

# Browns Investments

**Browns Investments PLC**  
Period ended 30th September 2016  
Reg. No. PV 66136PB/PQ

**Browns Investments PLC**  
**Income Statements**

**Group**

	Quarter ended 30th September			Period ended 30th September		
	<b>2016</b> Un Audited Rs.000	2015 Un Audited Rs.000	% Change	<b>2016</b> (Un Audited) Rs.000	2015 (Un Audited) Rs.000	% Change
<b>Revenue/ Income</b>	<b>2,508,773</b>	1,915,165	31%	<b>4,365,199</b>	3,600,792	21%
Cost of sales	<b>(1,961,575)</b>	(1,742,554)	13%	<b>(3,483,408)</b>	(3,202,008)	9%
<b>Gross profit</b>	<b>547,198</b>	172,611	217%	<b>881,791</b>	398,784	121%
Other income	<b>119,472</b>	59,068	102%	<b>188,201</b>	224,423	-16%
Selling & distribution expenses	<b>(38,657)</b>	(12,240)	216%	<b>(59,070)</b>	(19,449)	204%
Administrative expenses	<b>(384,982)</b>	(311,447)	24%	<b>(851,463)</b>	(685,986)	24%
Other expenses	<b>(22,689)</b>	(21,192)	7%	<b>(37,885)</b>	(22,332)	70%
Finance income	<b>6,170</b>	743	730%	<b>10,468</b>	5,190	102%
Finance cost	<b>(549,751)</b>	(260,388)	111%	<b>(907,208)</b>	(503,702)	80%
Share of profit/ (loss) of equity accounted investees (Net of tax)	<b>35,356</b>	(14,166)	350%	<b>35,356</b>	(31,932)	211%
<b>Profit before taxation</b>	<b>(287,883)</b>	(387,011)	-26%	<b>(739,810)</b>	(635,004)	17%
Taxation	<b>(37,459)</b>	(10,545)	255%	<b>(37,654)</b>	(20,965)	80%
<b>Profit/(loss) for the period</b>	<b>(325,342)</b>	(397,556)	-18%	<b>(777,464)</b>	(655,969)	19%
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale financial assets	<b>383</b>	(19,581)		<b>32,829</b>	28,017	
Exchange gain/(loss) from translation of foreign operations	<b>177</b>	17,097		<b>3,896</b>	22,133	
Share of other comprehensive income of equity accounted investees	-	(922)		-	(4,300)	
<b>Total other comprehensive income</b>	<b>560</b>	(3,406)		<b>36,725</b>	45,850	
<b>Total comprehensive income for the period</b>	<b>(324,782)</b>	(400,962)		<b>(740,739)</b>	(610,119)	
<b>Profit attributable to</b>						
Equity holders of the Company	<b>(345,041)</b>	(222,029)		<b>(678,926)</b>	(422,464)	
Non -controlling interest	<b>19,699</b>	(175,527)		<b>(98,538)</b>	(233,505)	
	<b>(325,342)</b>	(397,556)		<b>(777,464)</b>	(655,969)	
<b>Total Comprehensive Income attributable to</b>						
Equity holders of the Company	<b>(344,526)</b>	(236,215)		<b>(643,096)</b>	(390,353)	
Non-controlling interest	<b>19,744</b>	(164,747)		<b>(97,643)</b>	(219,766)	
	<b>(324,782)</b>	(400,962)		<b>(740,739)</b>	(610,119)	
Basic/diluted Earnings(loss) per Share - Rs.	<b>(0.09)</b>	(0.06)		<b>(0.18)</b>	(0.11)	

**Company**

	Quarter ended 30th September			Period ended 30th September		
	<b>2016</b>	2015	% Change	<b>2016</b>	2015	% Change
	<b>(Un Audited)</b> Rs.000	(Un Audited) Rs.000		<b>(Un Audited)</b> Rs.000	(Un Audited) Rs.000	
<b>Revenue/Income</b>	<b>13,242</b>	24,591	-46%	<b>17,091</b>	32,274	-47%
Cost of sales	-	-		-	-	
<b>Gross profit</b>	<b>13,242</b>	24,591	-46%	<b>17,091</b>	32,274	-47%
Other income	<b>100</b>	-	100%	<b>166</b>	-	100%
Administrative expenses	<b>(22,467)</b>	(11,373)	98%	<b>(37,353)</b>	(27,216)	37%
Finance income	<b>42,703</b>	15,722	172%	<b>79,987</b>	31,461	154%
Finance cost	<b>(192,661)</b>	(94,789)	103%	<b>(329,518)</b>	(193,482)	70%
<b>Profit before taxation</b>	<b>(159,083)</b>	(65,849)	142%	<b>(269,627)</b>	(156,963)	72%
Taxation	-	-		-	-	
<b>Profit/(loss) for the period</b>	<b>(159,083)</b>	(65,849)	142%	<b>(269,627)</b>	(156,963)	72%
<b>Other Comprehensive Income</b>						
Net change in fair value of available-for-sale financial assets	<b>156</b>	(19,888)		<b>32,470</b>	27,455	
<b>Total other comprehensive income</b>	<b>156</b>	(19,888)		<b>32,470</b>	27,455	
	<b>(158,927)</b>	(85,737)		<b>(237,157)</b>	(129,508)	
Basic/diluted Earnings (loss) per Share - Rs.	<b>(0.04)</b>	<b>(0.02)</b>		<b>(0.07)</b>	<b>(0.04)</b>	

**Browns Investments PLC**  
**Statement of Financial Position**

	Group		Company	
	As at 30.09.2016 (Un Audited) Rs.000	As at 31.03.2016 ( Audited) Rs.000	As at 30.09.2016 (Un Audited) Rs.000	As at 31.03.2016 ( Audited) Rs.000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Leasehold property	1,073,146	1,083,023	-	-
Property, plant and equipment	20,642,354	18,231,324	353,114	352,543
Investment property	5,265,845	5,253,805	784,000	784,000
Intangible assets	1,564,150	1,524,841	-	-
Bearer biological assets	7,228,789	4,811,350	-	-
Consumer biological assets	6,591,700	6,150,989	-	-
Investments in subsidiaries	-	-	10,099,436	9,720,569
Investments in equity accounted investees	603,204	5,001	4,023	4,023
Other financial assets	972,974	1,024,551	900,778	904,778
Deferred tax assets	660,219	657,566	-	-
Loans to related parties	62,663	62,663	62,663	62,663
	<b>44,665,044</b>	<b>38,805,113</b>	<b>12,204,014</b>	<b>11,828,576</b>
<b>Current Assets</b>				
Inventories	788,051	630,104	-	-
Trade and other receivables	3,129,442	2,261,199	257,405	249,575
Loans to related parties	85,789	79,833	1,296,737	831,782
Amounts due from related parties	77,597	51,745	732,765	274,665
Income tax recoverable	18,036	27,835	-	-
Other financial assets	727,137	483,656	261,991	230,784
Cash and cash equivalents	1,094,812	1,577,597	740	5,688
	<b>5,920,864</b>	<b>5,111,969</b>	<b>2,549,638</b>	<b>1,592,494</b>
<b>Total Assets</b>	<b>50,585,908</b>	<b>43,917,082</b>	<b>14,753,652</b>	<b>13,421,070</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Stated capital	7,705,000	7,705,000	7,705,000	7,705,000
Capital reserves	1,588,531	1,552,698	147,522	115,052
Retained earnings	4,168,274	4,733,546	859,010	1,128,637
<b>Equity Attributable to Equity holders of the Company</b>	<b>13,461,805</b>	<b>13,991,244</b>	<b>8,711,532</b>	<b>8,948,689</b>
Non- controlling interest	9,124,038	10,344,771	-	-
<b>Total Equity</b>	<b>22,585,843</b>	<b>24,336,015</b>	<b>8,711,532</b>	<b>8,948,689</b>
<b>Non-Current Liabilities</b>				
Interest bearing borrowings	5,159,528	3,671,725	1,145,934	1,149,736
Finance lease obligations	269,457	316,142	915	1,148
Retirement benefit obligations	2,173,414	1,616,024	545	545
Deferred tax liabilities	1,561,934	1,607,135	-	-
Deferred income	723,019	641,953	-	-
Loans from related parties	396,367	925,360	-	-
	<b>10,283,719</b>	<b>8,778,339</b>	<b>1,147,394</b>	<b>1,151,429</b>
<b>Current Liabilities</b>				
Trade and other payable	4,049,702	1,826,865	300,573	55,698
Interest bearing loans and borrowings	2,682,121	2,406,810	1,251,452	1,401,865
Finance lease obligations	24,512	24,157	152	152
Loans from related parties	2,241,218	1,987,078	830,541	1,058,912
Amounts due to related parties	7,974,327	4,259,352	2,455,198	779,507
Income tax payable	56,120	62,900	23,817	23,817
Other short term interest bearing liabilities	237,538	45,139	-	-
Bank overdraft	450,808	190,427	32,993	1,001
	<b>17,716,346</b>	<b>10,802,728</b>	<b>4,894,726</b>	<b>3,320,952</b>
<b>Total Equity and Liabilities</b>	<b>50,585,908</b>	<b>43,917,082</b>	<b>14,753,652</b>	<b>13,421,070</b>
Net Assets per Share (Rs.)	3.62	3.76	2.34	2.41

The Statement of Financial Position as at 30th September 2016 and related Statements of Comprehensive Income, Changes in Equity and Cash Flow for the period ended 30th September 2016 are drawn up from the unaudited Financial Statements of the Company, its Subsidiaries and Associates, and they provide the information required by the Colombo Stock Exchange.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. The Chief Financial Officer, LOLC Group certifies that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd..  
**Mrs .Sunjeevani Kotakadeniya**  
 Chief Financial Officer- LOLC Group

Signed for and on behalf of the Board.

Sgd..  
**Director**  
 Colombo  
 10th November 2016

Sgd..  
**Director**

**Browns Investments PLC**  
**Statement of Changes in Equity**

	<b>Group</b>							
	<b>Attributable to Equity holders of the Company</b>							
	<b>Stated capital</b>	<b>Revaluation reserve on PPE</b>	<b>Foreign currency translation Reserve</b>	<b>Fair valuation reserve</b>	<b>Revenue reserves</b>	<b>Total</b>	<b>Non- controlling interest</b>	<b>Total equity</b>
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<b>Balance as at 1st April 2015</b>	7,705,000	660,373	-	(222,253)	5,341,209	13,484,329	10,000,352	23,484,681
Profit/(loss) for the period	-	-	-	-	(422,464)	(422,464)	(233,505)	(655,969)
Other comprehensive income	-	-	4,250	27,861	-	32,111	13,739	45,850
On acquisition of subsidiaries	-	-	-	-	-	-	245,000	245,000
Realized revaluation on disposals	-	(283)	-	-	283	-	-	-
Acquisition of non controlling interests	-	-	-	-	232,194	232,194	(358,933)	(126,739)
Adjustments due to changes in group holdings	-	-	-	-	(12,100)	(12,100)	(87,900)	(100,000)
Dividend paid	-	-	-	-	-	-	(94,968)	(94,968)
<b>Balance as at 30th September 2015</b>	<b>7,705,000</b>	<b>660,090</b>	<b>4,250</b>	<b>(194,392)</b>	<b>5,139,122</b>	<b>13,314,070</b>	<b>9,483,785</b>	<b>22,797,855</b>
<b>Balance as at 1st April 2016</b>	7,705,000	1,575,549	28,868	(51,719)	4,733,546	13,991,244	10,344,771	24,336,015
Profit/(loss) for the period	-	-	-	-	(678,926)	(678,926)	(98,538)	(777,464)
Other Comprehensive income	-	-	3,042	32,791	-	35,833	892	36,725
Shares issued by subsidiaries	-	-	-	-	-	-	37,400	37,400
Adjustments due to changes in group holdings	-	-	-	-	113,654	113,654	(820,181)	(706,527)
On disposal of subsidiaries	-	-	-	-	-	-	(389,275)	(389,275)
On acquisition of subsidiaries	-	-	-	-	-	-	128,492	128,492
Dividend paid	-	-	-	-	-	-	(79,523)	(79,523)
<b>Balance as at 30th September 2016</b>	<b>7,705,000</b>	<b>1,575,549</b>	<b>31,910</b>	<b>(18,928)</b>	<b>4,168,274</b>	<b>13,461,805</b>	<b>9,124,038</b>	<b>22,585,843</b>
	<b>Company</b>							
	<b>Stated capital</b>	<b>Revaluation reserve on PPE</b>	<b>Fair valuation reserve</b>	<b>Revenue reserves</b>	<b>Total</b>			
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000			
<b>Balance as at 1st April 2015</b>	7,705,000	163,097	(219,171)	991,261	8,640,187			
Profit/(loss) for the Period	-	-	-	(156,963)	(156,963)			
Other Comprehensive income	-	-	27,455	-	27,455			
<b>Balance as at 30th September 2015</b>	<b>7,705,000</b>	<b>163,097</b>	<b>(191,716)</b>	<b>834,298</b>	<b>8,510,679</b>			
<b>Balance as at 1st April 2016</b>	7,705,000	163,097	(48,045)	1,128,637	8,948,689			
Profit/(loss) for the Period	-	-	-	(269,627)	(269,627)			
Other Comprehensive income	-	-	32,470	-	32,470			
<b>Balance as at 30th September 2016</b>	<b>7,705,000</b>	<b>163,097</b>	<b>(15,575)</b>	<b>859,010</b>	<b>8,711,532</b>			

**Browns Investments PLC**  
**Cash Flow Statements**

	Group		Company	
	Period ended 30th September		Period ended 30th September	
	2016 Rs.000 (Un Audited)	2015 Rs.000 (Un Audited)	2016 Rs.000 (Un Audited)	2015 Rs.000 (Un Audited)
<b>Cash Flows from Operating Activities</b>				
Profit/(loss) before taxation	(739,810)	(635,004)	(269,627)	(156,963)
<b>Adjustment for:</b>				
(Gain)/loss on disposal of short term investments	-	1,421	-	4,801
Share of profit/(loss)of equity accounted investees ( Net of tax)	(35,356)	31,932	-	-
Deferred income	(11,804)	(44,811)	-	-
Depreciation/Amortization	278,370	275,722	113	306
Provision for retirement benefit obligation	126,730	70,001	-	-
Gain from sales of biological assets	(12,687)	-	-	-
Interest Income	(10,468)	(5,190)	(79,987)	(31,997)
(Gain)/loss on changes in fair value of short term investments	-	(941)	-	1,643
Gain on disposal of property, plant & equipment	-	(4,918)	-	-
Gain on disposal of subsidiary	(196,207)	-	-	-
Interest expense	907,208	503,702	329,518	193,482
<b>Operating profit before working capital changes</b>	<b>305,976</b>	<b>191,914</b>	<b>(19,983)</b>	<b>11,272</b>
<b>Working capital changes</b>				
(Increase)/decrease in inventories	35,983	(36,614)	-	-
(Increase)/decrease in trade and other receivable	(589,539)	(30,347)	(7,830)	(29,788)
(Increase)/decrease in amounts due from related parties	(91,153)	173,861	(458,100)	(188,290)
Increase/(decrease) in amounts due to related parties	3,780,392	1,486,454	1,675,691	517,122
Increase/(decrease) in trade and other payables	492,429	(22,986)	244,875	27,053
<b>Cash generated from/ (used in) operations</b>	<b>3,934,088</b>	<b>1,762,282</b>	<b>1,434,653</b>	<b>337,369</b>
Interest paid	(907,208)	(471,999)	(329,518)	(193,482)
Income tax paid	(12,088)	(47,623)	-	-
Retiring gratuity paid	(168,522)	(151,900)	-	-
<b>Net cash flows generated from/ (used) operating activities</b>	<b>2,846,270</b>	<b>1,090,760</b>	<b>1,105,135</b>	<b>143,887</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment/ Investment properties	(2,567,555)	(611,364)	(684)	(8,278)
Acquisition of leasehold properties	-	(369,728)	-	-
Investments in subsidiaries	(365,186)	(226,739)	-	(355,002)
Proceeds from disposal of subsidiaries	506,519	-	-	-
Investments in equity accounted investees	(366,625)	-	-	-
Proceeds from sale of property, plant and equipment	-	15,542	-	-
Capital grants received	-	3,554	-	-
Net Investment in bearer biological assets	(57,450)	(85,646)	-	-
Net proceed from consumer biological assets	22,713	(4,840)	-	-
Acquisition of non controlling interests	(469,993)	-	(378,867)	-
Net (Investments)/Proceeds from sale of short term Investments	(140,629)	(431,240)	5,263	23,234
Net proceeds to loans to related parties	(5,956)	(41,495)	(464,955)	(74,184)
Net proceeds of long term investments	51,577	48,129	-	-
Interest received	10,468	5,190	79,987	31,997
<b>Net cash flows generated from/ (used) in investing activities</b>	<b>(3,382,117)</b>	<b>(1,698,637)</b>	<b>(759,256)</b>	<b>(382,233)</b>
<b>Cash flows from financing activities</b>				
Proceeds /(repayments) of interest bearing borrowings	155,987	(1,821,215)	(154,215)	(378,171)
Net proceeds from loans from related parties	(274,853)	2,063,300	(228,371)	620,858
Repayment of finance lease liabilities	(46,330)	(42,639)	(233)	-
Shares issued by subsidiaries	37,400	245,000	-	-
Dividend paid	(79,523)	(94,968)	-	-
<b>Net cash flows generated from financing activities</b>	<b>(207,319)</b>	<b>349,478</b>	<b>(382,819)</b>	<b>242,687</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>(743,166)</b>	<b>(258,399)</b>	<b>(36,940)</b>	<b>4,341</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,387,170</b>	<b>473,690</b>	<b>4,687</b>	<b>4,713</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>644,004</b>	<b>215,291</b>	<b>(32,253)</b>	<b>9,054</b>
<b>Analysis of cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand	1,094,812	475,459	740	9,054
Bank overdraft	(450,808)	(260,168)	(32,993)	-
	<b>644,004</b>	<b>215,291</b>	<b>(32,253)</b>	<b>9,054</b>

## Browns Investments PLC Notes to the Financial Statements

### 1 Corporate Information

Browns Investments PLC ("Company") is a public limited company incorporated and domiciled in Sri Lanka, and listed on the Colombo Stock Exchange. The registered office of the Company is located at 481, T B Jayah Mawatha, Colombo 10.

The Business Office of the Company is located at 34, Sir Mohamed Macan Marker Mawatha, Colombo 03.

The Interim Financial Statements of the Group and the Company for the year ended 30th September 2016 was authorised for issue by the Board of Directors on 10th November 2016.

### 2 Basis of Preparation

The Interim condensed Financial Statements of the Company & Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) which complies with the Sri Lanka Accounting Standard - LKAS 34, Interim Financial Reporting. These Interim Financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2016.

The presentation and classification of the Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

### 3 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments operating results are reviewed regularly by Group Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

#### Segment Information - Group

	Investments		Leisure & Travel		Construction		Plantation		Hydro power		Real estate		Total	
	2016 Rs.000	2015 Rs.000	2016 Rs.000	2015 Rs.000	2016 Rs.000	2015 Rs.000	2016 Rs.000	2015 Rs.000	2016 Rs.000	2015 Rs.000	2016 Rs.000	2015 Rs.000	2016 Rs.000	2015 Rs.000
Revenue/income	292,296	69,640	899,546	628,365	83,718	172,252	2,960,364	2,547,198	26,667	62,098	102,606	121,239	4,365,199	3,600,792
Cost of sales	-	-	(490,659)	(321,102)	(78,946)	(69,424)	(2,890,277)	(2,743,814)	(1,930)	(45,227)	(21,594)	(22,441)	(3,483,408)	(3,202,008)
Gross profit	292,296	69,640	408,887	307,263	4,772	102,827	70,087	(196,616)	24,737	16,871	81,012	98,798	881,791	398,783

### 4 Stated Capital

Stated Capital is represented by number of shares in issue as given below:

	<u>30.09.2016</u>	<u>30.09.2015</u>
Ordinary Shares ( Nos.000)	3,720,000	3,720,000

### 5 Contingent Liabilities

There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2016.

**6 Earnings per Share**

The computation of the Basic Earnings per Ordinary Share has been done based on net profit attributable to ordinary shareholders for the year, divided by weighted average number of ordinary shares in issue as at the balance sheet date and calculated as follows.

<b>For the period</b>	Group		Company	
Net Profit / (loss) attributable to ordinary shareholders (Rs.000)	(678,926)	(422,464)	(269,627)	(156,963)
Weighted average number of ordinary shares in issue (Nos.)	3,720,000,000	3,720,000,000	3,720,000,000	3,720,000,000
Basic/diluted earnings per ordinary share (Rs.)	(0.18)	(0.11)	(0.07)	(0.04)
<b>For the quarter</b>				
Net Profit / (loss) attributable to ordinary shareholders (Rs.000)	(345,041)	(222,029)	(159,083)	(65,849)
Weighted average number of ordinary shares in issue (Nos.)	3,720,000,000	3,720,000,000	3,720,000,000	3,720,000,000
Basic/diluted earnings per ordinary share (Rs.)	(0.09)	(0.06)	(0.04)	(0.02)

**7 Events after the reporting date**

No circumstances have arisen since the reporting date which would require adjustments or disclosures in the Interim Financial Statements.

**8 Investments in subsidiaries/Equity accounted investees**

**Acquisition of Agalawatte Plantations PLC**

In July 2016, Browns Power Holdings (Pvt) Ltd, a subsidiary of the Group acquired the controlling interest of Agalawatte Plantations PLC by purchasing 15.2 Mn voting shares (60.80%) for a consideration of Rs. 304 Mn.

Provisional goodwill calculation is as follows;

Net identifiable assets and liabilities	(264,412)
Cash paid on acquisition	304,000
Goodwill on acquisition	39,588

**Investment in Green Paradise Resorts ( Pvt) Ltd**

The Company ( BIPLC) has acquired remaining 44% of Green Paradise Resorts ( Pvt) Ltd for a consideration of Rs. 427Mn and the consideration will be settled in three instalments.

**Investment in NPH Investments ( Pvt) Ltd**

During the quarter, Browns Hotels and Resorts Ltd, a subsidiary of the Group acquired 21.75% of NPH Investments ( Pvt) Ltd by investing 378Mn in to the Company.

**Divestment of Browns Hydro Power PLC**

The Group divested its controlling stake (71.24%) in Browns Hydro Power PLC for a consideration of Rs. 544 Mn.

The results of the disposal shown below;

Net consideration received	540,533
Net assets disposed	(344,326)
Gain on disposal	196,207



**9 Early adoption of amendments to LKAS 16 and LKAS 41 (Agriculture : Bearer Plants)**

Pursuant to the amendments on Agriculture: Bearer Plants (Amendments to LKAS 16 and LKAS 41), issued in March 2015 by The Institute of Chartered Accountants of Sri Lanka amended paragraphs 3, 6 and 37, added paragraphs 22A and 81L–81M of LKAS 16, amended paragraphs 1–5, 8, 24 and 44 added paragraphs 5A–5C and 63 of LKAS 41. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016 and permitted early adoption. Consequently the Group has decided to early adopt the said amendments and chose to change its existing accounting policies on Bearer Plants under Historical Cost Model in compliance with the LKAS 16.

Further to above, the Group provides detail explanation to the transition of existing Accounting Policy (LKAS 41 - Biological Assets) to New Accounting Poly (LKAS 16 - Property, Plant & Equipment) on Bearer Plants. The explanation includes a background and quantification of the change, this also includes reconciliation of Group's equity as at the date of transition 01st April, 2014 and comparative reporting period 30th September, 2015. Reconciliation for total comprehensive income is only for the latest comparative financial period ended 30th September, 2015. The effect of the transition from current terminology to said policy has been presented in the reconciliation statements and accompanying notes to the material reconciliation items.

Income statements	Group		
	Period ended 30th September 2015		
	As Previously Reported Rs.000	As Previously Reported Rs.000	As Previously Reported Rs.000
Revenue/Income	3,600,792	-	3,600,792
Cost of sales	(3,149,832)	(52,176)	(3,202,008)
Gross profit	450,960	(52,176)	398,784
Other income	192,049	32,374	224,423
			-
Selling and distribution expenses	(19,449)	-	(19,449)
Administrative expenses	(685,986)	-	(685,986)
Other expenses	(22,332)	-	(22,332)
Interest income	5,190		5,190
Finance cost	(503,702)	-	(503,702)
Share of profit/ (loss) of equity accounted investees (Net of tax)	(31,932)		(31,932)
Profit/(loss) before taxation	(615,202)	(19,802)	(635,004)
Taxation	(23,279)	2,314	(20,965)
Profit/(loss) for the period	(638,481)	(17,488)	(655,969)
<b>Other comprehensive income</b>			
Net change in fair value of available-for-sale financial assets	28,017	-	28,017
Exchange gain from translation of foreign operations	22,133		22,133
Share of other comprehensive income of equity accounted investees	(4,300)	-	(4,300)
Total other comprehensive income	45,850	-	45,850
Total comprehensive income for the period	(592,631)	(17,488)	(610,119)
<u>Profit attributable to</u>			
Equity holders of the Company	(418,077)	(4,387)	(422,464)
Non- controlling interest	(220,404)	(13,101)	(233,505)
	(638,481)	(17,488)	(655,969)
<u>Total comprehensive income attributable to</u>			
Equity holders of the Company	(385,966)	(4,387)	(390,353)
Non - controlling interest	(206,665)	(13,101)	(219,766)
	(592,631)	(17,488)	(610,119)

**Browns Investments PLC**  
**Notes to the Financial Statements**

**9 Early adoption of amendments to LKAS 16 and LKAS 41 (Agriculture : Bearer Plants)(contd.)**

**Statement of Financial Position**

	As at 30th September 2015		
	As Previously Reported	Re-measurement	As Per Amendments
	Rs.000	Rs.000	Rs.000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Leasehold property	1,048,253	-	1,048,253
Property, plant and equipment	14,177,548	-	14,177,548
Investment properties	5,384,262	-	5,384,262
Bearer biological assets	5,888,972	(1,148,317)	4,740,655
Consumable biological assets	6,388,495	-	6,388,495
Intangible assets	1,378,658	-	1,378,658
Investments in equity accounted investees	972,461	-	972,461
Other financial assets	874,373	-	874,373
Deferred tax assets	222,880	-	222,880
Loans to related parties	56,837	-	56,837
	<u>36,392,739</u>	<u>(1,148,317)</u>	<u>35,244,422</u>
<b>Current Assets</b>			
Inventories	666,698	-	666,698
Trade and other receivables	1,894,443	-	1,894,443
Loans to related parties	73,877	-	73,877
Amounts due from related parties	11,194	-	11,194
Income tax recoverable	23,387	-	23,387
Other financial assets	1,231,245	-	1,231,245
Cash and cash equivalents	475,459	-	475,459
	<u>4,376,303</u>	<u>-</u>	<u>4,376,303</u>
<b>Total Assets</b>	<u>40,769,042</u>	<u>(1,148,317)</u>	<u>39,620,725</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Stated capital</b>			
Reserves	7,705,000	-	7,705,000
Retained earnings	469,948	-	469,948
	<u>5,389,126</u>	<u>(250,004)</u>	<u>5,139,122</u>
<b>Equity attributable to equity holders of the Company</b>	<u>13,564,074</u>	<u>(250,004)</u>	<u>13,314,070</u>
Non - controlling interest	10,431,713	(947,928)	9,483,785
<b>Total Equity</b>	<u>23,995,787</u>	<u>(1,197,932)</u>	<u>22,797,855</u>
<b>Non-Current Liabilities</b>			
Interest bearing borrowings loans and borrowings	3,078,362	-	3,078,362
Finance lease obligations	324,874	-	324,874
Retirement benefit obligations	2,047,751	-	2,047,751
Deferred tax liabilities	1,118,997	(104,810)	1,014,187
Deferred income	452,521	154,425	606,946
Loans from related parties	506,390	-	506,390
	<u>7,528,895</u>	<u>49,615</u>	<u>7,578,510</u>
<b>Current Liabilities</b>			
Trade and other payables	1,482,131	-	1,482,131
Interest bearing borrowings loans and borrowings	2,052,035	-	2,052,035
Finance lease obligations	21,829	-	21,829
Loans from related parties	3,342,180	-	3,342,180
Amounts due to related parties	2,046,512	-	2,046,512
Income tax payable	35,283	-	35,283
Other short term interest bearing liabilities	4,222	-	4,222
Bank overdraft	260,168	-	260,168
	<u>9,244,360</u>	<u>-</u>	<u>9,244,360</u>
<b>Total Equity and Liabilities</b>	<u>40,769,042</u>	<u>(1,148,317)</u>	<u>39,620,725</u>
Net Assets per Share (Rs.)	3.65		3.58

# Browns Investments PLC

## Notes to the Financial Statements

### 10 Share Information

#### 10.1 Market Price per Share

The market value of an ordinary share of Browns Investments PLC was as follows:

Last traded price recorded for 3 months ended  
 Highest price recorded for 3 months ended  
 Lowest price recorded for 3 months ended

30.09.2016	30.09.2015
Rs.	Rs.
1.30	1.50
1.50	1.80
1.30	1.40

#### 10.2 Public Share Holdings as at 30th September 2016

No. of shares held by public - 1,178,611,481  
 No. of public shareholders - 9,431  
 Percentage of shares held by the Public - 31.68%

#### 10.3 Twenty Major Shareholders

Name of Share holders
1 Brown & Company PLC A/C No: 03
2 LOLC investments Ltd
3 Lanka Century Investments PLC
4 Mrs. Pubudhu Saranga Wijekumari Rupasinghe
5 Brown & Company PLC A/C No: 01
6 Commercial Trust Technologies ( Pvt) Ltd
7 Dr. Ruwanpura Rohitha De Silva
8 National Savings Bank
9 Mrs. Jayaweera Muhandiramge Sumeda Rohini
10 Mr. Shanker Varadananda Somasunderam
11 Seylan Bank PLC / Brown & Co PLC
12 LOLC Finance PLC/Mrs. J.M.S. Rohini
13 Mr. Ishara Chinthaka Nanayakkara
14 Lanka Orix Leasing Co PLC
15 Ceylinco General Insurance Ltd
16 Mr. Bhagwan Wassiamal Kundanmal
17 Finco Holdings (Pvt) Ltd
18 Mr. David Kotthoff
19 Mr. Don Nimal Nayana Lokuge
20 Associated Electrical Corporation Ltd
<b>Total</b>

30.09.2016	
Number of Shares	(%)
1,200,000,000	32.26
509,855,000	13.71
500,000,000	13.44
256,522,000	6.90
229,334,825	6.16
225,610,894	6.06
111,592,639	3.00
93,606,200	2.52
55,473,778	1.49
50,000,000	1.34
49,377,600	1.33
45,304,337	1.22
40,000,000	1.08
28,688,200	0.77
20,000,000	0.54
17,416,200	0.47
10,711,459	0.29
9,999,999	0.27
9,140,518	0.25
8,750,000	0.24
<b>3,471,383,649</b>	<b>93.34</b>

#### 10.4 Directors' share holdings

Mr. I.C. Nanayakkara  
 Mr. W.D.Kapila Jayawardena  
 Mrs. K.U. Amarasinghe  
 Mr. D.S.K Amarasekera  
 Mr. S. Furkhan  
 Mr. R.M.Nanayakkara  
 Dr. Harsha Cabral, PC  
 Dr. J.M. Swaminathan

30.09.2016
Number of Shares
40,000,000
-
-
-
-
-
-
-
<b>40,000,000</b>

## **Browns Investments PLC**

### **Corporate Information**

#### **Name of the Company**

Browns Investments PLC

#### **Legal Form**

A Public Limited Liability Company  
Quoted on the Colombo Stock Exchange on the 26th July 2011 and  
incorporated in Sri Lanka on 10th November 2008

#### **Company Registration Number**

PV 66136PB/PQ

#### **Board of Directors**

I.C. Nanayakkara -Executive Chairman  
W.D.Kapila Jayawardena-Non Executive Director  
Mrs. K.U. Amarasinghe-Non Executive Director  
D.S.K. Amarasekera - Non Executive Director  
S. Furkhan - Non Executive Director  
R.M.Nanayakkara-Non Executive Director  
Dr. Harsha Cabral, PC-Independent Non Executive Director  
Dr. J.M. Swaminathan-Independent Non Executive Director

#### **Secretaries**

S.F.L.Services ( Pvt) Ltd  
No. 481, T.B. Jayah Mawatha,  
Colombo 10

#### **Registered Office**

No. 481, T.B. Jayah Mawatha, (Darley Road),  
P.O. Box 200,  
Colombo 10

#### **Business Address**

100/1, Sri Jayewardenepura Mawatha  
Rajagiriya  
Fax No. : 2865606  
Tel: 5880880  
Website: [www.brownsinvestments.com](http://www.brownsinvestments.com)

#### **Auditors**

Messrs. KPMG  
Chartered Accountants  
No 32 A, Sir Mohamed Macan Marker Mawatha  
P.O.Box 186  
Colombo 3.

#### **Bankers**

Hatton National Bank PLC  
Seylan Bank PLC  
Sampath Bank PLC  
Bank of Ceylon-Head Office Branch  
Union Bank of Sri Lanka  
Nations Trust Bank PLC