

# **FINANCIAL STATEMENTS**

For the Period Ended  
30 June 2018



**LANKA VENTURES PLC**

Ocean Lines Building  
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**LANKA VENTURES PLC**
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(All amounts in Sri Lanka Rupees thousands)

	<b>Group</b>		<b>Company</b>	
	<b>Period ended 30 June</b>		<b>Period ended 30 June</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
				<b>Restated</b>
<b>Revenue</b>				
Investment income	2,678	2,768	3,463	3,660
Interest income	21,816	3,765	3,522	2,910
Subsidiary company income	95,608	65,535	-	-
Other income	134	129	134	129
	<b>120,237</b>	<b>72,197</b>	<b>7,119</b>	<b>6,700</b>
<b>Operating expenses</b>				
Administrative expenses	(7,737)	(7,255)	(5,271)	(5,016)
Sales and establishment expenses	(1,750)	(1,671)	(1,725)	(1,646)
Other operating expenses	(2,651)	(1,679)	(895)	(767)
Direct expenses - other subsidiaries	(28,200)	(22,689)	-	-
<b>Results from operating activities</b>	<b>79,898</b>	<b>38,904</b>	<b>(772)</b>	<b>(730)</b>
Share of profit of equity accounted investees (net of income tax)	185,618	155,107	120,798	99,382
Gain/(loss) on available for sale financial assets	-	5,597	-	5,597
Finance cost	(35,975)	(47,300)	(1,998)	(1,873)
<b>Profit/(loss) before income tax</b>	<b>229,541</b>	<b>152,309</b>	<b>118,027</b>	<b>102,377</b>
Income tax expense	(10,995)	(3,034)	-	(239)
<b>Profit/(loss) for the period</b>	<b>218,546</b>	<b>149,275</b>	<b>118,027</b>	<b>102,138</b>
<b>Profit/(loss) attributable to:</b>				
Equity holders of the company	118,027	102,138	118,027	102,138
Non-controlling interest	100,519	47,137	-	-
<b>Profit/(loss) for the period</b>	<b>218,546</b>	<b>149,275</b>	<b>118,027</b>	<b>102,138</b>
<b><u>Other comprehensive income, net of income tax</u></b>				
Foreign operations - foreign currency translation difference	28,538	7,668	16,270	5,505
<b>Other comprehensive income for the period, net of income tax</b>	<b>28,538</b>	<b>7,668</b>	<b>16,270</b>	<b>5,505</b>
<b>Total comprehensive income for the period</b>	<b>247,084</b>	<b>156,943</b>	<b>134,297</b>	<b>107,643</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the company	134,297	107,643	134,297	107,643
Non-controlling interest	112,787	49,300	-	-
<b>Total comprehensive income for the period</b>	<b>247,084</b>	<b>156,943</b>	<b>134,297</b>	<b>107,643</b>
Basic earnings per share (Rs.)	2.36	2.04	2.36	2.04

**LANKA VENTURES PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)**

(All amounts in Sri Lanka Rupees thousands)

	<b>Group As at 30 June 2018</b>	<b>Company As at 30 June 2018</b>	<b>Group As at 31 March 2018 Audited</b>	<b>Company As at 31 March 2018 Audited</b>
<b>Assets</b>				
<b>Non current assets</b>				
Property, plant and equipment	1,007,774	1,010	1,018,310	1,062
Investment in subsidiary	-	2,105,519	-	1,968,453
Investment in associates	3,102,765	45,000	2,888,606	45,000
Intangible assets	62,448	-	63,028	-
Derivative financial instrument	6,761	6,761	5,088	5,088
Other long term investments	31,443	31,443	33,116	33,116
<b>Total non current assets</b>	<b>4,211,191</b>	<b>2,189,733</b>	<b>4,008,148</b>	<b>2,052,719</b>
<b>Current assets</b>				
Loans and receivables	82,888	3,950	40,112	5,740
Amounts due from related parties	6,571	3,111	3,333	3,066
Other receivables	12,628	1,764	46,396	134,048
Income tax receivables	3,010	814	6,500	1,443
Cash and cash equivalents	862,804	148,035	972,661	28,313
<b>Total current assets</b>	<b>967,902</b>	<b>157,674</b>	<b>1,069,002</b>	<b>172,610</b>
<b>Total assets</b>	<b>5,179,093</b>	<b>2,347,407</b>	<b>5,077,150</b>	<b>2,225,329</b>
<b>Equity</b>				
Stated capital	631,638	631,638	631,638	631,638
Revaluation reserve	5,960	5,960	5,960	5,960
Translation reserve	55,234	54,521	38,964	38,251
Retained earnings	1,575,094	1,582,895	1,457,067	1,464,868
<b>Total equity attributable to equity holders of the Company</b>	<b>2,267,926</b>	<b>2,275,014</b>	<b>2,133,629</b>	<b>2,140,717</b>
Non controlling interest	1,761,064	-	1,648,277	-
<b>Total equity</b>	<b>4,028,991</b>	<b>2,275,014</b>	<b>3,781,906</b>	<b>2,140,717</b>
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Defined benefit obligation	2,035	2,035	5,162	5,162
Deferred tax liability	49,363	-	42,050	-
Cumulative redeemable preference shares	405,000	-	415,000	-
Interest bearing borrowings	371,235	42,750	404,991	42,750
<b>Total non current liabilities</b>	<b>827,633</b>	<b>44,785</b>	<b>867,203</b>	<b>47,912</b>
<b>Current liabilities</b>				
Cumulative redeemable preference shares	89,400	-	75,000	-
Interest bearing borrowings	206,145	16,125	225,146	25,683
Other payables	20,907	11,483	120,113	10,387
Income tax payables	6,018	-	7,781	630
<b>Total current liabilities</b>	<b>322,470</b>	<b>27,608</b>	<b>428,040</b>	<b>36,700</b>
<b>Total liabilities</b>	<b>1,150,103</b>	<b>72,393</b>	<b>1,295,243</b>	<b>84,612</b>
<b>Total equity and liabilities</b>	<b>5,179,093</b>	<b>2,347,407</b>	<b>5,077,150</b>	<b>2,225,329</b>
Net assets per share (Rs.)	45.36	45.50	42.67	42.81

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.  
Signed for and on behalf of the Board.

Sgd.

**L H A L Silva**  
**Chairman**

Sgd.

**A R Munasinghe**  
**Director**

13 August 2018

**LANKA VENTURES PLC**
**STATEMENT OF CHANGES IN EQUITY (Unaudited)**

(All amounts in Sri Lanka Rupees thousands)

**Group**

	Stated capital	Revaluation reserve	Translation reserve	Retained earnings	Non controlling interest	Total
<b>Balance as at 01 April 2017</b>	631,638	5,960	59,246	1,036,604	813,188	2,546,636
Profit/(loss) for the period	-	-	-	102,138	47,137	149,275
Foreign operations - foreign currency translation difference	-	-	5,505	-	2,163	7,668
<b>Total comprehensive income for the period</b>	-	-	5,505	102,138	49,300	156,943
<b>Transactions with equity holders recognized directly in equity</b>						
Dividend paid	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Balance as at 30 June 2017</b>	<b>631,638</b>	<b>5,960</b>	<b>64,752</b>	<b>1,138,742</b>	<b>862,488</b>	<b>2,703,579</b>
<b>Balance as at 01 April 2018</b>	631,638	5,960	38,964	1,457,067	1,648,277	3,781,906
Profit/(loss) for the period	-	-	-	118,027	100,519	218,546
Foreign operations - foreign currency translation difference	-	-	16,270	-	12,268	28,538
<b>Total comprehensive income for the period</b>	-	-	16,270	118,027	112,787	247,084
<b>Transactions with equity holders recognized directly in equity</b>						
Dividend paid	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>631,638</b>	<b>5,960</b>	<b>55,234</b>	<b>1,575,094</b>	<b>1,761,064</b>	<b>4,028,990</b>

**Company**

	Stated Capital	Revaluation reserve	Translation reserve	Retained earnings	Total
<b>Balance as at 01 April 2017</b>	631,638	5,960	58,533	1,044,405	1,740,536
Profit/(loss) for the period	-	-	-	102,138	102,138
Foreign operations - foreign currency translation difference	-	-	5,505	-	5,505
<b>Total comprehensive income for the period</b>	-	-	5,505	102,138	107,643
<b>Transactions with equity holders recognized directly in equity</b>					
Dividend paid	-	-	-	-	-
	-	-	-	-	-
<b>Balance as at 30 June 2017</b>	<b>631,638</b>	<b>5,960</b>	<b>64,038</b>	<b>1,146,543</b>	<b>1,848,179</b>
<b>Balance as at 01 April 2018</b>	631,638	5,960	38,251	1,464,868	2,140,717
Profit/(loss) for the period	-	-	-	118,027	118,027
Foreign operations - foreign currency translation difference	-	-	16,270	-	16,270
<b>Total comprehensive income for the period</b>	-	-	16,270	118,027	134,297
<b>Transactions with equity holders recognized directly in equity</b>					
Dividend paid	-	-	-	-	-
	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>631,638</b>	<b>5,960</b>	<b>54,521</b>	<b>1,582,895</b>	<b>2,275,014</b>

**LANKA VENTURES PLC**  
**CONSOLIDATED STATEMENT OF CASHFLOWS (Unaudited)**  
(All amounts in Sri Lanka Rupees thousands)

For the Period ended 30 June	Group		Company	
	2018	2017	2018	2017 Restated
<b>Cash flows from operating activities</b>				
Profit/(loss) before income tax	229,541	152,309	118,027	102,377
<b>Adjustments for:</b>				
Amortization of staff cost	40	33	40	33
Depreciation	10,538	9,528	49	44
Amortization of land rights	580	413	-	-
Share of earnings	(185,618)	(155,107)	(120,798)	(99,382)
Interest income on staff loan	(134)	(129)	(134)	(129)
Provision for defined benefit obligation	212	205	212	205
Interest income on investments	(21,816)	(4,177)	(3,522)	(3,323)
Dividend income	(2,373)	(2,292)	(2,373)	(2,292)
Gain / (loss) on available for sale financial assets	-	(5,597)	-	(5,597)
Dividend on preference shares	16,746	23,833	-	-
Interest expense	19,127	23,396	1,991	1,860
	<b>66,843</b>	<b>42,415</b>	<b>(6,508)</b>	<b>(6,204)</b>
<b>Changes in</b>				
Loans and receivables	(42,690)	(53,406)	1,872	258
Related party receivables	(3,239)	(15)	(45)	(6,080)
Other receivables	33,768	121,064	(470)	54
Other payables	(99,775)	4,527	1,111	1,168
<b>Cash generated from operating activities</b>	<b>(45,093)</b>	<b>114,585</b>	<b>(4,040)</b>	<b>(10,804)</b>
Gratuity paid	(3,340)	-	(3,340)	-
Taxes paid	(1,957)	(3,590)	-	(271)
Interest paid	(19,418)	(25,090)	(1,548)	(1,854)
<b>Net cash from operating activities</b>	<b>(69,808)</b>	<b>85,905</b>	<b>(8,928)</b>	<b>(12,929)</b>
<b>Cash flows from investing activities</b>				
Dividend received	2,373	2,292	135,127	2,292
Interest received	21,816	4,177	3,522	3,323
Acquisition of property, plant and equipment	-	(5,631)	-	(142)
Investment in equity accounted investees	-	(140,000)	-	-
Disposal of investment	-	13,750	-	13,750
<b>Net cash from investing activities</b>	<b>24,189</b>	<b>(125,410)</b>	<b>138,649</b>	<b>19,223</b>
<b>Cash flows from financing activities</b>				
Preference dividend paid	(11,772)	(11,440)	-	-
Net change in interest bearing borrowings	(52,466)	112,881	(10,000)	(10,000)
<b>Net cash from financing activities</b>	<b>(64,238)</b>	<b>101,441</b>	<b>(10,000)</b>	<b>(10,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(109,857)</b>	<b>61,936</b>	<b>119,721</b>	<b>(3,706)</b>
<b>Cash and cash equivalent as at 01 April</b>	<b>972,661</b>	<b>204,766</b>	<b>28,313</b>	<b>121,450</b>
<b>Cash and cash equivalent as at 30 June</b>	<b>862,804</b>	<b>266,702</b>	<b>148,035</b>	<b>117,744</b>

## 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 SLFRS 9 - Financial Instruments is applicable for financial periods beginning on or after 01 January 2018. Accordingly this standard will be applicable for the Company from 01 April 2018. This Standard replaces LKAS 39 - Financial Instruments: Recognition and Measurement. However the Institute of Chartered Accountants of Sri Lanka has granted the option to prepare interim financial statements continuing the application of LKAS 39 through "Statement of Alternative Treatment" (SoAT). Accordingly these financial statements have been prepared by applying the guidelines of LKAS 39 in accordance with the said option granted.
- 4 The interim financial statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting.
- 5 Where items have been regrouped, comparative information in relation to previous year have been presented in line with information pertaining to the current period.
- 6 The stated capital comprises 50,000,000 Ordinary Shares.
- 7 A final dividend of Rs. 2.50 per ordinary share for the financial year ended 31 March 2017 was declared on 01 August 2017 and was paid on 04 October 2017.  
A final dividend of Rs. 2.75 per ordinary share for the financial year ended 31 March 2018 was declared on 13 August 2018.
- 8 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.
- 9 There were no liabilities for management fees or any other similar expenditure not provided for in interim financial statements.
- 10 There were no contingent liabilities during the period under review that require disclosure in interim financial statements.
- 11 The market price per share:

for the quarter ended 30 June	2018	2017
Highest price	Rs. 48.40	52.00
Lowest price	Rs. 41.00	41.00
Market price as at 30 June	Rs. 42.00	50.00

- 12 Twenty major shareholders of the Company as at 30 June 2018 :

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	484,429	0.97
5 E. W. Balasuriya & Co. (Private) Limited	438,444	0.88
6 Union Investments (Private) Limited	279,700	0.56
7 Akbar Brothers (Private) Limited A/C No. 01	256,517	0.51
8 Mr. C. R. Perera	243,232	0.49
9 Mr. H. A. Cabraal	200,000	0.40
Mr. A. P. Somasiri	200,000	0.40
Mr. R. Veerasuntharam	200,000	0.40
10 Mrs. F. S. Sabry	172,700	0.35
11 Mr. M. U. M. A. Sabry	162,100	0.32
12 Mr. K. C. Vignarajah	114,000	0.23
13 Peoples Leasing & Finance PLC / Dr. H. S. D. Soysa & Mrs. G. Soysa	111,106	0.22
14 Mrs. M. L. De Silva	110,000	0.22
15 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
16 Merchant Bank of Sri Lanka & Finance PLC / R. R. S. Ananda	96,700	0.19
17 Mr. K. S. D. Senaweera	96,000	0.19
18 Commercial Bank of Ceylon PLC / M. H. Densil	94,000	0.19
19 J. B. Cocoshell (Private) Limited	92,516	0.19
20 Mr. S. S. Sithambaranathan	82,554	0.17
<b>Total</b>	<b>44,562,967</b>	<b>89.13</b>

- 13 Percentage of shares held by public as at 30 June 2018 : 20.42%  
No. of public shareholders as at 30 June 2018 : 1,261

- 14 Float adjusted market capitalization as at 30 June 2018 was Rs. 42,882,000,000/-. In terms of the rule 7.13.1(a) of the Listing Rules of the Colombo Stock Exchange, the Company complies under option 5 with the minimum public holding requirement.

- 15 Shareholding of Directors:

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