

PROVISIONAL CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

31st March 2019



**LANKA
HOSPITALS**

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**The Lanka Hospitals
CORPORATION PLC (PQ 180)**

THE LANKA HOSPITALS CORPORATION PLC

Provisional Consolidated Financial Statements For the Quarter ended 31st March 2019

Board of Directors

Mr.S.M. FAROOK - Chairman (Appointed on 29th March 2019)

Mrs.Umashanthiee RAJAMANTRI

Mr.Thanuja Lasitha WEERATNE

Ms. Jayanthi GUNewardena (Appointed on 29th March 2019)

Ms. Upulangani MALAGAMUWA (Appointed on 29th March 2019)

Dr. Anura WIJewardene (Appointed on 29th March 2019)

Mr. Raju CHANDIRAM (Appointed on 29th March 2019)

Mr. Ajith AMARASEKARA (Appointed on 29th March 2019)

Mr. Rajiv PURI

Mr. Daljit SINGH (Resigned on 2nd April 2019)

Dr. Sarath PARANAVITANE (Resigned on 27th March 2019)

Ven. Thiniyawala PALITHA THERO (Resigned on 28th March 2019)

Dr.Anil ABEYWICKRAMA (Resigned on 29th March 2019)

Mr.Asendra Chaminda SIRIWARDENA (Resigned on 27th March 2019)

Mr.Nandana Jayantha MUNASINGHE (Resigned on 27th March 2019)

Mr.Keerthi Bandara KOTAGAMA (Resigned on 30th March 2019)

Mr.Saadi WADOOD (Resigned on 13th March 2019)

Mr.Meghraj Arvindrao GORE

(Alternate Director to Mr. Rajiv PURI)

Mr.Anurag Kalra

(Alternate Director to Mr. Daljit SINGH & Resigned on 2nd April 2019)

Principal Place of Business & Registered Office

No. 578, Elvitigala Mawatha, Narahenpita, Colombo 05

Tel: +94 11 5430000 Fax: +94 11 4511199

E-mail: info@lankahospitals.com

Web: www.lankahospitals.com


THE LANKA HOSPITALS CORPORATION PLC

Provisional Consolidated Financial Statements for the Quarter ended 31st March 2019

Statement of Financial Position As at,	Group		Company	
	31st March 2019 Rs.	31st Dec 2018 Audited Rs.	31st March 2019 Rs.	31st Dec 2018 Audited Rs.
ASSETS				
Non Current Assets				
Property, Plant & Equipment	4,442,074,257	4,489,065,687	4,045,752,190	4,089,284,845
Intangible Assets	88,416,497	93,890,734	63,500,718	66,992,808
Investment Property	-	-	123,500,000	123,500,000
Advance Lease Premium	220,497,844	217,032,083	220,497,844	217,032,083
Investment in Subsidiary	-	-	414,000,020	414,000,020
Total Non Current Assets	4,750,988,598	4,799,988,504	4,867,250,771	4,910,809,756
Current Assets				
Inventories	394,346,224	369,185,426	309,344,745	285,751,630
Trade & Other Receivables	807,600,575	725,848,269	699,370,039	631,336,828
Amounts due from Related Parties	4,296,824	5,022,039	58,331,501	47,753,546
Economic Service Charge Recoverable	9,241,569	256,632	7,328,608	-
Other Financial Assets	2,875,548,849	2,673,761,224	2,415,548,848	2,328,761,223
Cash and Cash Equivalents	296,124,512	375,496,168	291,205,948	363,730,682
Total Current Assets	4,387,158,554	4,149,569,758	3,781,129,690	3,657,333,909
Total Assets	9,138,147,152	8,949,558,262	8,648,380,461	8,568,143,665
EQUITY AND LIABILITIES				
Equity				
Stated Capital	2,671,543,090	2,671,543,090	2,671,543,090	2,671,543,090
Revaluation Reserve	1,028,709,128	1,028,709,128	962,019,491	962,019,491
Retained Earnings	2,905,117,582	2,754,511,426	2,486,256,606	2,404,221,191
Total Equity	6,605,369,801	6,454,763,644	6,119,819,187	6,037,783,772
Non Current Liabilities				
Employee Benefit Obligations	192,575,801	188,595,352	171,102,024	168,761,834
Deferred Tax Liabilities	1,013,320,030	1,004,320,030	955,651,460	946,651,460
Total Non Current Liabilities	1,205,895,831	1,192,915,382	1,126,753,484	1,115,413,294
Current Liabilities				
Amounts due to Related Parties	4,769,075	6,360,773	4,769,075	4,769,075
Trade & Other Payables	818,107,082	797,186,652	898,551,291	930,390,463
Income Tax Payable	197,857,067	166,523,415	192,339,128	164,032,545
Bank Overdraft	306,148,296	331,808,396	306,148,296	315,754,516
Total Current Liabilities	1,326,881,520	1,301,879,236	1,401,807,790	1,414,946,599
Total Liabilities	2,532,777,351	2,494,794,618	2,528,561,274	2,530,359,893
Total Equity & Liabilities	9,138,147,152	8,949,558,262	8,648,380,461	8,568,143,665

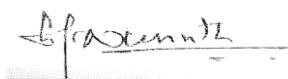
The figures as at 31st March 2019 are provisional and subject to audit.

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


Group Chief Financial Officer

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

Approved and signed for and on behalf of the Board.


Director

Director

Date: 13th May 2019

Colombo

(Amounts in brackets indicate deductions)

THE LANKA HOSPITALS CORPORATION PLC

Provisional Consolidated Financial Statements for the Quarter ended 31st March 2019

Statement of Comprehensive Income

For the 03 months ended,	Group		Company	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	Rs.	Rs.	Rs.	Rs.
Revenue	1,884,748,192	1,701,852,619	1,540,327,158	1,399,483,633
Cost of services	(1,027,331,815)	(967,566,864)	(884,322,126)	(817,056,687)
Gross profit	857,416,377	734,285,755	656,005,032	582,426,946
Other operating income	18,261,636	14,478,730	19,895,136	16,112,230
Administrative expenses	(495,071,508)	(422,214,619)	(382,802,120)	(330,745,047)
Other operating expenses	(171,354,950)	(154,515,902)	(143,689,983)	(132,829,068)
Profit from operations	209,251,555	172,033,964	149,408,065	134,965,062
Finance income	(11,846,487)	68,677,435	(23,600,808)	54,489,194
Profit before tax	197,405,068	240,711,399	125,807,257	189,454,257
Income tax expense	(46,798,911)	(46,230,812)	(43,771,842)	(42,316,227)
Profit for the period	150,606,156	194,480,587	82,035,415	147,138,029
Other comprehensive Income	-	-	-	-
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the period	150,606,156	194,480,587	82,035,415	147,138,029
Basic earnings per share	0.67	0.87	0.37	0.66
Dividend per share	-	1.00	-	1.00

(Amounts in brackets indicate deductions)

THE LANKA HOSPITALS CORPORATION PLC

Provisional Consolidated Financial Statements for the Quarter ended 31st March 2019

Company Statement of Changes in Equity

	Stated capital	Revaluation reserve	Retained earning / (loss)	Total
Balance as at 1st January 2018	2,671,543,090	996,747,320	1,978,640,321	5,646,930,731
Profit for the period (January 2018 - March 2018)	-	-	147,138,029	147,138,029
Dividend Paid	-	-	(223,732,169)	(223,732,169)
Balance as at 31st March 2018	2,671,543,090	996,747,320	1,902,046,181	5,570,336,591
Balance as at 1st January 2019	2,671,543,090	962,019,491	2,404,221,191	6,037,783,772
Profit for the period (January 2019 - March 2019)	-	-	82,035,415	82,035,415
Dividend Paid	-	-	-	-
Balance as at 31st March 2019	2,671,543,090	962,019,491	2,486,256,606	6,119,819,187

Group Statement of Changes in Equity

	Stated capital	Revaluation reserve	Retained earning / (loss)	Total
Balance as at 1st January 2018	2,671,543,090	1,066,204,888	2,282,277,858	6,020,025,836
Profit for the period (January 2018 - March 2018)	-	-	194,480,587	194,480,587
Dividend Paid	-	-	(223,732,169)	(223,732,169)
Balance as at 31st March 2018	2,671,543,090	1,066,204,888	2,253,026,276	5,990,774,254
Balance as at 1 January 2019	2,671,543,090	1,028,709,128	2,754,511,426	6,454,763,644
Profit for the period (January 2019 - March 2019)	-	-	150,606,156	150,606,156
Dividend Paid	-	-	-	-
Balance as at 31st March 2019	2,671,543,090	1,028,709,128	2,905,117,582	6,605,369,801

(Amounts in brackets indicate deductions)

THE LANKA HOSPITALS CORPORATION PLC

Provisional Consolidated Financial Statements for the Quarter ended 31st March 2019

Cash Flow Statement

CASH FLOW FROM OPERATING ACTIVITIES	3 months ended		3 months ended	
	Group		Company	
	31st March 2019 Rs.	31st March 2018 Rs.	31st March 2019 Rs.	31st March 2018 Rs.
Profit before tax	197,405,068	240,711,399	125,807,257	189,454,257
Adjustments for :				
Interest income	(55,941,868)	(45,444,488)	(44,187,547)	(31,256,248)
Depreciation on property, plant and equipment	103,098,523	95,998,280	92,158,079	86,225,966
Amortisation of intangible assets	5,669,237	5,038,504	3,687,089	3,161,356
Amortisation of advance lease premium	1,170,869	1,170,869	1,170,869	1,170,869
Provision for defined benefit obligation	10,040,260	9,483,150	8,400,000	8,296,572
Provision for impairment of trade receivable	2,500,000	(1,404,235)	2,500,000	(1,404,235)
Operating profit before working capital changes	263,942,088	305,553,478	189,535,748	255,648,535
(Increase) / decrease in inventories	(25,160,798)	(7,178,337)	(23,593,115)	(11,269,299)
(Increase) / decrease in trade and other receivables	(93,237,243)	(105,001,063)	(77,861,819)	(84,722,532)
(Increase) / decrease in amounts due from related company	725,215	2,286,839	(10,577,955)	(13,558,913)
Increase / (decrease) in amounts due to related company	(1,591,698)	(6,975,746)	-	-
Increase / (decrease) in trade and other payables	20,920,430	(68,467,536)	(31,839,172)	(60,832,948)
Cash generated from operating activities	165,597,994	120,217,635	45,663,687	85,264,844
Income Tax paid	(6,465,258)	(10,180,205)	(6,465,258)	(10,180,205)
Defined benefit obligation paid	(6,059,808)	(3,447,299)	(6,059,808)	(2,961,029)
Net cash flow from operating activities	153,072,928	106,590,131	33,138,621	72,123,610
Cash flow from investing activities				
Purchase of property, plant and equipment	(56,107,092)	(54,745,010)	(48,625,422)	(46,939,736)
Purchase of Intangible assets	(195,000)	(3,383,941)	(195,000)	(2,440,934)
Advance lease premium paid	(4,636,636)	(4,636,636)	(4,636,636)	(4,636,636)
Interest income	55,941,868	45,444,488	44,187,547	31,256,248
(Investment)/withdrawal in other financial assets	(201,787,625)	91,231,624	(86,787,625)	93,259,317
Net cash flow from investing activities	(206,784,484)	73,910,525	(96,057,135)	70,498,260
Cash flow from financing activities				
Dividend paid	-	(223,732,169)	-	(223,732,169)
Net cash flow from financing activities	-	(223,732,169)	-	(223,732,169)
Net increase in cash and cash equivalents	(53,711,556)	(43,231,513)	(62,918,515)	(81,110,299)
Cash and cash equivalents at the beginning of the year	43,687,772	16,047,990	47,976,166	14,358,291
Cash and cash equivalents at the end of the year (Note A)	(10,023,784)	(27,183,523)	(14,942,348)	(66,752,008)
Note A				
Cash & Cash Equivalents at the end of the Period				
Cash & Cash Equivalents	296,124,512	245,915,994	291,205,948	205,255,491
Bank Overdraft	(306,148,296)	(273,099,517)	(306,148,296)	(272,007,500)
	(10,023,784)	(27,183,523)	(14,942,348)	(66,752,008)

(Amounts in brackets indicate deductions)

THE LANKA HOSPITALS CORPORATION PLC**Provisional Consolidated Financial Statements for the Quarter ended 31st March 2019**

1). Basis of preparation of the Interim Financial Statements

These interim financial statements have been prepared in accordance with 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 31 December 2018.

Further, provisions of the Companies Act No 7 of 2007 have been considered in preparing the interim financial statements of the Company.

Latest Financial statements have been audited for the period ended 31 December 2018.

Figures for the three months are provisional and subject to audit.

2). Comparative figures

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

3). Contingent liabilities

There has been no significant change in the nature of the contingent Liabilities which were disclosed in the annual report for the year ended 31st December 2018.

4). Public Holding

As per the Rule No 8.7 (h) of the Colombo Stock Exchange, percentage of public shareholding as at 31/3/2019 was 16.73% (No of shares 37,433,261) and public shareholders as at 31/3/2019 was 7,304.

5). Revaluation of Assets

The buildings of the Company / Group were revalued as at 31 December 2017 by Messrs A.A.M Fathihu (FIV) chartered valuer. Such assets were valued on current replacement cost basis, the surplus arising from the revaluation was transferred to the revaluation reserve and the value of the buildings of the company / group has been reflected in the financial statements at the revalued amount.

Freehold land of the Company was revalued by Mr A.A.M. Fathihu (FIV), chartered Valuer in 31st December 2018 on current market value basis.

6). Investment in Subsidiary

Investment made in subsidiary represents the acquisition of 41,400,002 shares at a value of Rs. 10 per share of the Lanka Hospitals Diagnostics (Pvt) Ltd, a fully owned subsidiary of the company.

7). Investment Property

Investment property consists of value attributable to 7th floor of the building constructed on leasehold land, which is given on rental to Lanka Hospitals Diagnostics (Private) Limited.

As at 31st December 2018, the fair value of the investment property is based on valuation performed by Mr. A.A.M. Fathihu (FIV), Chartered Valuer, an accredited independent valuer who has appropriate experience in valuation of properties. The valuation is based on current replacement cost method.

THE LANKA HOSPITALS CORPORATION PLC

Provisional Consolidated Financial Statements for the Quarter ended 31st March 2019

Shareholder and Investor Information

Top 20 Shareholding as at 31st March 2019

	Shareholder	No of shares	Holding
1	Sri Lanka Insurance Corporation Ltd - Life Fund	66,097,350	29.54%
2	Fortis Healthcare International Pte Limited	64,120,915	28.66%
3	Sri Lanka Insurance Corporation Ltd - General Fund	56,080,643	25.07%
4	Property Development PLC A/C 01	21,329,000	9.53%
5	Bank of Ceylon A/c Ceybank Unit Trust	2,975,800	1.33%
6	Bank of Ceylon A/c Ceybank Century Growth Fund	845,680	0.38%
7	Deutsche Bank AG as Trustee for Namal Acuity Value Fund	800,000	0.36%
8	Hatton National Bank PLC - Candor Opportunities Fund	500,000	0.22%
9	Dr. Mohommed Rafeed Mubarak	471,686	0.21%
10	Ceylon Investment PLC A/c # 01	448,000	0.20%
11	Bank of Ceylon NO. 1 Account	309,949	0.14%
12	Deutsche Bank AG-National Equity Fund	300,000	0.13%
13	Ceylon Guardian Investment Trust PLC A/C # 01	295,000	0.13%
14	Deutsche Bank AG-As Trustee for Guardian Acuity Equity Fund	249,337	0.11%
15	Sandwave Limited	227,977	0.10%
16	Mrs. Conceicao Aparecida Dos Santos Woodward	220,300	0.10%
17	Mr.Abeyisiri Hemapala Munasinghe	179,471	0.08%
18	Sezeka Limited	166,640	0.07%
19	Mr.Surendran Subramaniam	156,104	0.07%
20	Pinnacle Trust (Pvt) Ltd	112,922	0.05%
		215,886,774	96.49%

Individual / Institution

	No of Shareholders	As %	No of Shares	As %
Individual	7,189	98.39	7,871,698	3.52
Institution	118	1.61	215,860,471	96.48
	7,307	100.00	223,732,169	100.00

Resident / Non-Resident

	No of Shareholders	As %	No of Shares	As %
Resident	7,280	99.63	158,750,933	70.96
Non-Resident	27	0.37	64,981,236	29.04
	7,307	100.00	223,732,169	100.00

Directors'/Senior Management Shareholdings as at 31st March 2019

Board of Directors	Position	No of shares	Holding %
Mr. S.M. FAROOK	Chairman	-	-
Mrs. Umashanthiee RAJAMANTRI	Director	-	-
Mr. Daljit SINGH	Director	-	-
Mr. Thanuja Lasitha WEERATNE	Director	-	-
Dr. Anura WIJewardane	Director	-	-
Ms.Jayanthi GUNewardena	Director	-	-
Ms. Upulangani MALAGAMUWA	Director	-	-
Mr. Raju CHANDIRAM	Director	-	-
Mr. Ajith AMARASEKARA	Director	-	-
Mr. Rajiv PURI	Director	-	-
Mr Anurag KALRA (Alternative Director to Mr.Daljith SINGH)	Alternate Director	-	-
Mr Meghraj Aravindrao GORE (Alternative Director to Mr. Rajiv PURI)	Alternate Director	-	-
Senior Management			
Dr.Prasad Medawatte	Group Chief Executive Officer	-	-

THE LANKA HOSPITALS CORPORATION PLC

Provisional Consolidated Financial Statements for the Quarter ended 31st March 2019

Shareholder and Investor Information (cont.)**Price fluctuation (Market price of Ordinary share)**

	Current Interim Period <i>3 Months ended</i> 31st March 2019	Comparative Period <i>3 months ended</i> 31st March 2018
	Rs.	Rs.
Highest price	47.00	64.00
Lowest price	40.00	56.00
Closing Price	43.70	60.00

Summary of Share Ranges

	Share Range	No of shareholders	No of shares	Holding %
1	1 -1,000	5,964	2,073,576	0.93
2	1001 - 10000	1,235	3,366,673	1.50
3	10,001 - 100,000	87	2,293,122	1.02
4	100,001 - 1,000,000	16	5,395,090	2.41
5	1,000,001 & above	5	210,603,708	94.13
		7,307	223,732,169	100.00

THE LANKA HOSPITALS CORPORATION PLC

Provisional Consolidated Financial Statements for the Quarter ended 31st March 2019

Financial Indicators

	Current Interim Period		Comparative Period	
	Current Period		Immediately Preceding Financial Year	
	3 Months ended 31st March 2019		31st December 2018 (Audited)	
	Group	Company	Group	Company
1 Net asset per share	Rs.	Rs.	Rs.	Rs.
<u>Total Assets - Short Term & Long Term Liabilities</u>	29.52	27.35	28.85	26.99
Total No of Shares				
2 Gearing Ratio				
<u>Total Debt</u>	N/A	N/A	N/A	N/A
Total Equity				
3 Quick Asset Ratio (Times)				
<u>Current Assets-Inventory</u>	3.01	2.48	2.90	2.38
Current Liabilities				
4 Interest Cover				
<u>Profit before interest & tax (PBIT)</u>	N/A	N/A	N/A	N/A
Interest charges				

Corporate Information

Name of the Company

The Lanka Hospitals Corporation PLC

Company Registration No.

PQ 180

Registered Office

No.578, Elvitigala Mawatha,
Narahenpita, Colombo 05, Sri Lanka.

Tel: +94 11 5430000

Fax: +94 11 4511199

E-mail: info@lankahospitals.com

Secretaries & Registrars to Shares

Business Intelligence (Private) Limited

No. 8, Tickell Road,
Colombo 08, Sri Lanka.

Tel: +94 112015900

Fax: +94 112015950

E-mail: ms@msl.lk

Auditors

National Audit Office
306/72, Polduwa Road,
Battaramulla,
Sri Lanka.