

FINANCIAL STATEMENTS

For the Period Ended
31 December 2015



LANKA VENTURES PLC

Ocean Lines Building
46/12, Nawam Mawatha
Colombo 02.

Tel: 2439201 Fax: 2439203

LANKA VENTURES PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)

	Interim period of 03 Months				Accumulated 09 Months			
	Group		Company		Group		Company	
	Quarter ended 31		Quarter ended 31		Period ended 31		Period ended 31	
	December		December		December		December	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Revenue								
Investment income	24,581	19,218	167,252	2,650	29,959	32,818	173,095	32,362
Interest income	4,514	1,399	2,594	633	14,956	7,031	10,342	5,322
Power generation income	106,361	87,219	-	-	230,264	214,304	-	-
Other income	177	-	177	2,288	487	279	487	7,671
	135,633	107,836	170,023	5,571	275,666	254,432	183,924	45,356
Operating expenses								
Administrative expenses	(8,449)	(8,076)	(8,179)	(11,076)	(24,516)	(24,871)	(24,085)	(24,235)
Sales and establishment expenses	(1,748)	(1,835)	(1,589)	(1,549)	(5,092)	(5,387)	(4,932)	(5,070)
Other operating expenses	(5,034)	(3,361)	(739)	(681)	(9,610)	(7,067)	(2,295)	(2,489)
Direct expenses - power generation	(28,265)	(23,761)	-	-	(69,277)	(61,815)	-	-
Results from operating activities	92,136	70,803	159,517	(7,735)	167,171	155,292	152,612	13,562
Share of profit of equity accounted investees (net of income tax)	(50,474)	9,347	-	-	251,818	243,336	-	-
Gain on derivative financial instrument	-	22,199	-	22,199	-	22,199	-	22,199
Loss on available for sale financial assets	-	(10,710)	-	(10,710)	-	(10,710)	-	(10,710)
Finance cost	(27,092)	(15,025)	(2,192)	(3,016)	(72,228)	(48,681)	(7,065)	(10,913)
Profit/(loss) before income tax	14,570	76,615	157,325	738	346,762	361,438	145,547	14,139
Income tax expense	(27,573)	(6,933)	(223)	(54)	(40,930)	(25,812)	(893)	(455)
Profit/(loss) for the period	(13,003)	69,681	157,102	685	305,832	335,626	144,654	13,684
Profit/(loss) attributable to:								
Equity holders of the company	(21,652)	16,009	157,102	685	169,073	188,143	144,654	13,684
Non-controlling interest	8,649	53,673	-	-	136,758	147,483	-	-
Profit/(loss) for the period	(13,003)	69,681	157,102	685	305,832	335,625	144,654	13,684
Other comprehensive income, net of income tax								
Net change in fair value of available-for-sale financial assets	(8,233)	5,018	-	3,856	(19,617)	23,631	-	-
Available-for-sale financial assets - reclassification on profit / (loss)	-	6,041	-	6,041	-	6,041	-	6,041
Foreign operations - foreign currency translation difference	(7,399)	7,990	-	-	64,913	7,990	-	-
Loss on tariff equalization	-	-	-	-	(59,746)	-	-	-
Reversal of loss on tariff equalization	59,746	-	-	-	59,746	-	-	-
Other comprehensive income for the period, net of income tax	44,113	19,050	-	9,897	45,295	37,662	-	6,041
Total comprehensive income for the period	31,110	88,731	157,102	10,582	351,127	373,288	144,654	19,725
Total comprehensive income attributable to:								
Equity holders of the company	9,896	32,743	157,102	10,582	201,465	218,533	144,654	19,725
Non-controlling interest	21,214	55,987	-	-	149,662	154,755	-	-
Total comprehensive income for the period	31,110	88,731	157,102	10,582	351,127	373,288	144,654	19,725
Basic earnings per share (Rs.)	(0.43)	0.32	3.14	0.01	3.38	3.76	2.89	0.27

LANKA VENTURES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

	Group As at 30 Dec 2015	Company As at 30 Dec 2015	Group As at 31 March 2015 Audited	Company As at 31 March 2015 Audited
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Assets				
Non current assets				
Property, plant and equipment	751,162	430	710,707	1,670
Investment in subsidiary	-	500,000	-	500,000
Investment in equity accounted investees	2,155,878	-	2,076,798	-
Derivative financial instrument	458	458	16,404	16,404
Intangible assets	59,280	-	58,307	-
Other long term investments	182,310	51,496	230,982	80,550
Total non current assets	3,149,088	552,384	3,093,198	598,624
Current assets				
Current portion of long term investment	30,000	30,000	21,890	21,890
Loans and receivables	67,880	6,729	29,685	4,929
Amounts due from related parties	823	823	1,133	898
Other receivables	23,691	1,466	48,908	1,372
Cash and cash equivalents	495,464	327,374	383,220	267,895
Total current assets	617,859	366,392	484,836	296,984
Total assets	3,766,946	918,777	3,578,034	895,608
Equity				
Stated capital	631,638	631,638	631,638	631,638
Other reserve	-	-	-	-
Translation reserve	55,062	-	8,664	-
Available for sale reserve	93,797	-	107,803	-
Retained earnings	824,358	156,096	775,118	98,942
Total equity attributable to equity holders of the Company	1,604,855	787,734	1,523,223	730,580
Non controlling interest	762,716	-	690,748	-
Total equity	2,367,572	787,734	2,213,972	730,580
Liabilities				
Non current liabilities				
Defined benefit obligation	4,835	4,835	8,260	8,260
Deferred tax liability	43,723	-	38,238	-
Cumulative redeemable preference shares	412,500	-	450,000	-
Interest bearing borrowings	447,083	73,333	488,175	103,333
Total non current liabilities	908,142	78,168	984,673	111,593
Current liabilities				
Interest bearing borrowings	221,859	40,303	143,381	40,332
Cumulative redeemable preference shares	236,673	-	207,519	-
Other payables	23,768	10,764	23,291	12,129
Current tax liability	8,933	1,808	5,199	974
Total current liabilities	491,232	52,875	379,390	53,435
Total liabilities	1,399,374	131,043	1,364,063	165,028
Total equity and liabilities	3,766,946	918,777	3,578,034	895,608
Net assets per share (Rs.)	32.10	15.75	30.46	14.61

I certify that the financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd.
D L Wijesekara
Finance Manager

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Sgd.
I R D Thenabadu
Director

Sgd.
T W De Silva
Director

26 January 2016

LANKA VENTURES PLC
STATEMENT OF CHANGES IN EQUITY (Unaudited)

Group

	Stated capital	Available for sale reserves	Other reserve	Translation reserve	Retained earnings	Non controlling interest	Total
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Balance as at 01 April 2014	631,638	77,230	-	-	593,822	657,016	1,959,706
Profit/(loss) for the period	-	-	-	-	188,143	147,483	335,625
Available-for-sale financial assets - net change in fair value	-	18,424	-	-	-	5,207	23,631
Available-for-sale financial assets - reclassification on profit / (loss)	-	6,041	-	-	-	-	6,041
Foreign Currency Translation Differences	-	-	-	5,925	-	2,065	7,990
Total comprehensive income for the period	-	24,465	-	5,925	188,143	154,755	373,288
Transactions with equity holders recognized directly in equity							
Change in ownership without change in control	-	-	-	-	30,060	52,821	82,881
Share issues during the period	-	-	-	-	-	50,000	50,000
Dividend paid	-	-	-	-	(75,000)	(25,697)	(100,697)
	-	-	-	-	(44,940)	77,124	32,184
Balance as at 31 December 2014	631,638	101,696	-	5,925	737,025	888,895	2,365,178
Balance as at 01 April 2015	631,638	107,803	-	8,664	775,118	690,748	2,213,972
Profit/(loss) for the period	-	-	-	-	169,073	136,758	305,832
Available-for-sale financial assets - net change in fair value	-	(14,006)	-	-	-	(5,612)	(19,617)
Foreign operations - foreign currency translation difference	-	-	-	46,398	-	18,515	64,913
Loss on tariff equalization	-	-	-	-	-	-	-
Total comprehensive income for the period	-	(14,006)	-	46,398	169,073	149,662	351,127
Transactions with equity holders recognized directly in equity							
Cumulative preference dividend - Neluwa	-	-	-	-	(16,528)	(6,625)	(23,153)
Change in ownership without change in control	-	-	-	-	(15,806)	28,465	12,659
Issue of shares during the period	-	-	-	-	-	18,000	18,000
Dividend paid	-	-	-	-	(87,500)	(117,534)	(205,034)
	-	-	-	-	(119,833)	(77,694)	(197,527)
Balance as at 31 December 2015	631,638	93,797	-	55,062	824,358	762,716	2,367,572

Company

	Stated Capital	Available for sale reserves	Retained earnings	Total
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Balance as at 01 April 2014	631,638	(6,041)	85,904	711,501
Profit/(loss) for the period	-	-	13,684	13,684
Available-for-sale financial assets - net change in fair value	-	6,041	-	6,041
Total comprehensive income for the period	-	6,041	13,684	19,725
Transactions with equity holders recognized directly in equity				
Dividend paid	-	-	(75,000)	(75,000)
	-	-	(75,000)	(75,000)
Balance as at 31 December 2014	631,638	-	24,588	656,226
Balance as at 01 April 2015	631,638	-	98,942	730,580
Profit/(loss) for the period	-	-	144,654	144,654
Total comprehensive income for the period	-	-	144,654	144,654
Transactions with equity holders recognized directly in equity				
Dividend paid	-	-	(87,500)	(87,500)
	-	-	(87,500)	(87,500)
Balance as at 31 December 2015	631,638	-	156,096	787,734

LANKA VENTURES PLC
CONSOLIDATED STATEMENT OF CASHFLOWS (Unaudited)

For the nine months ended 31 December	Group		Company	
	2015	2014	2015	2014
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Cash flows from operating activities				
Profit before tax	346,762	361,438	145,547	14,139
Adjustments for:				
Amortization of staff cost	106	109	106	109
Depreciation	18,454	15,084	1,519	1,693
Amortization of land rights	140	140	-	-
Share of earnings	(251,818)	(243,336)	-	-
Interest income on staff loan	(327)	(358)	(327)	(358)
Provision for defined benefit obligation	541	1,219	541	1,219
Bad debts	-	814	-	-
Interest income on investments	(20,206)	(18,469)	(15,592)	(12,260)
Dividend income	(23,891)	(20,157)	(165,955)	(24,000)
Gain on derivative financial assets	-	(22,199)	-	(22,199)
Loss on available for sale financial assets	-	10,710	-	10,710
Preference dividend	36,889	26,072	-	-
Interest expense	35,021	22,366	6,964	10,865
	141,671	133,433	(27,197)	(20,081)
Changes in				
Loans and receivables	(38,491)	(37,104)	(1,608)	(1,391)
Related party receivables	310	-	-	(38,082)
Other receivables	14,225	(45,936)	(19)	(2,641)
Other payables	704	28,791	(1,367)	(1,801)
Cash generated from operating activities	118,418	79,185	(30,191)	(63,996)
Gratuity paid	(3,966)	-	(3,966)	-
Taxes paid	(6,015)	(6)	(29)	-
Interest paid	(34,178)	(22,674)	(6,993)	(11,174)
Net cash from operating activities	74,259	56,504	(41,179)	(75,169)
Cash flows from investing activities				
Dividend received	23,891	5,157	165,955	22,500
Dividend received from equity accounted investees	200,084	137,168	-	-
Interest received	20,346	25,829	15,732	12,120
Acquisition of property, plant and equipment	(58,907)	(259,097)	(279)	(104)
Investment in equity accounted investees	-	(131,100)	-	-
Intangible assets	(1,114)	(29,253)	-	-
Disposal of investment	36,750	13,750	36,750	13,750
Net cash from investing activities	221,050	(237,547)	218,158	48,266
Cash flows from financing activities				
Dividend paid	(205,034)	(77,813)	(87,500)	(75,000)
Preference dividend paid	(45,233)	(35,338)	-	-
Net change in cumulative redeemable preference shares	-	144,652	-	-
Net change in interest bearing borrowings	36,543	68,379	(30,000)	(30,000)
Proceeds from issue of ordinary shares by subsidiary subscribed by minority shareholders	30,970	133,960	-	-
Share issue expenses	(311)	(1,079)	-	-
Net cash from financing activities	(183,065)	232,761	(117,500)	(105,000)
Net increase/(decrease) in cash and cash equivalents	112,244	51,718	59,479	(131,904)
Cash and cash equivalent as at 01 April	383,220	169,598	267,895	156,308
Cash and cash equivalent as at 31 December	495,464	221,317	327,374	24,405

Explanatory Notes :

- 1 The interim financial statements are subject to audit.
- 2 The same accounting policies and methods of computation have been followed in interim financial statements as compared with the most recent audited financial statements.
- 3 The interim financial statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting.
- 4 Where items have been regrouped, comparative information in relation to previous year have been presented in line with information pertaining to the current period.
- 5 The stated capital comprises 50,000,000 Ordinary Shares.
- 6 A final dividend of Rs. 1.75 per ordinary share for the financial year ended 31 March 2015 was declared on 28 July 2015 and was paid on 06 October 2015.
- 7 Events occurring after the reporting date: No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the interim financial statements other than those disclosed in these notes.
- 8 There were no liabilities for management fees or any other similar expenditure not provided for in interim financial statements.
- 9 There were no contingent liabilities during the period under review that require disclosure in interim financial statements.
- 10 Following a review of accounts for the 9-month period ended 31 December 2015 with auditors it was decided to derecognize the reserve created for tariff equalization. Accordingly the loss on tariff equalization appearing under other comprehensive income was eliminated and adjusted to profit or loss statement under share of profit of equity accounted investees.

- 11 The market price per share:

for the quarter ended 31 December		2015	2014
Highest price	Rs.	50.90	48.80
Lowest price	Rs.	42.00	40.50
Market price as at 31 December	Rs.	43.50	46.90

- 12 Twenty major shareholders of the Company as at 31 December 2015:

Name of shareholder/company name	No. of Shares	% of issued Capital
1 Acuity Partners (Private) Limited	39,790,393	79.58
2 Mr. A. M. Weerasinghe	521,400	1.04
3 Hallsville Trading Group INC.	517,176	1.03
4 Peoples Leasing & Finance PLC / Mr. L. P. Hapangama	464,400	0.93
5 E. W. Balasuriya & Co. (Private) Limited	438,444	0.88
6 Mr. F. G. N. Mendis	300,000	0.60
7 Mr. A. P. Somasiri	280,000	0.56
8 Merchant Bank of Sri Lanka Limited / Union Investments Limited	279,700	0.56
9 Akbar Brothers (Private) Limited A/C No. 01	256,517	0.51
10 Mr. J. D. N. Kekulawala	248,000	0.50
11 Mr. H. A. Cabraal	200,000	0.40
Mr. R. Veerasuntharam	200,000	0.40
12 Mrs. F. S. Sabry	172,700	0.35
13 Sandwave Limited	150,000	0.30
14 Mr. C. R. Perera	137,311	0.27
15 Mr. K. C. Vignarajah	119,300	0.24
16 Mrs. M. L. De Silva	110,000	0.22
17 J. B. Cocoshell (Private) Limited	105,400	0.21
18 Mr. P. Somadasa	101,746	0.20
19 Commercial Bank of Ceylon PLC A/C No. 04	100,000	0.20
Mr. K. T. Konesh	100,000	0.20
Merchant Bank of Sri Lanka PLC / Mr. C. E. Weerapperuma	100,000	0.20
Mount Lavinia Hotel (Private) Limited	100,000	0.20
20 Mr. K. S. D. Senaweera	98,300	0.20
Total	44,890,787	89.78

- 13 Percentage of shares held by public as at 31 December 2015 : 20.41%
No. of public shareholders as at 31 December 2015 : 1,300

- 14 Shareholding of Directors/CEO:

	No. of Shares
Mr. A. J. Alles	100
Director	