies and notes from 7 to 18 form an integral part of these financial statements.



NDB WEALTH MONEY FUND

STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2023

	2023 Rs.	2022 Rs.
Cash Flows from Operating Activities		
Interest received	15,355,476,351	2,744,284,006
Management fees paid	(509,007,624)	(148,964,102)
Other expenses paid	(120,273,636)	(35,009,957)
Net movement in fixed deposits	-	15,763,066,551
Net disposal of/ (investment in) TBills	(94,746,013,884)	(37,295,044,669)
Net disposal of/ (investment in) T bonds	(241,224,000)	-
Net realised gain on security sales	19,573,030	611,692,648
Net cash Generated from Operating Activities	(80,241,469,766)	(18,359,975,523)
Cash Flows from Financing Activities		
Proceeds on creation of units	415,205,680,375	147,062,991,133
Payments on redemption of units	(293,523,167,160)	(128,230,306,003)
Net cash Generated from / (used in) Financing Activities	121,682,513,216	18,832,685,130
Net increase / (decrease) in cash and cash equivalents	41,441,043,450	472,709,608
Cash and cash equivalents at the beginning of the year	3,371,416,960	2,898,707,350
Cash and cash equivalents at the end of the year	<u>44,812,460,410</u>	<u>3,371,416,959</u>
Cash and cash equivalents at the end of the year comprises of:		
Cash at bank	25,000	25,000
Financial instruments - maturity within 3 months	44,812,435,411	3,371,391,959
	<u>44,812,460,410</u>	<u>3,371,416,959</u>

Figures in brackets indicate deductions.

The accounting policies and notes from 7 to 18 form an integral part of these financial statements.



NDB WEALTH MONEY FUND

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

1. General information

1.1 General

NDB Wealth Money Fund ("the fund") is an open ended unit trust fund licensed by the Securities and Exchange Commission of Sri Lanka and established under trust deed signed on 31 May 2012. The fund which invests mainly in government securities and money market securities which is domiciled in Sri Lanka.

The fund is managed by NDB Wealth Management Limited while Hatton National Bank acts as the trustee of the fund. The registered office of the fund manager is located at No. 40, Nawam Mawatha, Colombo 02, Sri Lanka and principal place of business is located at Level G, NDB Capital Building, No.135, Bauddhaloka Mawatha, Colombo 04, Sri Lanka.

The trustee's principal place is located at Level 15, HNB Towers, Colombo 10, Sri Lanka.

1.2 Date of authorization for issue

The financial statement of the fund for the year ended 31 December 2023 were authorized for issue by the fund management company and the trustee on 26 March 2024.



2. Preparation of financial statements

2.1 Basis of preparation

The financial statements are prepared and presented in accordance with and comply with the relevant Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. The statement of financial position is presented on a liquidity basis and assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. The financial statements have been prepared on the historical cost basis, except for the valuation of certain financial instruments. Historical cost is generally the fair value of the consideration given in exchange of assets. The financial statements are presented in Sri Lankan rupees (LKR).

2.2 Statement of compliance

The financial statements which comprise the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, statement of changes in unitholders' funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information have been prepared and presented in accordance with Sri Lanka Accounting Standards and the requirements of the Unit Trust Deed and Unit Trust Code of the Securities and Exchange Commission of Sri Lanka.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with SLFRSs requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. In the selection and application of the company's accounting policies, which are described below, the fund management company is 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.

2.3 Significant accounting judgments, estimates and assumptions (Contd...)

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 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.

2.4 Summary of significant accounting policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.4.1 Financial instruments

(i) Recognition and initial measurement

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



(ii) Classification

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

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

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

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

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

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

(iii) Subsequent measurement and gains and losses

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

(iv) Impairment

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12

months). The maximum period considered when estimating ECLs is the maximum contractual period over which the fund is exposed to credit risk.

Credit-impaired financial assets

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

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company 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.

Presentation of allowance for ECL in the statement of financial position

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

Write-offs

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

2.4.2 Financial liabilities – Classification, subsequent measurement and gains and losses

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

2.4.3 Derecognition

Financial assets

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

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

Financial liabilities

The fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The fund also derecognises a financial liability when its terms are modified and the cash flows of the

modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

2.4.4 Offsetting of financial instruments

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

NDB WEALTH MONEY FUND

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2023

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

2.4.5 Cash and Cash equivalents

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

2.4.6 Payables and provisions

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

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

2.4.7 Recognition of income

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

(i) 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.

2.4.8 Unitholders' Funds and Net Assets Attributable to Unitholders

Unitholders' Funds has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unitholders, as at the date of the statement of financial position.

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.

2.5. Taxation

The fund was liable to pay income tax at the rate of 10% until 31 March 2018 in accordance with the Inland Revenue Act No. 10 of 2006. Subsequent to the enactment of the new Inland Revenue Act No. 24 of 2017 effective from 01st April 2018, Unit Trusts that conduct eligible investment business are treated as pass through to its unitholders and tax will be payable by unitholders.



NDB WEALTH MONEY FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

3. INTEREST INCOME	2023 Rs.	2022 Rs.
Treasury Bills Under Repurchase Agreements (Long Term)	2,368,875,996	253,961,008
Treasury Bills Under Repurchase Agreements (Short Term)	480,552,533	106,846,115
Fixed Deposits	-	600,229,260
Interest Income from GOSL Tbonds	13,964,000	-
Interest on Money Market Saving Accounts	384,285,614	406,063,026
Interest Income from GOSL Tbills	17,755,706,364	3,352,894,264
	<u>21,003,384,507</u>	<u>4,719,993,673</u>

4 EXPENSES	2023 Rs.	2022 Rs.
Management fee	574,240,847	161,765,885
Trustee fee	132,075,395	36,641,192
Custodian fee	141,538	134,209
Auditors Remuneration	230,000	110,000
Tax consultancy fee	(19,000)	55,500
Bank charges	2,945,344	981,948
	<u>709,614,117</u>	<u>199,688,734</u>

5. The fund has calculated the income tax liability up to 31 March 2018 in accordance with the previous Inland Revenue Act No. 10 of 2006 and following the enactment of the new Inland Revenue Act No. 24 of 2017 effective from 1 April 2018, the fund is deemed as conducting an eligible investment business and is treated as a tax pass through vehicle.

6 CASH AND CASH EQUIVALENTS
Components of Cash and Cash Equivalents

6.1. Favourable Cash and Cash Equivalents Balance

	2023 Rs.	2022 Rs.
Hatton National Bank PLC	25000	25000
	<u>25000</u>	<u>25000</u>



NDB WEALTH MONEY FUND

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

7. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2023		2022	
	Amortised Cost Rs.	As a % of Net Assets Value	Amortised Cost Rs.	As a % of Net Assets Value
Treasury Bills Under Repurchase Agreements (Short Term) (Note 7.1)	43,252,563,425	22.82%	1,024,657,534	2.16%
Investment in Money Market Saving Accounts (Note 7.2)	2,355,023,884	1.24%	2,428,507,336	5.11%
Investment in GOSL Tbills (Note 7.3)	143,781,881,187	75.86%	44,116,049,385	92.80%
Investment in GOSL Tbonds (Note 7.4)	255,935,250	0.14%	-	0.00%
	189,645,403,747	100%	47,569,214,255	100%

7.1 Treasury Bills Under Repurchase Agreements (Short Term)

	2023		2022	
	Amortised Cost Rs.	As a % of Net Assets Value	Amortised Cost Rs.	As a % of Net Assets Value
Company				
Capital Allaince Ltd	14,643,547,945	7.73%	1,024,657,534	2.16%
Acuity Securities	8,064,013,699	4.25%	-	-
Wealth Trust Securities	3,253,453,288	1.72%	-	-
First Capital Treasuries	17,291,548,493	9.12%	-	-
	43,252,563,425	22.82%	1,024,657,534	2.16%

7.2 Investment in Money Market Saving Accounts

	2023		2022	
	Amortised Cost Rs.	As a % of Net Assets Value	Amortised Cost Rs.	As a % of Net Assets Value
Company				
Hatton National Bank	491,910,082	0.26%	323,713,375	0.68%
Cargills Bank Limited	1,337,785,772	0.71%	1,097,019,641	2.31%
MCB Bank Limited	525,314,838	0.28%	1,006,699,230	2.12%
DFCC Bank	13,192	0.00%	1,075,089	0.00%
	2,355,023,884	1.24%	2,428,507,335	5.11%

7.3 Investment in GOSL Tbills

	2023		2022	
	Amortised Cost Rs.	As a % of Net Assets Value	Amortised Cost Rs.	As a % of Net Assets Value
Company				
Wealthtrust Securities	38,322,799,476	20.22%	12,672,989,753	26.66%
Acuity Securities Ltd	37,003,200,559	19.52%	-	-
First Capital Treasuries	26,056,562,650	13.75%	12,947,431,640	27.23%
Capital Allaince Ltd	42,399,318,503	22.37%	14,482,770,967	30.46%
SAFE Holdings (Pvt) Ltd.	-	0.00%	4,012,857,025	0.00%
	143,781,881,188	75.86%	44,116,049,385	84.35%

7.4 Investment in GOSL Tbonds

	2023		2022	
	Amortised Cost Rs.	As a % of Net Assets Value	Amortised Cost Rs.	As a % of Net Assets Value
Company				
Capital Allaince Ltd	255,935,250	0.14%	-	-
	255,935,250	0.14%	-	-



NDB WEALTH MONEY FUND

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

8. TAX RECOVERABLE

	2023 Rs.	2022 Rs.
Balance as at 01 January	-	-
Notional tax credit recoverable	6,749,116	6,749,116
Less		
Impairment allowance for Notional Tax	-6,749,116	-6,749,116
Balance as at 31 December	-	-

As of 31 December 2019, the net income tax recoverable comprises of WHT amounting to Rs.6,479,116. The Fund Manager intends to claim the WHT recoverable by means of a refund.

However, subsequent to the enactment to 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. Therefore, the fund manager is unable to assess with a reasonable certainty that there will be future income tax liability to offset this income tax receivable balance.

9. ACCRUED EXPENSES

	2023 Rs.	2022 Rs.
Management Fee	88,065,470	22,832,247
Trustee Fee	20,255,058	5,251,417
Audit Fee	225,000	110,000
Custodian Fee	12,021	12,021
Tax Consultancy Fee	25,000	44,000
	108,582,549	28,249,685

10. NET ASSET ATTRIBUTABLE TO UNITHOLDERS

The movement in the number of units and net assets attributable to unitholders during the year is as follows:

	2023 Units	2022 Units	2023 Rs.	2022 Rs.
Opening capital balance	1,860,800,165	1,086,913,280	47,540,989,570	23,576,306,852
Units issued during the period	14,166,655,376	6,300,239,509	415,205,680,375	147,062,991,133
Units redeemed during the period	(10,046,116,165)	(5,526,352,623)	(293,523,167,160)	(128,230,306,003)
Increase in net assets attributable to unit holders	-	-	20,313,343,421	5,131,997,587
Closing balance	5,981,339,377	1,860,800,165	189,536,846,207	47,540,989,570

The creation price was at LKR 31.6880 per unit (2022 - LKR. 25.5486) and the redemption price was at LKR 31.6880 per unit (2022 - LKR. 25.5486) as at 31 December 2023.



NDB WEALTH MONEY FUND

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11. EVENTS AFTER REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statement.

12. CAPITAL COMMITMENTS

There were no capital commitments at the end of the reporting date.

13. RELATED PARTY TRANSACTIONS

The following have been identified as related parties to NDB Wealth Money Fund in accordance with LKAS 24 for the reason stated below.

The fund management company, NDB Wealth Management Ltd is a subsidiary of NDB Capital Holdings PLC. The company's ultimate parent entity and controlling party is National Development Bank PLC, which is incorporated and domiciled in Sri Lanka.

Mr. D.S.P. Wickramanayake, Mr. Bernand Sinniah, Mr. Senaka Kakiriwaragodage, Mr. Sanjaya Perera and Mr. Dimantha Senevirathne are directors of the NDB Wealth Management Ltd.

Details of fund management fees and trustee fees paid/ payable to related parties are as follows:

Name of the related party	Closing Balance	
	Unit	Transaction Value
Key Management personnel	332,080	10,522,956
NDB Wealth Management Ltd	6,578,261	208,451,941
NDB Capital Holding Limited	1,758,857	55,734,676

Name of the related party	Nature of interest	Particulars of financial dealings	Transaction value Rs.	Outstanding value Rs.
NDB Wealth Management Limited	Fund Management Company	Management fee	574,240,847	88,065,470
Hatton National Bank (HNB)	Trustee	Trustee fees Custodian fee	132,075,395 141,538	20,255,058 12,021

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

	2023 Rs.	2022 Rs.
Bank balance of Hatton National Bank	25,000	25,000
Fixed Deposits- National Development Bank	-	-
Money Market Saving Account at Hatton National Bank	491,910,082	323,713,375
	491,935,082	323,738,375



NDB WEALTH MONEY FUND
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14. FINANCIAL INSTRUMENTS

(a) Financial Instruments

The Fund's principal financial assets comprise investments 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.

(b) Financial Risk Management Objectives, Policies and Processes

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

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

(c) Credit Risk

Credit risk is the risk that the counterparty to the financial instruments 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 is the fund's policy to enter into financial instruments with reputable counterparties.

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 balance and receivables. The credit risk exposure on these instruments is not deemed to be significant.

The fund's maximum exposure to credit risk can be analysed as follows;

	2023	2022
AAA	187,364,508,437	45,192,819,429
AA+	-	-
AA-	-	1,420,733,016
A+	525,314,838	1,075,089
A-	13,192	-
A	1,829,695,854	-
	189,719,534,343	46,614,627,534



(d) Market Risk

Market risk represents the risk that the value of the fund's investment portfolio will fluctuate as a result of changes in market prices.

This risk is managed by ensuring that all investment activities are undertaken in accordance with established mandate limits and investments strategies.

(e) Interest Rate Risk

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

The fund's exposure to interest rate risk primarily arises from changes in interest rates applicable to the loans and receivables and balance held at the bank.

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

	Increase/ (decrease) in basis points	2023	2022
Rs.	+ 0.25%	453,887,745	113,420,101
Rs.	- 0.25%	(453,887,745)	(113,420,101)

NDB WEALTH MONEY FUND
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(f) Liquidity Risk

Liquidity risk is the risk that the fund will encounter difficulty in raising funds to meet its obligation to pay unitholders.

Due to the nature of a unit trust fund, it is unlikely that a significant number of unit holders would exit at the same time. However to control liquidity risk, 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 there is no concentration of risk.

The fund's exposure to liquidity risk can be analysed as follows:

	2023	2022
	Rs.	Rs.
Fixed income securities		
Short term (less than 1 year)	189,389,468,497	47569214255
Long term (more than 1 year)	-	-
	<u>189,389,468,497</u>	<u>47569214255</u>

