



MORISON PLC

INTERIM REPORT

2ND QUARTER FY 2018-19



Morison PLC and Its Subsidiaries Interim Report 2nd Quarter 2018/2019

Statement of Financial Position

| AS AT | COMPANY | | | GROUP | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 30.09.2018 Rs. '000 | 31.03.2018 Rs. '000 | 30.09.2017 Rs. '000 | 30.09.2018 Rs. '000 | 31.03.2018 Rs. '000 | 30.09.2017 Rs. '000 |
| ASSETS | | | | | | |
| Non-Current Assets | | | | | | |
| Property, Plant & Equipment | 1,898,920 | 763,945 | 334,568 | 1,898,920 | 1,790,014 | 1,409,846 |
| Intangible assets | 37,455 | 15,000 | 15,000 | 37,455 | 15,000 | 15,000 |
| Other Non-Current Advances | 192,464 | - | - | 192,464 | - | - |
| Investments in subsidiaries | - | 57,700 | 57,700 | - | - | - |
| | 2,128,838 | 836,645 | 407,268 | 2,128,838 | 1,805,014 | 1,424,846 |
| Current Assets | | | | | | |
| Inventories | 832,759 | 478,044 | 498,884 | 832,759 | 893,028 | 901,246 |
| Trade & other receivables | 1,133,557 | 651,908 | 587,425 | 1,133,557 | 934,856 | 806,305 |
| Prepayments | 84,296 | 27,674 | 27,178 | 84,296 | 49,500 | 49,681 |
| Cash & cash equivalents | 1,115,759 | 1,444,765 | 933,923 | 1,115,759 | 1,447,295 | 1,278,837 |
| | 3,174,348 | 2,803,991 | 2,247,411 | 3,174,348 | 3,324,678 | 3,036,070 |
| TOTAL ASSETS | 5,303,186 | 3,440,636 | 2,654,679 | 5,303,186 | 5,129,694 | 4,460,915 |
| EQUITY & LIABILITIES | | | | | | |
| Equity Attributable to Equity Holders of the Parent | | | | | | |
| Stated capital | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 | 7,925 |
| Reserves | 1,576,426 | 880,561 | 858,069 | 1,576,426 | 1,576,427 | 1,536,393 |
| Retained earnings | 2,057,492 | 781,416 | 709,183 | 2,057,492 | 1,903,620 | 1,709,549 |
| Total | 3,641,843 | 1,669,902 | 1,575,177 | 3,641,843 | 3,487,972 | 3,253,867 |
| Minority interest | - | - | - | - | - | - |
| TOTAL EQUITY | 3,641,843 | 1,669,902 | 1,575,177 | 3,641,843 | 3,487,972 | 3,253,867 |
| Non-Current Liabilities | | | | | | |
| Interest bearing loans & borrowings | - | - | 62,528 | - | - | 62,528 |
| Deferred tax liabilities | 293,731 | 58,950 | 12,730 | 293,731 | 293,731 | 91,573 |
| Retirement benefit liability | 92,025 | 46,319 | 48,558 | 92,025 | 88,001 | 88,338 |
| | 385,756 | 105,268 | 123,815 | 385,756 | 381,732 | 242,439 |
| Current Liabilities | | | | | | |
| Trade & other payables | 696,322 | 1,305,410 | 798,365 | 696,322 | 644,459 | 777,051 |
| Dividends payable | 10,330 | 111,257 | 8,443 | 10,330 | 111,257 | 8,443 |
| Income tax liabilities | 36,981 | 56,911 | 25,887 | 36,981 | 47,076 | 54,124 |
| Interest bearing loans & borrowings | 362,528 | 275,024 | 124,992 | 362,528 | 275,024 | 124,992 |
| Bank overdraft | 171,406 | 113,864 | - | 171,406 | 162,174 | - |
| | 1,277,587 | 1,854,466 | 957,687 | 1,277,587 | 1,259,990 | 966,610 |
| TOTAL EQUITY AND LIABILITIES | 5,303,186 | 3,440,636 | 2,654,679 | 5,303,186 | 5,129,694 | 4,460,915 |
| NET ASSETS PER SHARE | 482.31 | 221.14 | 208.41 | 482.31 | 441.92 | 430.93 |
| Market price per share for the period ended | VOTING | VOTING | VOTING | NON-VOTING | NON-VOTING | NON-VOTING |
| | 30.09.2018 | 31.03.2018 | 30.09.2017 | 30.09.2018 | 31.03.2018 | 30.09.2017 |
| HIGHEST | 730.00 | 700.00 | 410.00 | 520.00 | 526.20 | 430.00 |
| LOWEST | 500.00 | 350.00 | 341.10 | 425.00 | 320.00 | 320.00 |
| LAST TRADED | 425.00 | 420.00 | 532.70 | 531.70 | 509.40 | 421.00 |

Note: The Balance Sheet as of 30 September 2018 is drawn up from the unaudited merged financial statements of Morison PLC and M.S.L. Industries (Ceylon) (Pvt) Ltd accounts of the Company and its subsidiaries and the Balance Sheet as of 31 March 2018 is drawn up from the audited accounts of the Company and its subsidiaries & comply with the LKA3 34 Interim Financial Reporting and they also provide information required by the Colombo Stock Exchange.

With effect from 02 July 2018, Morison PLC has been merged with its fully owned subsidiary, M.S.L. Industries (Ceylon) (Pvt) Ltd in accordance with section 244(1) of the companies Act No.07 of 2007. Therefore, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morison PLC which is the surviving entity after the merger.

The Company balances as of 30 September 2018 represents the merged balances of Morison PLC and M.S.L. Industries (Ceylon) (Pvt) Ltd whereas the Company balances as of 31 March 2018 and 30 September 2017 are Morison PLC balances before the merger.


Finance Director
(Dineth Alhapattharu)


Director
(M.A.H. Eusoff)

01.11.2018


Director
(S.M. Enderby)

MORISON PLC,

Business Address : 620, Biyagama Road, Pethiyagoda, Kelaniya, Sri Lanka.
Manufacturing Address: P.O. Box 430, 126, Aluthmawatha Road, Colombo 15, Sri Lanka.
Registered Office : Hemas House, 75, Braybrooke Place, Colombo 02, Sri Lanka.

Income Statement

| | COMPANY | | | GROUP | | |
|--------------------------------------|-------------------------------|-------------------------------|--------------------------------------|-------------------------------|-------------------------------|--------------------------------------|
| | <u>30.09.2018</u> Rs. '000 | <u>30.09.2017</u> Rs. '000 | <u>%</u> <u>Change</u> + / (-) | <u>30.09.2018</u> Rs. '000 | <u>30.09.2017</u> Rs. '000 | <u>%</u> <u>Change</u> + / (-) |
| For the six months ended | | | | | | |
| Revenue | 1,581,404 | 1,448,117 | 9 | 1,734,002 | 1,776,662 | (2) |
| Cost of sales | (1,128,104) | (1,093,457) | (3) | (1,167,399) | (1,158,479) | (1) |
| Gross profit | 453,301 | 354,660 | 28 | 566,603 | 618,183 | (8) |
| Other operating income | 6,685 | 2,935 | 128 | 6,771 | 4,547 | 49 |
| Selling & distribution costs | (198,518) | (143,647) | (38) | (198,518) | (143,913) | (38) |
| Administrative expenses | (171,413) | (122,484) | (40) | (212,186) | (196,080) | (8) |
| Operating profit | 90,054 | 91,464 | (2) | 162,670 | 282,738 | (42) |
| Finance cost | (17,431) | (16,478) | (6) | (17,940) | (20,079) | 11 |
| Finance income | 58,874 | 60,884 | (3) | 63,904 | 76,516 | (16) |
| Profit before tax | 131,496 | 135,870 | (3) | 208,634 | 339,175 | (38) |
| Income tax expense | (35,315) | (33,547) | (5) | (54,762) | (80,638) | 32 |
| Profit for the period | 96,182 | 102,323 | (6) | 153,872 | 258,537 | (40) |
| Attributable to: | | | | | | |
| Equity holders of the parent | 96,182 | 102,323 | | 153,872 | 258,537 | |
| | 96,182 | 102,323 | | 153,872 | 258,537 | |
| Earnings per share-basic - Rs | 12.74 | 13.55 | | 20.38 | 34.24 | |

Note - The above figures for the period 30 September 2018 are provisional and subject to audit.

With effect from 02 July 2018, Morisons PLC has been merged with its fully owned subsidiary, M.S.J. Industries (Ceylon) (Pvt) Ltd in accordance with section 244(1) of the companies Act No.07 of 2007. Therefore, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morisons PLC which is the surviving entity after the merger.

Statement of Comprehensive Income

| For the six months ended | COMPANY | | GROUP | |
|---|-------------------|-------------------|-------------------|-------------------|
| | <u>30.09.2018</u> | <u>30.09.2017</u> | <u>30.09.2018</u> | <u>30.09.2017</u> |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Profit for the period | 96,182 | 102,323 | 153,872 | 258,537 |
| Impairment On Available - for - Sale Financial Assets | - | - | - | - |
| Net gains/(losses) on available - for - sale financial assets | - | - | - | - |
| Revaluations - net of tax effect | - | - | - | - |
| Actuarial gains/(losses) on defined benefit plans | - | - | - | - |
| Income tax effect | - | - | - | - |
| Total comprehensive income for the period, net of tax | - | - | - | - |
| Total comprehensive income for the period, net of tax | 96,182 | 102,323 | 153,872 | 258,537 |

With effect from 02 July 2018, Morisons PLC has been merged with its fully owned subsidiary, M.S.J. Industries (Ceylon) (Pvt) Ltd in accordance with section 244(1) of the companies Act No.07 of 2007. Therefore, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morisons PLC which is the surviving entity after the merger.

Income Statement

| For the 03 months ended | <u>COMPANY</u> | | | <u>GROUP</u> | | |
|---------------------------------------|-------------------------------|-------------------------------|----------------------------|-------------------------------|-------------------------------|----------------------------|
| | <u>30.09.2018</u> Rs. '000 | <u>30.09.2017</u> Rs. '000 | <u>% Change</u> + / (-) | <u>30.09.2018</u> Rs. '000 | <u>30.09.2017</u> Rs. '000 | <u>% Change</u> + / (-) |
| Revenue | 889,657 | 718,638 | 24 | 889,657 | 821,963 | 8 |
| Cost of sales | (606,040) | (541,382) | (12) | (606,040) | (561,564) | (8) |
| Gross profit | 283,618 | 177,256 | 60 | 283,618 | 260,400 | 9 |
| Other income and gains | 6,641 | 7 | 89,336 | 6,641 | 895 | 642 |
| Selling & distribution costs | (108,105) | (60,282) | (79) | (108,105) | (8,614) | (1,155) |
| Administrative expenses | (102,495) | (60,000) | (71) | (102,495) | (97,392) | (5) |
| Operating profit | 79,658 | 56,982 | 40 | 79,658 | 155,288 | (49) |
| Finance cost | (5,974) | (7,898) | 24 | (5,974) | (8,863) | 33 |
| Finance income | 31,327 | 29,597 | 6 | 31,327 | 37,126 | (16) |
| Profit before tax | 105,011 | 78,682 | 33 | 105,011 | 183,550 | (43) |
| Income tax expense | (27,820) | (17,125) | (62) | (27,820) | (43,685) | 36 |
| Profit for the year | 77,191 | 61,557 | 25 | 77,191 | 139,865 | (45) |
| Attributable to: | | | | | | |
| Equity holders of the parent | 77,191 | 61,557 | | 77,191 | 139,865 | |
| Minority interests | - | - | | - | - | |
| | <u>77,191</u> | <u>61,557</u> | | <u>77,191</u> | <u>139,865</u> | |
| Earnings per share-basic - Rs. | 10.22 | 8.15 | | 10.22 | 18.53 | |

NOTE :

The above figures are provisional and subject to audit

With effect from 02 July 2018, Morisons PLC has been merged with its fully owned subsidiary, M.S.J. Industries (Ceylon) (Pvt) Ltd in accordance with section 244(1) of the companies Act No.07 of 2007. Therefore, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morisons PLC which is the surviving entity after the merger.

Statement of Comprehensive Income

| For the 03 months ended | COMPANY | | GROUP | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | <u>30.09.2018</u> Rs. '000 | <u>30.09.2017</u> Rs. '000 | <u>30.09.2018</u> Rs. '000 | <u>30.09.2017</u> Rs. '000 |
| Profit for the year | 77,191 | 61,557 | 77,191 | 139,865 |
| Other comprehensive income | | | | |
| Net gains/(losses) on available - for - sale financial assets | - | - | - | - |
| Revaluations | - | - | - | - |
| Actuarial gains/(losses) on defined benefit plans | - | - | - | - |
| Income tax effect | - | - | - | - |
| Total comprehensive income for the period, net of tax | - | - | - | - |
| Total comprehensive income for the period, net of tax | 77,191 | 61,557 | 77,191 | 139,865 |

With effect from 02 July 2018, Morisons PLC has been merged with its fully owned subsidiary, M.S.J. Industries (Ceylon) (Pvt) Ltd in accordance with section 244(1) of the companies Act No.07 of 2007. Therefore, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morisons PLC which is the surviving entity after the merger.

Statement of Changes in Equity

Company

| | Stated Capital | Revaluation Reserve | General Reserve | Retained Earnings | Total |
|---------------------------------|-------------------|------------------------|--------------------|----------------------|------------------|
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Balance as at 01/04/2017 | 7,925 | 129,141 | 728,928 | 644,614 | 1,510,608 |
| Net profit for the period | - | - | - | 102,323 | 102,323 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income | - | - | - | 102,323 | 102,323 |
| Final Dividend - 2016/2017 | - | - | - | (37,754) | (37,754) |
| Balance as at 30/09/2017 | 7,925 | 129,141 | 728,928 | 709,183 | 1,575,177 |
| Balance as at 01/04/2018 | 7,925 | 151,633 | 728,928 | 781,416 | 1,669,902 |
| Effect of merger | - | 693,994 | 1,872 | 1,179,894 | 1,875,760 |
| Net profit for the period | - | - | - | 96,182 | 96,182 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income | - | 693,994 | 1,872 | 1,276,076 | 1,971,942 |
| Balance as at 30/09/2018 | 7,925 | 845,626 | 730,800 | 2,057,492 | 3,641,843 |

With effect from 02 July 2018, Morisons PLC has been merged with its fully owned subsidiary, M.S.J. Industries (Ceylon) (Pvt) Ltd in accordance with section 244(1) of the companies Act No.07 of 2007. Therefore, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morisons PLC which is the surviving entity after the merger.

Statement of Changes in Equity

Group

| | Stated Capital | Revaluation Reserve | General Reserve | Retained Earnings | Total |
|---------------------------------|-------------------|------------------------|--------------------|----------------------|------------------|
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| Balance as at 01/04/2017 | 7,925 | 805,593 | 730,800 | 1,488,766 | 3,033,084 |
| Profit for the period | - | - | - | 258,537 | 258,537 |
| Other comprehensive income | - | - | - | - | - |
| Final Dividend - 2016/2017 | - | - | - | (37,754) | (37,754) |
| Total comprehensive income | - | - | - | 220,783 | 220,783 |
| Balance as at 30/09/2017 | 7,925 | 805,593 | 730,800 | 1,709,549 | 3,253,867 |
| Balance as at 01/04/2018 | 7,925 | 845,626 | 730,800 | 1,903,620 | 3,487,971 |
| Profit for the period | - | - | - | 153,872 | 153,872 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income | - | - | - | 153,872 | 153,872 |
| Balance as at 30/09/2018 | 7,925 | 845,626 | 730,800 | 2,057,492 | 3,641,843 |

With effect from 02 July 2018, Morisons PLC has been merged with its fully owned subsidiary, M.S.J. Industries (Ceylon) (Pvt) Ltd in accordance with section 244(1) of the companies Act No.07 of 2007. Therefore, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morisons PLC which is the surviving entity after the merger.

CASH FLOW STATEMENT

| Rs. '000 | Company | | Group | |
|---|------------------|------------------|------------------|------------------|
| | 30.09.2018 | 30.09.2017 | 30.09.2018 | 30.09.2017 |
| For the period ended 30 September | | | | |
| Cash Flows from Operating Activities | | | | |
| Profit Before Income Tax Expense | 131,496 | 135,870 | 208,634 | 339,175 |
| Adjustments for | | | | |
| Depreciation | 38,880 | 27,960 | 47,505 | 42,147 |
| (Profit)/Loss on Sales of Property, Plant and Equipment | (3,859) | (2) | (3,859) | (2) |
| Interest Income | (58,874) | (60,884) | (63,903) | (76,516) |
| Finance Costs | 17,431 | 16,478 | 17,941 | 20,079 |
| Provision for Defined Benefit Plans - Gratuity | 5,317 | 3,500 | 6,688 | 6,250 |
| Operating Profit before Working Capital Changes | 130,393 | 122,922 | 213,010 | 331,134 |
| (Increase)/Decrease in Inventories | 82,850 | (65,732) | 60,268 | (104,477) |
| (Increase)/Decrease in Trade and Other Receivables | (203,345) | 80,721 | (199,137) | 95,178 |
| (Increase)/Decrease in Advances and Prepayments | (26,636) | (9,207) | (34,948) | (10,564) |
| Increase/(Decrease) in Trade and Other Payables | (204,039) | (68,954) | 53,450 | (83,862) |
| Cash Generated from Operations | (220,777) | 59,750 | 92,643 | 227,409 |
| Finance Costs Paid | (17,431) | (16,478) | (17,940) | (20,079) |
| Defined Benefit Plan Costs Paid | (2,548) | (3,080) | (2,664) | (11,063) |
| Income Tax Paid | (74,724) | (14,574) | (95,841) | (68,770) |
| Net Cash Flows from Operating Activities | (315,481) | 25,619 | (23,801) | 127,496 |
| Cash Flows used in Investing Activities | | | | |
| Acquisition of Property, Plant and Equipment | (149,113) | (40,159) | (158,140) | (57,571) |
| Acquisition of Intangible Assets | (22,455) | - | (22,455) | - |
| Increase/(Decrease) in Other Non Current Advances | (192,464) | - | (192,464) | - |
| Proceeds from Sale of Property, Plant and Equipment | 5,593 | 1,874 | 5,593 | 1,874 |
| Interest Received | 58,874 | 60,884 | 63,904 | 76,516 |
| Net Cash used in Investing Activities | (299,566) | 22,598 | (303,563) | 20,819 |
| Cash Flows from / (Used in) Financing Activities | | | | |
| Net (repayment)/proceeds from Interest Bearing Loans and Borrowings | 87,504 | (197,118) | 87,504 | (242,601) |
| Dividends Paid | (100,907) | (40,827) | (100,907) | (40,827) |
| Net Cash used in Financing Activities | (13,403) | (237,945) | (13,403) | (283,428) |
| Net Increase in Cash and Cash Equivalents | (628,449) | (189,728) | (340,768) | (135,114) |
| Cash and cash equivalents transferred as a result of merger | 241,901 | - | - | - |
| Cash and Cash Equivalents at the Beginning of the Year | 1,330,901 | 1,123,651 | 1,285,121 | 1,413,951 |
| Cash and Cash Equivalents at the End of the Period | 944,352 | 933,923 | 944,352 | 1,278,837 |

With effect from 02 July 2018, Morisons PLC has been merged with its fully owned subsidiary, M.S.J. Industries (Ceylon) (Pvt) Ltd in accordance with section 244(1) of the companies Act No.07 of 2007. Therefore, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morisons PLC which is the surviving entity after the merger.

SEGMENTAL ANALYSIS

Rs. '000

| For the period ended 30 September | Consumer | | Pharmaceuticals | | Group Total | |
|-----------------------------------|----------------|----------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Turnover | 574,233 | 591,492 | 1,240,639 | 1,288,772 | 1,814,872 | 1,880,264 |
| (-) IFRS Adjustment | (55,291) | (64,197) | (25,579) | (39,405) | (80,870) | (103,602) |
| Net Revenue | 518,942 | 527,296 | 1,215,059 | 1,249,367 | 1,734,002 | 1,776,662 |
| Gross Profit | 198,117 | 203,714 | 368,486 | 414,469 | 566,603 | 618,183 |
| Profit from Operating Activities | 51,526 | 82,840 | 111,144 | 199,898 | 162,670 | 282,738 |
| Finance Cost | | | | | (17,940) | (20,079) |
| Finance Income | | | | | 63,904 | 76,516 |
| Profit Before Tax | | | | | 208,634 | 339,175 |

Rs. '000

| For the 03 months ended 30 September | Consumer | | Pharmaceuticals | | Group Total | |
|--------------------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Turnover | 299,149 | 311,022 | 631,523 | 614,543 | 930,672 | 925,565 |
| (-) IFRS Adjustment | (27,327) | (30,594) | (13,318) | (21,207) | (40,645) | (51,801) |
| Net Revenue | 271,822 | 280,427 | 618,205 | 593,336 | 890,027 | 873,764 |
| Gross Profit | 98,901 | 127,596 | 185,045 | 231,672 | 283,946 | 359,269 |
| Profit from Operating Activities | 24,744 | 51,501 | 54,915 | 103,786 | 79,658 | 155,287 |
| Finance Cost | | | | | (5,974) | (8,863) |
| Finance Income | | | | | 31,327 | 37,126 |
| Profit Before Tax | | | | | 105,011 | 183,550 |

Notes to the Financial Statements

Basis of preparation

- 1 The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2018. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

New standards, Interpretations and Amendments adopted by the Group

The Sri Lanka Accounting Standard – SLFRS 9 (Financial Instruments) is effective for annual periods beginning on or after 01 January 2018. However, CA Sri Lanka has granted the option, via the Statement of Alternative Treatment (SoAT) to prepare the interim financial statements continuing the application of LKAS 39 (Financial Instruments: Recognition and Measurement). As permitted by the above SoAT, the Group/ Company prepared Interim Financial Statements based on LKAS 39.

The Group applies, SLFRS 15 Revenue from Contracts with Customers for the first time using the full retrospective method of adoption. As required by LKAS 34, the nature and effect of these changes are disclosed below.

Basis of preparation and changes to the Group's accounting policies on SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

| | 30 Sep 2018 | | | 30 Sep 2017 | | | Rs.'000 |
|--------------------------------|------------------------|--------------------|------------------|------------------------|--------------------|------------------|---------|
| | As Previously Reported | Impact on SLFRS 15 | SLFRS Adjusted | As Previously Reported | Impact on SLFRS 15 | SLFRS Adjusted | |
| Revenue | 1,814,872 | (80,870) | 1,734,002 | 1,880,264 | (103,602) | 1,776,662 | |
| Cost of Sales | (1,167,399) | - | (1,167,399) | (1,158,479) | - | (1,158,479) | |
| Gross Profit | 647,473 | (80,870) | 566,603 | 721,786 | (103,602) | 618,184 | |
| Other Income and Gains | 6,771 | - | 6,771 | 4,547 | - | 4,547 | |
| Selling and Distribution Costs | (279,388) | 80,870 | (198,518) | (247,515) | 103,602 | (143,913) | |
| Administrative Expenses | (212,186) | - | (212,186) | (196,080) | - | (196,080) | |
| Operating Profit | 162,670 | - | 162,670 | 282,738 | - | 282,738 | |
| Finance Cost | (17,940) | - | (17,940) | (20,079) | - | (20,079) | |
| Finance Income | 63,904 | - | 63,904 | 76,516 | - | 76,516 | |
| Profit Before Tax | 208,634 | - | 208,634 | 339,175 | - | 339,175 | |
| Income Tax Expense | (54,762) | - | (54,762) | (80,638) | - | (80,638) | |
| Profit After Tax | 153,872 | - | 153,872 | 258,537 | - | 258,537 | |

Notes to the Financial Statements

- 2 There have been no significant changes in the nature of the contingent liabilities which were disclosed in the audited financial statements for the year ended 31 March 2018.
- 3 Comparative information is reclassified wherever necessary to comply with current year presentation.
- 4 With effect from 02 July 2018, Morisons PLC has been merged with its fully owned subsidiary, M.S.J. Industries (Ceylon) (Pvt) Ltd in accordance with the provisions of the companies Act No.07 of 2007. Approval from the registrar of companies and the shareholders have been duly obtained.

Therefore, with effect from 02 July 2018, acquired assets and assumed liabilities are recognized at their carrying amounts in the financial statements of Morisons PLC which is the surviving entity after the merger. Morisons PLC continues its activities as a public limited company which is 91% owned by Hemas Holdings PLC.

Merged Statement of Financial Position as at 02 July 2018 as follows.

| | Rs.'000 | | | |
|-------------------------------------|-----------------------------|----------------------|-----------------------|------------------------|
| | 02 July 2018 Morison PLC | 02 July 2018 MSJI | Merger Adjustments | 02 July 2018 Merged |
| Non-Current Assets | 883,173 | 1,026,475 | (57,700) | 1,851,948 |
| Current Assets | 2,368,239 | 1,331,717 | (552,727) | 3,147,229 |
| Total Assets | 3,251,412 | 2,358,191 | (610,427) | 4,999,177 |
| Stated capital | 7,925 | 60,100 | (60,100) | 7,925 |
| Reserves | 880,561 | 604,609 | 91,257 | 1,576,426 |
| Retained earnings | 800,407 | 1,276,908 | (97,013) | 1,980,302 |
| Total Equity | 1,688,893 | 1,941,617 | (65,857) | 3,564,653 |
| Non-Current Liabilities | 106,238 | 276,719 | - | 382,957 |
| Current Liabilities | 1,456,281 | 139,855 | (544,569) | 1,051,567 |
| Total Equity And Liabilities | 3,251,412 | 2,358,191 | (610,426) | 4,999,177 |

- 5 During the period under review, Professor Ravindra Fernando – Independent Non-Executive Director, resigned from the Board of Directors w.e.f. 31.05.2018.
Professor Fernando was also a member of the Audit Committee and the Related Party Transactions Review Committee of the Company. In terms of Section 8 of the Listing Rules of the Colombo Stock Exchange, a corporate disclosure has been made on 04.06.2018 with respect to the aforesaid change to the Board of Directors.
- 6 During the period under review, Mr. Ranjan Chakravarti – Independent Non-Executive Director has been appointed to the Audit Committee and the Related Party Transactions Review Committee of the Company w.e.f. 19.06.2018.
- 7 The Company has been transferred to the Watch List w.e.f 02 July 2018, and the Board of Directors are reviewing the possible remedial actions available to the Company.

The Company has declared its intention to initiate the process of delisting of its fully paid ordinary (voting and non-voting) shares from the official list of the Colombo Stock Exchange (CSE) subject to securing requisite Shareholder and regulatory approvals on 17 August 2018.

The resolution for the delisting of the company from the Colombo Stock Exchange were not adopted by the shareholders of the Company at the Extraordinary General Meeting held on 26 September 2018.
- 8 Above figures for the period ended 30 September 2018 are provisional & subject to Audit.
- 9 Interim financial statements have been prepared using the same consistent accounting policies.
- 10 There have been no other events subsequent to the reporting date, which require disclosure in the interim financial statements.

MORISON PLC (VOTING)
Computation of % of Public Shareholding - 30 September 2018

No of Shares

Ultimate Parent Company

| | |
|--------------------|---------------|
| Hemas Holdings PLC | 32,500 |
| | <u>32,500</u> |

Parent Company

| | |
|-------------------------------|------------------|
| Hemas Manufacturing (Pvt) Ltd | 5,229,639 |
| | <u>5,229,639</u> |

Subsidiaries or Associate Companies

| | |
|---|----------|
| MSJ Industries (Ceylon) (Private) Limited | 0 |
| | <u>0</u> |

Directors shareholding

| | |
|-----------------------|----------|
| Mr. H.N.Esufally | 0 |
| Mr. S.M.Enderby | 0 |
| Mr. R.Chakravarti | 0 |
| Mrs. B.A.I.Rajakarier | 0 |
| Mr. M.A.H.Esufally | 0 |
| Ms. K.A.C.Wilson | 0 |
| | <u>0</u> |

Spouses and Children under 18 of Directors

| | |
|-----------------------|----------|
| Mrs. S.R.A.Esufally | 0 |
| Mrs. M. Enderby | 0 |
| Mrs. S. Chakravarti | 0 |
| Mrs. T.J.S.Rajakarier | 0 |
| Ms. A. Esufally | 0 |
| | <u>0</u> |

CEO, Spouse & Children

0

Over 10% holding Jointly or Severally

| | |
|---|----------|
| Hemas Manufacturing (Private) Limited (Refer above) | 0 |
| | <u>0</u> |

MORISON PLC (VOTING)**Computation of % of Public Shareholding - 30 September 2018**

| | |
|---|---------------------------|
| Issued Share Capital as at 30 September 2018 | 5,808,290 |
| Less | |
| Ultimate Parent Company | 32,500 |
| Parent Company | 5,229,639 |
| Subsidiaries or Associate Companies | 0 |
| Directors shareholding | 0 |
| Spouses and Children under 18 of Directors | 0 |
| CEO, Spouse & Children | 0 |
| Over 10% holding | 0 |
| Public Holding | <u>546,151</u> |
| Public Holding as a % of Issued Share Capital | <u>9.40%</u> |
| Number of public shareholders | <u>603</u> |
| Float adjusted market capitalization as at 19.10.2018 | <u>Rs. 393,596,448.50</u> |

MORISON PLC (VOTING)

Directors Shareholding - 30 September 2018

Directors shareholding

| | |
|-----------------------|-------------|
| Mr. H.N.Esufally | 0 |
| Mr. S.M.Enderby | 0 |
| Mr. R.Chakravarti | 0 |
| Mrs. B.A.I.Rajakarier | 0 |
| Mr. M.A.H.Esufally | 0 |
| Mr. K.A.C.Wilson | 0 |
| Mr. A.Z.Fazeel | 0 |
| | <hr/> |
| | 0 |
| | <hr/> <hr/> |

MORISON PLC (NON VOTING)**Computation of % of Public Shareholding - 30 September 2018****No of Shares****Ultimate Parent Company**

| | |
|--------------------|----------------|
| Hemas Holdings PLC | 102,076 |
| | <u>102,076</u> |

Parent Company

| | |
|-------------------------------|------------------|
| Hemas Manufacturing (Pvt) Ltd | 1,478,349 |
| | <u>1,478,349</u> |

Subsidiaries or Associate Companies

| | |
|--|----------|
| | 0 |
| | <u>0</u> |

Directors shareholding

| | |
|-----------------------|----------|
| Mr. H.N.Esufally | 600 |
| Mr. S.M.Enderby | 0 |
| Mr. R.Chakravarti | 0 |
| Mrs. B.A.I.Rajakarier | 0 |
| Mr. M.A.H.Esufally | 0 |
| Mr. K.A.C.Wilson | 0 |
| Mr. A.Z.Fazeel | 0 |
| | <u>0</u> |

Spouses and Children under 18 of Directors

| | |
|-----------------------|----------|
| Mrs. S.R.A.Esufally | 0 |
| Mrs. M. Enderby | 0 |
| Mrs. S. Chakravarti | 0 |
| Mrs. T.J.S.Rajakarier | 0 |
| Ms. A. Esufally | 0 |
| Mrs. M.Z.Fazeel | 0 |
| | <u>0</u> |

CEO, Spouse & Children

| | |
|--|----------|
| | 0 |
| | <u>0</u> |

Over 10% holding

| | |
|--|----------|
| Hemas Manufacturing (Private) Limited (Refer above) | 0 |
| | <u>0</u> |

MORISON PLC (NON VOTING)

Computation of % of Public Shareholding - 30 September 2018

| | |
|---|----------------|
| Issued Share Capital as at 31 March 2018 | 1,742,490 |
| Less | |
| Ultimate Parent Company | 102,076 |
| Parent Company | 1,478,349 |
| Subsidiaries or Associate Companies | 0 |
| Directors shareholding | 600 |
| Spouses and Children under 18 of Directors | 0 |
| CEO, Spouse & Children | 0 |
| Over 10% holding - Jointly or Severally | 0 |
| Public Holding | <u>161,465</u> |
| Public Holding as a % of Issued Share Capital | <u>9.27%</u> |

MORISON PLC (NON VOTING)
Directors Shareholding - 30 September 2018

Directors shareholding

| | |
|-----------------------|-------------|
| Mr. H.N.Esufally | 600 |
| Mr. S.M.Enderby | 0 |
| Mr. R.Chakravarti | 0 |
| Mrs. B.A.I.Rajakarier | 0 |
| Mr. M.A.H.Esufally | 0 |
| Mr. K.A.C.Wilson | 0 |
| Mr. A.Z.Fazeel | 0 |
| | <hr/> |
| | 0 |
| | <hr/> <hr/> |

MORISON PLC (VOTING)

List of 20 Major Shareholders based on their Shareholdings as at 30 September 2018

| | No of Shares | (%) |
|--|------------------|--------------|
| 1 HEMAS MANUFACTURING (PRIVATE) LIMITED | 5,229,639 | 90.04 |
| 2 CAPITAL ALLIANCE HOLDINGS LTD | 151,555 | 2.61 |
| 3 MR. UDESHI ANANT HARGOVIND | 37,031 | 0.64 |
| 4 HEMAS HOLDINGS PLC | 32,500 | 0.56 |
| 5 MR. C F G PERERA (DECEASED) | 20,160 | 0.35 |
| 6 MR. Y I JAFFERJEE | 15,120 | 0.26 |
| 7 MRS. WOODWARD | 15,070 | 0.26 |
| 8 MS. D PEIRIS | 13,820 | 0.24 |
| 9 PEOPLE'S LEASING & FINANCE PLC/C.D.KOHOMBANWICKR. | 12,235 | 0.21 |
| 10 MR. G C GOONETILLEKE | 12,420 | 0.21 |
| 11 BNYMSANV RE-MILLVILLE OPPORTUNITIES MASTER FUND, LP | 10,700 | 0.18 |
| 12 MR. N KATHIRGAMATAMBY (DECEASED) | 10,000 | 0.17 |
| 12 MRS. H A D WIJESUNDERA | 10,000 | 0.17 |
| 15 MRS. D KUMARANAYAGAM | 10,000 | 0.17 |
| 15 MR. R MAHESWARAN | 9,047 | 0.16 |
| 14 MISS M P RADHAKRISHNAN | 9,047 | 0.16 |
| 17 MISS A RADHAKRISHNAN | 9,046 | 0.16 |
| 18 MR M H M SANOON | 8,600 | 0.15 |
| 19 DR T A WEERASURIYA | 8,100 | 0.14 |
| 20 MRS L S TUDUGALLE | 7,860 | 0.14 |
| | 5,631,950 | 96.97 |

MORISON PLC (NON VOTING)**List of 20 Major Shareholders based on their Shareholdings as at 30 September 2018**

| | | No of Shares | (%) |
|----|---|---------------------|--------------|
| 1 | HEMAS MANUFACTURING (PRIVATE) LIMITED | 1,478,349 | 84.84 |
| 2 | HEMAS HOLDINGS PLC | 102,076 | 5.86 |
| 3 | MR. G C GOONETILLEKE | 15,000 | 0.86 |
| 4 | MS PEOPLES LEASING & FINANCE PLC/C D KOHOMBANWICKRAMAGE | 6,952 | 0.40 |
| 5 | MRS. E E M WOODWARD | 6,620 | 0.38 |
| 6 | MR. C F G PERERA (DECEASED) | 6,040 | 0.35 |
| 7 | MR. R J G DE MEL | 4,860 | 0.28 |
| 8 | MR. Y I JAFFERJEE | 4,530 | 0.26 |
| 9 | MISS. D PIERIS | 4,140 | 0.24 |
| 10 | DR. H W E TISSERA | 3,990 | 0.23 |
| 11 | MR. M H M SANOON | 3,420 | 0.20 |
| 12 | MRS. R G ABDULHUSSEIN | 3,056 | 0.18 |
| 13 | MRS. H A D WIJESUNDERA | 3,000 | 0.17 |
| 13 | MR N KATHIRGAMATAMBY (DECEASED) | 3,000 | 0.17 |
| 13 | MRS. D KUMARANAYAGAM | 3,000 | 0.17 |
| 16 | MR. R MAHESWARAN | 2,714 | 0.16 |
| 17 | MISS M P RADHAKRISHNAN | 2,713 | 0.16 |
| 17 | MISS A RADHAKRISHNAN | 2,713 | 0.16 |
| 19 | MR. S S B KARUNARATNE | 2,700 | 0.15 |
| 19 | MRS. CLARICE MATHEW | 2,700 | 0.15 |
| | | 1,661,573 | 95.36 |