

KALAMAZOO SYSTEMS PLC

INTERIM REPORT – FOR THE PERIOD ENDED

30TH SEPTEMBER 2016

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KALAMAZOO SYSTEMS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CONSOLIDATED				COMPANY			
	Rs.'000'		Rs.'000'		Rs.'000'		Rs.'000'	
	QUARTER ENDED		PERIOD ENDED		QUARTER ENDED		PERIOD ENDED	
	30.09.16	30.09.15	30.09.16	30.09.15	30.09.16	30.09.15	30.09.16	30.09.15
UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	
Revenue	2,850	2,763	5,700	5,700	-	-	-	-
Cost of Sales	-	-	-	-	-	-	-	-
Gross Profit	2,850	2,763	5,700	5,700	-	-	-	-
Other Operating Income	131	249	131	251	-	251	-	251
Administration Expenses	(5,699)	(6,810)	(10,581)	(10,656)	(1,098)	(3,300)	(1,098)	(3,855)
Profit from Operations	(2,718)	(3,798)	(4,750)	(4,705)	(1,098)	(3,049)	(1,098)	(3,604)
Net Financing Cost	(84)	79	(150)	192	-	(2)	-	13
Profit before Taxation	(2,802)	(3,720)	(4,900)	(4,513)	(1,098)	(3,051)	(1,098)	(3,592)
Taxation	-	56	-	-	-	-	-	-
Profit for the Period	(2,802)	(3,664)	(4,900)	(4,513)	(1,098)	(3,051)	(1,098)	(3,592)
Other Comprehensive Income	-	(289)	-	(269)	-	(177)	-	(175)
Total Comprehensive Income for the Period	(2,802)	(3,953)	(4,900)	(4,781)	(1,098)	(3,228)	(1,098)	(3,767)
Profit Attributable to :								
Owners of the Company	(2,802)	(3,664)	(4,899)	(4,513)				
Non Controlling Interest	-	-	(1)	-				
Profit for the Period	(2,802)	(3,664)	(4,900)	(4,513)				
Total Comprehensive Income attributable to :								
Owners of the Company	(2,802)	(3,953)	(4,899)	(4,781)				
Non Controlling Interest	-	-	(1)	-				
Total Comprehensive Income for the Period	(2,802)	(3,953)	(4,900)	(4,781)				
Earnings Per Share	(56.04)	(73.28)	(97.98)	(90.25)	(21.96)	(61.02)	(21.96)	(71.83)

KALAMAZOO SYSTEMS PLC

STATEMENTS OF FINANCIAL POSITION

AS AT	CONSOLIDATED		COMPANY	
	30.09.2016 Rs. '000' Unaudited	31.03.2016 Rs. '000' Audited	30.09.2016 Rs. '000' Unaudited	31.03.2016 Rs. '000' Audited
Assets				
Non-Current Assets				
Property, Plant and Equipment	1,932	2,454	97	97
Investment In Subsidiaries	-	-	8,000	8,000
Deferred Tax Assets	6,017	6,017	3,273	3,273
	7,949	8,471	11,370	11,370
Current Assets				
Trade and Other Receivables	12,008	8,900	1,804	1,814
Tax Recoverable	4,382	4,971	4,382	4,373
Amounts Due from Related Companies	3,024	7,599	148	148
Other Financial Assets	-	5,087	-	-
Cash and Cash Equivalents	8,086	4,150	2,735	4,004
	27,500	30,707	9,069	10,339
Total Assets	35,449	39,178	20,439	21,709
Equity and Liabilities				
Capital and Reserves				
Stated Capital	500	500	500	500
Accumulated Profits	13,045	17,944	8,604	9,702
Equity attributable to Parent Company's Shareholders	13,545	18,444	9,104	10,202
Non Controlling Interest	4	5		
Total Equity	13,549	18,449		
Non Current Liabilities				
Retirement Benefit Obligations	5,410	4,626	-	-
	5,410	4,626	-	-
Current Liabilities				
Trade and Other Payables	13,290	13,232	11,332	11,504
Amounts Due to Related Companies	1,072	1,061	3	3
Bank Overdraft	2,128	1,810	-	-
	16,490	16,103	11,335	11,507
Total Liabilities	21,900	20,729	11,335	11,507
Total Equity & Liabilities	35,449	39,178	20,439	21,709
Net Assets per share	270.90	368.88	182.08	204.04

Notes:

The above figures are subject to audit

I certify that the Interim Financial Statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

Priyani Namali
Financial Controller

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

Palitha Gunathilake
Director
09.11.2016

S.V. Rajiyah
Director

KALAMAZOO SYSTEMS PLC
STATEMENTS OF CHANGES IN EQUITY

For the Period ended	Equity Attributable to Owners			Non Controlling	Total
	<u>Stated</u>	<u>Available for Sale</u>	<u>Retained</u>	<u>Interest</u>	
	<u>Capital</u>	<u>Reserve</u>	<u>Earnings</u>		
	RS.000	RS.000	RS.000	RS.000	RS.000
<u>Company</u>					
Balance as at 1st April 2015	500	175	14,385	-	15,060
Profit for the Period	-	-	(3,592)	-	(3,592)
Other Comprehensive Income for the Period	-	(175)	-	-	(175)
Balance as at 30th September 2015	500		10,794	-	11,294
Balance as at 1st April 2016	500	-	9,702	-	10,202
Profit for the Period	-	-	(1,098)	-	(1,098)
Balance as at 30th September 2016	500	-	8,604	-	9,104
<u>Group</u>					
Balance as at 1st April 2015	500	269	26,528	1,464	28,761
Profit for the Period	-	-	(4,513)	-	(4,513)
Other Comprehensive Income for the Period	-	(269)	1	(1,459)	(1,727)
Balance as at 30th September 2015	500	-	22,017	4	22,521
Balance as at 1st April 2016	500	-	17,944	5	18,449
Profit for the Period	-	-	(4,899)	(1)	(4,900)
Balance as at 30th September 2016	500	-	13,045	4	13,549

KALAMAZOO SYSTEMS PLC
STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30th SEPTEMBER

Cash Flow from Operating Activities

Profit/(Loss) Before Tax

Adjustments for

Depreciation

Provision for Retirement Benefit Obligation

Profit/(Loss) on Disposal of Investment

Net Finance Cost

Operating Profit Before Working Capital Changes

Working Capital Changes

(Increase)/Decrease in Inventories

(Increase)/Decrease in Trade and Other Receivables

(Increase)/Decrease in Dues from Related Parties

Increase/(Decrease) in Trade and Other Payables

Increase/(Decrease) in Dues to Related Parties

Cash Generated from Operations

Interest Paid

Tax Paid

Payment of Retirement Benefit Obligation

Net Cash Flows Generated from / (Used in) Operating Activities

Cash Flows from Investing Activities

Proceeds from sale of Investment

Net Cash (Generated from) / Used in Investing Activities

Cash Flows from Financing Activities

Net Cash Flows Generated From / (Used) in Financing Activities

Net Increase/ (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents at the beginning of the Period

Cash and Cash Equivalents at the End of the Period

	GROUP		COMPANY	
	2016 Rs.'000 UNAUDITED	2015 Rs.'000 UNAUDITED	2016 Rs.'000 UNAUDITED	2015 Rs.'000 UNAUDITED
Profit/(Loss) Before Tax	(4,900)	(4,513)	(1,098)	(3,592)
Adjustments for				
Depreciation	522	551	-	29
Provision for Retirement Benefit Obligation	784	284	-	-
Profit/(Loss) on Disposal of Investment	-	(217)	-	(217)
Net Finance Cost	150	76	-	31
Operating Profit Before Working Capital Changes	(3,444)	(3,819)	(1,098)	(3,749)
Working Capital Changes				
(Increase)/Decrease in Inventories	-	1,587	-	1,587
(Increase)/Decrease in Trade and Other Receivables	1,979	(187)	10	4,699
(Increase)/Decrease in Dues from Related Parties	4,575	-	(0)	-
Increase/(Decrease) in Trade and Other Payables	58	6,910	(172)	1,935
Increase/(Decrease) in Dues to Related Parties	11	-	-	-
Cash Generated from Operations	3,179	4,491	(1,261)	4,472
Interest Paid	(150)	-	-	(31)
Tax Paid	589	(76)	(9)	-
Payment of Retirement Benefit Obligation	-	(180)	-	-
Net Cash Flows Generated from / (Used in) Operating Activities	3,618	4,235	(1,269)	4,441
Cash Flows from Investing Activities				
Proceeds from sale of Investment	-	302	-	302
Net Cash (Generated from) / Used in Investing Activities	-	302	-	302
Cash Flows from Financing Activities				
Net Cash Flows Generated From / (Used) in Financing Activities	-	-	-	-
Net Increase/ (Decrease) in Cash and Cash Equivalents	3,618	4,537	(1,269)	4,743
Cash and Cash Equivalents at the beginning of the Period	2,340	746	4,004	395
Cash and Cash Equivalents at the End of the Period	5,958	5,283	2,735	5,138

**KALAMAZOO SYSTEMS PLC
SEGMENT INFORMATION**

	INVESTMENT & SERVICES	
	2,016	2,015
For the Period Ended 30th September		
Revenue	5,700	5,700
Intra Segmental Revenue	-	-
Segment Revenue	5,700	5,700
Segment Net Finance Cost	(150)	192
Profit for the Period	(4,900)	(4,513)
TOTAL ASSETS	35,449	39,716
TOTAL LIABILITIES	21,900	17,194

- Note 1. The above figures are subject to the audit.
2. Figures in brackets indicates deductions

Explanatory notes

1. Basis of preparation

The interim financial statements of Kalamazoo Systems PLC have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 -Interim Financial Reporting. These interim financial statements are to be read in conjunction with the annual financial statements for the year ended 31st March 2016.

2. Comparative figures

The presentation and classification of figures for the corresponding period of the previous year have been rearranged where relevant, to be comparable with those for the current period.

For management purposes, the group is organized in to business units based on their products and services and performance reported under a single segment (i.e. Investment & Services) during the period under review.

3. Stated Capital

The stated capital consists of 50,000 (31st March 2016 – 50,000) Voting shares issued as at 30th September 2016.

4. Contingent liabilities

There is no change in the nature of the contingent liabilities as at 30th September 2016 as compared to the contingent liabilities which were disclosed in the accounts for the year ended 31st March 2016.

5. Market price per share

Market prices for the quarter ended 30th September were:

	2016	2015
Lowest	923.20	1,025.00
Highest	2,200.00	4,440.00
Last traded	944.00	3,039.70

6. Public shareholding

The percentage of shares held by the public as at 30th September 2016 was Voting 29.61% (31st March 2016 - 30.00%). The number of voting shareholders representing the public holding was 553 as at 30th September 2016.

7. Directors' shareholding

The directors' shareholdings are as follows:

Name	As at 30th September 2016	As at 31st March 2016
Mr. S. V Rajiyah	-	-
Mr. P. Gunathilake	-	-
Mr. S. N. Alles	-	-
Mr. M. R. Ratnasabapathy	-	-
Mr. P. S. R. Casiechitty	-	-

8. Significant Events and Transactions

There were no significant events & transactions occurred after the balance sheet date which requires disclosure to the Interim Financial Report other than disclosed below.

- a) The Company resolved on 5th September 2016 to issue shares by way of a rights issue of 60 shares for every one share subject to approval of the shareholders.
- b) The company has resolved to increase the no. of shares by way of share subdivision by subdividing one share in to hundred ordinary shares subject to approval of the shareholders.
- c) The company has further resolved to change its name to Renuka Capital PLC subject to approval of the shareholders.

9. Post Balance Sheet Events

There are no material events that have taken place subsequent to 30th September 2016 which require disclosures or adjustments to the financial statements.

10. Earnings per share

Earnings per share have been calculated by dividing profit attributable to ordinary equity holders by the number of ordinary shares as given in the LKAS 33.

Kalamazoo Systems PLC - Top 20 Major Shareholders

No.	Name	Voting as at 30.09.2016		Voting as at 30.06.2016	
		No. of shares	%	No. of shares	%
1	RENUKA HOLDINGS PLC	35,194	70.39	-	-
2	SIR CHITTAMPALAM A GARDINER TRUST	2,318	4.64	2,318	4.64
3	CYRIL GARDINER (PRIVATE) LIMITED	992	1.98	1,575	3.15
4	MRS. M. J. NIHARA	612	1.22	612	1.22
5	MRS. M. I. EMMANUEL	500	1.00	500	1.00
6	MS. E. I. AMIRTHANAYAGAM	300	0.60	300	0.60
7	MRS. R. L. D. C. MATOTAARACHCHI	261	0.52	261	0.52
8	MR. S. VIJAYAPASKARAN	250	0.50	250	0.50
9	MR. L. L. R. MORROW	224	0.45	224	0.45
10	MR. T. SURENDRAN	204	0.41	204	0.41
11	MRS. W. W. S. PRIYANI	198	0.40	198	0.40
12	MR. L. THIYAGARAJAH	190	0.38	300	0.60
13	RESERVE A/C OF KALAMAZOO SYSTEM PLC	184	0.37	184	0.37
14	MR. R. A. S. MADUSANKA	183	0.37	183	0.37
15	MR. R. L. DIAS	160	0.32	160	0.32
15	MS. R. C. M. C. SETHUKAVALER	160	0.32	160	0.32
17	MR. S. G. N. HERATH, MRS. A. N. HERATH & MS. N. E. HERATH	151	0.30	151	0.30
18	BANSEI SECURITES CAPITAL (PVT) LTD/J. NIROSHKANTI	150	0.30	150	0.30
19	MR.M. A. K. E. FERNANDO	139	0.28	186	0.37
20	MBSL INSURANCE COMPANY LTD	135	0.27	135	0.27
		42,505	85.01	8,051	16.10

CORPORATE INFORMATION

Name of Company

Kalamazoo Systems PLC

Registration No.

PQ 149

Legal Form

Quoted Public Company with Limited Liability

Principal Activity

Investment & Services

Board of Directors

Mr S.V.Rajiyah

Mr. P. Gunathilake

Mr. S. N. Alles

Mr. M. R. Ratnasabapathy

Mr. P. S. R. Casiechitty

Audit Committee

Mr. P. S. R. Casiechitty - Chairman

Mr. M. R. Ratnasabapathy

Mr. S. N. Alles

Related Party Transaction Review Committee *

Mr. T.K.Bandaranayake-Chairman

Mr J.M.Swaminathan

Mr M.S.Dominic

Remuneration Committee *

Mr M.S.Dominic - Chairman

Mr. T.K.Bandaranayake

Mr. L.M.Abeywickrama

Company Secretaries

Renuka Enterprises (Pvt) Ltd

69 Sri Jinaratana Road,

Colombo 2

Registrars

S S P Corporate Services (Pvt) Ltd

546 Galle Road,

Colombo 3

Parent Company

Renuka Holdings PLC

Registered Office

"Renuka House"

69 Sri Jinaratana Road,

Colombo 2

Telephone: 00941-11-2314750-5

Email: info@renukagroup.com

Fax: 00941 11-2445549

Postal Address

P.O.Box 25, Colombo

Stock Exchange Listing

Colombo Stock Exchange

Auditors

Kreston MNS & Co

Legal Consultants

Nithya Partners – Attorneys- at-Law

Bankers

National Development Bank PLC

Commercial Bank of Ceylon PLC

Hatton National Bank PLC

Nations Trust Bank PLC

* Related Party Transaction Review Committee & Remuneration Committee is represented by parent company Directors.