

HUNTER AND COMPANY PLC

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED ON 30TH JUNE 2018



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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30th June	Group			Company		
	2018	2017	Change	2018	2017	Change
	Rs.	Rs.	%	Rs.	Rs.	%
REVENUE	664,394,760	593,570,588	12	222,064,264	190,885,139	16
COST OF SALES	(475,097,223)	(440,319,874)	8	(128,953,436)	(110,882,258)	16
GROSS PROFIT	189,297,537	153,250,714	24	93,110,828	80,002,881	16
Other Operating Income	2,740,858	9,420,681	(71)	512,349	7,138,833	(93)
Establishment & Administration Expenses	(89,676,179)	(79,113,752)	13	(50,148,908)	(44,699,696)	12
Selling & Distribution Expenses	(133,874,123)	(120,126,063)	11	(24,506,293)	(20,177,138)	21
PROFIT FROM OPERATIONS	(31,511,907)	(36,568,420)	(14)	18,967,976	22,264,880	(15)
Finance Income	3,777,922	3,576,016	6	4,763,372	4,314,093	10
Finance Cost	(16,259,440)	(12,379,122)	31	(2,082,438)	(3,359,886)	(38)
PROFIT BEFORE TAX	(43,993,425)	(45,371,526)	(3)	21,648,910	23,219,087	(7)
Income Tax Expenses	(7,200,000)	(7,300,000)	(1)	(7,200,000)	(6,900,000)	4
PROFIT/(LOSS) FOR THE PERIOD	(51,193,425)	(52,671,526)	(3)	14,448,910	16,319,087	(11)
OTHER COMPREHENSIVE INCOME						
Other Comprehensive Income for the period net of Tax	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	(51,193,425)	(52,671,526)	(3)	14,448,910	16,319,087	(11)
Profit/(Loss) attributable to :						
Equity Holders of the Parent	(41,738,314)	(43,322,150)	(4)	-	-	
Non-controlling interest	(9,455,111)	(9,349,376)	1	-	-	
	(51,193,425)	(52,671,526)	(3)	-	-	
Total Comprehensive Income attributable to :						
Equity Holders of the Parent	(41,738,314)	(43,322,150)	(4)	-	-	
Non-controlling interest	(9,455,111)	(9,349,376)	1	-	-	
	(51,193,425)	(52,671,526)	(3)	-	-	
Basic Earnings/(Deficits) per Share	(8.11)	(8.42)		2.81	3.17	

Note :

The above figures are not audited.

Notes on page 07 to 08 form an integral part of these financial statements.

Figures in brackets indicate deductions.

	GROUP		COMPANY	
	30.06.2018	31.03.2018	30.06.2018	31.03.2017
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non Current Assets				
Property, Plant and Equipment	12,557,809,851	12,571,401,388	4,751,821,003	4,752,183,304
Intangible Assets	463,988	579,983	463,988	579,983
Capital work-in-progress	2,685,190	1,926,815	-	-
Investments in Subsidiaries	-	-	56,710,046	56,710,046
	12,560,959,029	12,573,908,186	4,808,995,037	4,809,473,333
CURRENT ASSETS				
Inventories	922,543,304	888,365,655	257,156,619	261,040,533
Trade and Other Receivables	870,882,574	1,080,567,953	241,861,644	232,469,852
Other Current Financial Assets	10,540	10,540	10,540	10,540
Amounts Due from Related Parties	-	-	131,602,764	134,122,134
Cash and Cash Equivalents	191,189,186	193,150,339	109,450,240	104,887,741
	1,984,625,604	2,162,094,487	740,081,807	732,530,800
TOTAL ASSETS	14,545,584,633	14,736,002,673	5,549,076,844	5,542,004,133
EQUITY AND LIABILITIES				
Equity attributable to Shareholders				
Stated Capital	137,290,000	137,290,000	137,290,000	137,290,000
Capital Reserves	7,993,589,349	7,993,589,349	3,434,907,999	3,434,907,999
Revenue Reserves	1,206,520,383	1,248,258,697	487,930,634	473,481,727
Total Equity attributable to Equity Holders	9,337,399,732	9,379,138,046	4,060,128,633	4,045,679,726
Non-controlling Interest	939,485,912	948,941,023	-	-
Total Equity	10,276,885,644	10,328,079,069	4,060,128,633	4,045,679,726
Non Current Liabilities				
Interest Bearing Borrowings	182,821,714	162,186,419	-	-
Deferred Tax Liability	3,405,476,227	3,405,476,227	1,325,597,150	1,325,597,150
Retirement Benefit obligations	53,315,661	51,594,948	16,248,591	15,846,636
	3,641,613,602	3,619,257,594	1,341,845,741	1,341,443,786
Current Liabilities				
Trade and Other Payables	262,411,779	374,199,415	55,326,422	82,968,542
Dividends Payable	4,114,140	4,195,035	2,453,203	2,444,448
Current Income Tax Payable	48,996,349	11,471,654	26,280,677	19,265,376
Short Term Interest Bearing Borrowings	17,300,820	38,338,905	-	-
Bank Overdraft	294,262,299	360,461,001	63,042,168	50,202,255
	627,085,387	788,666,010	147,102,470	154,880,621
TOTAL EQUITY AND LIABILITIES	14,545,584,633	14,736,002,673	5,549,076,844	5,542,004,133
Net Assets per Share	1,814.85	1,822.96	789.14	786.33

The above figures are not audited.

Notes on page 07 to 08 form an integral part of these financial statements.

Figures in brackets indicate deductions.

I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.

Sgd.

S.B.A. Perera

Chief Financial Officer

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

L.C.R. DE C.Wijetunge
Director

D.H.J.Gunawardena
Director

August 13, 2018

STATEMENT OF CHANGES IN EQUITY

For the three months ended 30th June, 2018

Group	Attributable to equity holders of parent					Non Controlling Interest	Total
	Stated Capital	Revaluation Reserves	Available-for-sale Reserves	General Reserves	Retained Earnings		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 1st April 2018	137,290,000	7,993,589,349	5,724	4,285,733	1,243,967,240	948,941,023	10,328,079,069
Loss for the period	-	-	-	-	(41,738,314)	(9,455,111)	(51,193,425)
Other Comprehensive Income	-	-	-	-	-	-	-
As at 30th June 2018	137,290,000	7,993,589,349	5,724	4,285,733	1,202,228,926	939,485,912	10,276,885,644
As at 1st April 2017	137,290,000	4,016,421,251	5,724	4,285,733	1,084,589,090	545,881,918	5,788,473,716
Loss for the period	-	-	-	-	(43,322,150)	(9,349,376)	(52,671,526)
Other Comprehensive Income	-	-	-	-	-	-	-
As at 30th June 2017	137,290,000	4,016,421,251	5,724	4,285,733	1,041,266,940	536,532,542	5,735,802,190

Company	Stated Capital	Capital Reserves	Available-for-sale Reserves	General Reserves	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 1st April 2018	137,290,000	3,434,907,999	5,724	4,105,662	469,370,341	4,045,679,726
Profit for the period	-	-	-	-	14,448,907	14,448,907
Other Comprehensive Income	-	-	-	-	-	-
As at 30th June 2018	137,290,000	3,434,907,999	5,724	4,105,662	483,819,248	4,060,128,633
As at 1st April 2017	137,290,000	1,683,876,251	5,724	4,105,662	418,178,228	2,243,455,865
Profit for the period	-	-	-	-	16,319,087	16,319,087
Other Comprehensive Income	-	-	-	-	-	-
As at 30th June 2017	137,290,000	1,683,876,251	5,724	4,105,662	434,497,315	2,259,774,952

Note :

The above figures are not audited.

Notes on page 07 to 08 form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the three months ended 30th June, 2018

For the three months ended 30th June	Group		Company	
	2018	2017	2018	2017
	Rs.	Rs.	Rs.	Rs.
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Loss Before Tax	(43,993,425)	(45,371,526)	21,648,907	23,219,087
Adjustments for ;				
Provision for Gratuity	2,080,713	1,364,940	761,954	606,673
Depreciation	14,952,936	10,984,426	1,255,325	1,243,232
Bad debts	4,330	-	-	-
Finance Cost	16,259,440	12,379,122	2,082,438	3,359,886
Finance Income	(3,777,922)	(3,576,016)	(4,763,372)	(4,314,093)
Profit on sale of PPE	(19,076)	(3,621,739)	(39,130)	(3,621,739)
Operating Profit before Working Capital changes	(14,493,004)	(27,840,793)	20,946,122	20,493,046
Changes in:				
Inventories	(34,177,648)	(19,502,070)	3,883,914	52,694,080
Trade and Other Receivables	209,681,051	321,079,386	(9,391,791)	21,147,540
Trade and Other Payables	(111,868,533)	(197,284,151)	(27,633,366)	(75,666,590)
Dues from Related Parties	-	-	2,519,370	(25,100,811)
Cash generated from Operations	49,141,866	76,452,372	(9,675,751)	(6,432,735)
Gratuity paid	(360,000)	(870,623)	(360,000)	(293,249)
Taxes paid	30,324,694	6,371,081	(184,699)	(4,021,464)
Net Cash from (used in) Operating Activities	79,106,560	81,952,830	(10,220,450)	(10,747,448)
<u>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</u>				
Purchase of Property, Plant & Equipment	(1,311,458)	(541,955)	(777,028)	(163,155)
Investment in Biological Assets	(758,375)	(18,454,078)	-	-
Proceeds from Sale of Property, Plant and Equipment	85,130	3,621,739	39,130	3,621,739
Finance Income received	3,777,922	3,576,016	4,763,372	4,314,093
Net Cash from (used in) Investing Activities	1,793,219	(11,798,278)	4,025,474	7,772,677
<u>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</u>				
Proceeds/(Repayments) of Long term borrowings (Net)	(402,790)	12,276,101	-	-
Finance cost paid	(16,259,440)	(12,379,122)	(2,082,438)	(3,359,886)
Dividend paid	-	-	-	-
Net Cash from/(used in) Financing Activities	(16,662,230)	(103,021)	(2,082,438)	(3,359,886)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	64,237,549	70,051,531	(8,277,414)	(6,334,657)
Cash and Cash Equivalents at the beginning of the period	(167,310,662)	(99,273,107)	54,685,486	3,314,202
Cash and Cash Equivalents at the end of the Period	(103,073,113)	(29,221,576)	46,408,072	(3,020,455)
NOTE A				
Cash and Cash Equivalents at the Beginning of the period				
Cash and Bank Balances	193,150,339	155,274,730	104,887,741	89,177,143
Less; Bank Overdraft	(360,461,001)	(254,547,837)	(50,202,255)	(85,862,941)
	(167,310,662)	(99,273,107)	54,685,486	3,314,202
NOTE B				
Cash and Cash Equivalents at the end of the period				
Cash and Bank Balances	191,189,186	181,725,483	109,450,240	99,189,863
Less; Bank Overdraft	(294,262,299)	(210,947,059)	(63,042,168)	(102,210,318)
	(103,073,113)	(29,221,576)	46,408,072	(3,020,455)

Note :

The above figures are not audited.

Notes on page 07 to 08 form an integral part of these financial statements.

Figures in brackets indicate deductions.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the three months ended 30th June, 2018

01. CORPORATE INFORMATION

Hunter & Company PLC is a Limited Liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company and the principal place of business are located at No. 130, Front Street, Colombo 11.

02. CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The financial statements for the three months ended 30th June 2018, includes "the Company" referring to Hunter & Company PLC., as the holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

03. APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements of the Group and the Company for the three months ended 30th June 2018 were authorized for issue by the Board of Directors on 13th August 2018.

04. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with Sri Lanka Accounting Standards - LKAS 34 interim financial reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2017.

Accordingly the accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

05. CONTINGENCIES, CAPITAL AND OTHER COMMITMENTS

There has been no significant change in the nature of the contingencies and other commitments.

06. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events subsequent to the reporting date, which require disclosure in the interim financial statements.

09. SEGMENTS INFORMATION

FOR THE THREE MONTHS ENDED ON 30TH JUNE 2018	Retail/Wholesale Trade and Others	Manufacturing	Total
	Rs.	Rs.	Rs.
Total Turnover	289,497,795	442,274,697	731,772,492
Less: Inter Segment Sales/Rendering of Services	(67,377,731)	-	(67,377,731)
Sales to Customers Outside the Company	222,120,064	442,274,697	664,394,760
Depreciation and Amortization	1,260,982	13,691,954	14,952,936
Profit/(Loss) Before Tax	29,341,136	(73,334,561)	(43,993,425)
Property, Plant and Equipment	7,901,641,025	4,656,168,825	12,557,809,851
Intangible Assets	463,988	-	463,988
Current Assets	668,247,205	1,316,378,398	1,984,625,603
Current Liabilities	158,833,438	468,251,949	627,085,387

FOR THE THREE MONTHS ENDED ON 30TH JUNE 2017	Retail/Wholesale Trade and Others	Manufacturing	Total
	Rs.	Rs.	Rs.
Total Turnover	259,782,684	402,712,417	662,495,101
Less: Inter Segment Sales	(68,923,704)	(808)	(68,924,512)
Sales to Customers Outside the Company	190,858,980	402,711,608	593,570,588
Depreciation and Amortization	1,295,763	9,688,662	10,984,426
Profit Before Tax	25,802,478	(71,174,004)	(45,371,526)
Property, Plant and Equipment	2,919,694,582	1,901,349,251	4,821,043,833
Intangible Assets	927,974	-	927,974
Current Assets	603,283,048	1,192,540,414	1,795,823,462
Current Liabilities	163,995,805	347,738,497	511,734,302

10. SHARE INFORMATION

10.1 Stated Capital

Stated capital is represented by number of shares in issue as given below:

As at	30.06.2018	31.03.2018
Ordinary shares	5,145,000	5,145,000

10.2 Net assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 30th June 2018.

As at	30.06.2018	31.03.2018
	Rs. Cts.	Rs. Cts.
Group	1,814.85	1,822.96
Company	789.14	786.33

10.3 Market price per share

For the three months ended 30th June,	2018	2017
	Rs. Cts.	Rs. Cts.
Highest	510.00	430.00
Lowest	401.00	400.00
Last traded	402.10	410.00

10.4 Public share holdings

Percentage of shares held by the public and the number of public shareholders is as given below

As at	30.06.2018	31.03.2017
Public shareholding (%)	29.676%	29.676%
Public shareholders	752	758
Compliant under option 5 - Float adjusted market capitalization (LKR)	613,947,591	

The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

10.5 Directors' share holdings

The number of shares held by the Board of Directors are as follows:

As at	30.06.2018		31.03.2018	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
MR. M.F.DOSSA	600	0.012	600	0.012
MRS. L.R.P.DOSSA	3,617,447	70.310	3,617,447	70.310
MR. L.C.R. DE C.WIJETUNGE	100	0.002	100	0.002
MR. D.H.J.GUNAWARDENA	Nil	Nil	Nil	Nil
MR. N.C.PEIRIS	Nil	Nil	Nil	Nil
MR. S.R.S. DE SARAM	Nil	Nil	Nil	Nil
MR. Y.KANAGASABAI	Nil	Nil	Nil	Nil

10.6 Twenty largest shareholders of the Company:

As at	30.06.2018	
	No. of Shares	% of Shareholding
1 MRS L.R.P. DOSSA	3,617,447	70.310
2 MR T.T.T. AL-NAKIB	633,332	12.310
3 MR K.C. VIGNARAJAH	211,119	4.103
4 MRS A.T.T.T. ALNAKIB	133,630	2.597
5 SEYLAN BANK LIMITED/PRIYANI DHARSHINI RATNAGOPAL	100,000	1.944
6 MIS M.M. HUNTER	81,250	1.579
7 HATTON NATIONAL BANK PLC/CAPITAL TRUST HOLDINGS LIMITED	41,475	0.806
8 BANK OF CEYLON NO. 1 ACCOUNT	27,100	0.527
9 MR A.F. GEBBIE	24,662	0.479
10 MR R. RATNA GOPAL	16,200	0.315
11 MRS. C.A.D.S. WOODWARD	14,900	0.290
12 ENTERPRISE CEYLON CAPITAL (PRIVATE) LIMITED (STOCK DEALER)	13,976	0.272
13 SEYLAN BANK PLC/W.D.N.H.PERERA	13,400	0.260
14 MR M.M.M. MIZVER	7,933	0.154
15 MR G.C. GOONETILLEKE	7,715	0.150
16 MRS S. VIGNARAJAH	7,606	0.148
17 HATTON NATIONAL BANK PLC/SHAKIR ASGERALLY LUKMANJEE	7,600	0.148
18 MCBRIDGE BLUE (PRIVATE) LIMITED	7,500	0.146
19 MR M.M.M. MILFER	6,693	0.130
20 EXPORTERS & CONSUMERS CONSORTIUM (PRIVATE) LTD	5,062	0.098