

HUNTER AND COMPANY PLC

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2018



<i>Statement of Profit or Loss and Other Comprehensive Income</i>	<i>02</i>
<i>Company Statement of Profit or Loss and Other Comprehensive Income</i>	<i>03</i>
<i>Statement of Financial Position</i>	<i>04</i>
<i>Consolidated Statement of Changes in Equity</i>	<i>05</i>
<i>Company Statement of Changes in Equity</i>	<i>05</i>
<i>Statement of Cash Flows</i>	<i>06</i>
<i>Notes to the Interim Financial Statements</i>	<i>07</i>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	For the Quarter ended 31st December			For the Nine months ended 31st December		
	2018	2017	Change	2018	2017	Change
	Rs.	Rs.	%	Rs.	Rs.	%
REVENUE	887,195,178	863,110,063	3	2,347,509,570	2,207,275,520	6
COST OF SALES	(598,921,174)	(577,662,990)	4	(1,628,537,057)	(1,536,296,935)	6
GROSS PROFIT	288,274,004	285,447,073	1	718,972,513	670,978,585	7
Other Operating Income	6,697,716	1,328,123	404	10,236,483	20,147,857	(49)
Establishment & Administration Expenses	(104,088,339)	(77,671,686)	34	(288,548,164)	(244,549,058)	18
Selling & Distribution Expenses	(149,432,588)	(119,348,790)	25	(430,210,853)	(366,605,965)	17
PROFIT FROM OPERATIONS	41,450,793	89,754,720	(54)	10,449,979	79,971,419	(87)
Finance Income	4,080,571	2,525,758	62	11,727,137	10,011,421	17
Finance Cost	(22,669,674)	(11,130,887)	104	(54,172,541)	(32,516,287)	67
PROFIT/(LOSS) BEFORE TAX	22,861,690	81,149,591	(72)	(31,995,425)	57,466,553	(156)
Income Tax Expenses	(3,422,313)	(8,000,000)	(57)	(20,622,313)	(23,000,000)	(10)
PROFIT/(LOSS) FOR THE PERIOD	19,439,377	73,149,591	(73)	(52,617,738)	34,466,553	(253)
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-
Other Comprehensive Income for the period net of Tax	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	19,439,377	73,149,591	(73)	(52,617,738)	34,466,553	(253)
Profit/(Loss) attributable to :						
Equity Holders of the Parent	20,816,300	63,540,495	(67)	(35,017,580)	36,055,231	
Non-controlling interest	(1,376,925)	9,609,096	(114)	(17,600,158)	(1,588,678)	
	19,439,375	73,149,591	(182)	(52,617,738)	34,466,553	
Total Comprehensive Income attributable to :						
Equity Holders of the Parent	20,816,300	63,540,495	(67)	(35,017,580)	36,055,231	
Non-controlling interest	(1,376,925)	9,609,096	(114)	(17,600,158)	(1,588,678)	
	19,439,375	73,149,591	(182)	(52,617,738)	34,466,553	
Basic Earnings/(Deficits) per Share	4.05	12.35		(6.81)	7.01	

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.

COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Company	For the Quarter ended 31st December			For the Nine months ended 31st December		
	2018	2017	Change	2018	2017	Change
	Rs.	Rs.	%	Rs.	Rs.	%
REVENUE	236,513,746	225,553,352	5	699,582,138	638,660,174	10
COST OF SALES	(137,427,425)	(139,679,349)	(2)	(407,588,697)	(387,140,594)	5
GROSS PROFIT	99,086,321	85,874,003	15	291,993,441	251,519,580	16
Other Operating Income	2,137,466	1,122,540	90	3,235,083	24,620,058	(87)
Establishment & Administration Expenses	(59,820,507)	(43,727,140)	37	(160,254,185)	(133,592,224)	20
Selling & Distribution Expenses	(27,048,348)	(22,505,245)	20	(76,816,009)	(66,651,633)	15
PROFIT FROM OPERATIONS	14,354,932	20,764,159	(31)	58,158,330	75,895,781	(23)
Finance Income	4,931,360	5,059,081	(3)	14,402,795	17,023,067	(15)
Finance Cost	(6,822,761)	(970,013)	603	(11,306,203)	(6,089,714)	86
PROFIT BEFORE TAX	12,463,531	24,853,227	(50)	61,254,922	86,829,134	(29)
Income Tax Expenses	(3,422,313)	(7,500,000)	(54)	(18,322,313)	(21,200,000)	(14)
PROFIT/(LOSS) FOR THE PERIOD	9,041,218	17,353,227	(48)	42,932,609	65,629,134	(35)
OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-
Other Comprehensive Income for the period net of Tax	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	9,041,218	17,353,227	(48)	42,932,609	65,629,134	(35)
Basic Earnings/(Deficits) per Share	1.76	3.37		8.34	12.76	

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	
	Un-audited	Audited	Un-audited	Audited
	31.12.2018	31.03.2018	31.12.2018	31.03.2018
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non Current Assets				
Property, Plant and Equipment	12,579,063,360	12,571,401,388	4,767,945,861	4,752,183,304
Intangible Assets	215,516	579,983	215,516	579,983
Capital work-in-progress	4,629,775	1,926,815	-	-
Investments in Subsidiaries	-	-	56,710,046	56,710,046
	12,583,908,651	12,573,908,186	4,824,871,423	4,809,473,333
CURRENT ASSETS				
Inventories	915,232,937	888,365,655	270,431,073	261,040,533
Trade and Other Receivables	910,102,806	1,080,567,693	211,812,146	232,469,852
Other Current Financial Assets	10,540	10,540	10,540	10,540
Amounts Due from Related Parties	-	-	139,799,672	134,122,134
Cash and Cash Equivalents	242,013,026	193,150,339	108,202,006	104,887,741
	2,067,359,309	2,162,094,227	730,255,437	732,530,800
TOTAL ASSETS	14,651,267,960	14,736,002,413	5,555,126,860	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	1,201,664,867	1,248,258,697	504,838,086	473,481,727
Total Equity attributable to Equity Holders	9,332,544,216	9,379,138,046	4,077,036,085	4,045,679,726
Non-controlling Interest	931,340,865	948,941,023	-	-
Total Equity	10,263,885,081	10,328,079,069	4,077,036,085	4,045,679,726
Non Current Liabilities				
Interest Bearing Borrowings	134,511,484	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	66,253,932	51,594,948	16,749,269	15,846,636
	3,606,241,643	3,619,257,594	1,342,346,419	1,341,443,786
Current Liabilities				
Trade and Other Payables	297,104,359	374,199,155	67,982,187	82,968,542
Dividends Payable	4,802,041	4,195,035	3,051,239	2,444,448
Current Income Tax Payable	7,681,404	11,471,654	22,872,462	19,265,376
Short Term Interest Bearing Borrowings	41,540,700	38,338,905	-	-
Bank Overdraft	430,012,732	360,461,001	41,838,468	50,202,255
	781,141,236	788,665,750	135,744,356	154,880,621
TOTAL EQUITY AND LIABILITIES	14,651,267,960	14,736,002,413	5,555,126,860	5,542,004,133
Net Assets per Share	1,813.91	1,822.96	792.43	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.

Sgd.

L. R. P. Dossa

Managing Director

Sgd.

D. H. J. Gunawardena

Director

February 14, 2019

STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December, 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	-	-	-	-	(35,017,580)	(17,600,158)	(52,617,738)
Dividend paid by the Company	-	-	-	-	(11,576,250)	-	(11,576,250)
As at 31st December 2018	137,290,000	7,993,589,349	5,724	4,285,733	1,197,373,410	931,340,865	10,263,885,081
As at 1st April 2017	137,290,000	4,016,421,251	5,724	4,285,733	1,196,021,872	569,118,662	5,923,143,242
Profit/(Loss) for the period	-	-	-	-	36,055,231	(1,588,678)	34,466,553
As at 31st December 2017	137,290,000	4,016,421,251	5,724	4,285,733	1,232,077,103	567,529,984	5,957,609,795

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	-	-	-	-	42,932,610	42,932,610
Dividend Paid	-	-	-	-	(11,576,250)	(11,576,250)
As at 31st December 2018	137,290,000	3,434,907,999	5,724	4,105,662	500,726,700	4,077,036,085
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	-	-	-	-	65,629,134	65,629,134
As at 31st December 2017	137,290,000	1,683,876,251	5,724	4,105,662	483,807,362	2,309,085,000

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 nine months ended 31st December, 2018

Group	Group		Company	
	2018	2017	2018	2017
	Rs.	Rs.	Rs.	Rs.
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit/(Loss) Before Tax	(31,995,424)	57,466,552	61,254,923	86,829,134
Adjustments for ;				
Provision for Gratuity	17,813,179	4,112,564	2,382,882	1,848,146
Depreciation	43,956,064	35,396,609	3,009,223	3,702,058
Bad debts	2,250,318	-	-	-
PPE written-off	-	154,479	-	-
Finance Cost	54,172,541	32,516,287	11,306,203	6,089,714
Finance Income	(11,727,137)	(10,011,421)	(14,402,795)	(14,332,192)
Loss on sale of PPE	(19,076)	(3,621,739)	(39,130)	(3,621,739)
Operating Profit before Working Capital changes	74,450,465	116,013,331	63,511,306	80,515,121
Changes in:				
Inventories	(26,867,282)	(54,831,514)	(9,390,540)	90,502,802
Trade and Other Receivables	168,214,570	104,478,272	20,657,706	(26,007,607)
Trade and Other Payables	(76,487,792)	(87,890,184)	(14,379,564)	(34,625,924)
Dues from Related Parties	-	-	(5,677,538)	(9,336,681)
Cash generated from Operations	139,309,961	77,769,905	54,721,370	101,047,711
Gratuity paid	(3,154,195)	(4,172,420)	(1,480,250)	(1,038,999)
Taxes paid	(24,412,563)	(1,021,634)	(14,715,228)	(11,032,539)
Net Cash from (used in) Operating Activities	111,743,203	72,575,851	38,525,892	88,976,173
<u>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</u>				
Purchase of Property, Plant & Equipment	(51,319,623)	(114,896,265)	(18,407,312)	(593,999)
Investment in Biological Assets	(2,702,960)	(27,271,687)	-	-
Proceeds from Sale of Property, Plant and Equipment	85,130	3,621,739	39,130	3,621,739
Finance Income received	11,727,137	10,011,421	14,402,795	14,332,192
Net Cash from (used in) Investing Activities	(42,210,316)	(128,534,792)	(3,965,387)	17,359,932
<u>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</u>				
Proceeds/(Repayments) of Long term borrowings (Net)	(24,473,140)	73,553,280	-	-
Finance cost paid	(54,172,541)	(32,516,287)	(11,306,203)	(6,089,714)
Dividend paid	(11,576,250)	(22,916,719)	(11,576,250)	(19,293,750)
Net Cash from/(used in) Financing Activities	(90,221,931)	18,120,274	(22,882,453)	(25,383,464)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(20,689,044)	(37,838,667)	11,678,052	80,952,641
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	(187,999,706)	(137,111,774)	66,363,538	84,266,843
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	242,013,026	170,350,278	108,202,006	99,497,091
Less; Bank Overdraft	(430,012,732)	(307,462,052)	(41,838,468)	(15,230,248)
	(187,999,706)	(137,111,774)	66,363,538	84,266,843

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 nine months ended 31st December, 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 nine months ended 31st December 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 nine months ended 31st December 2018 were authorized for issue by the Board of Directors on 12th February 2019.

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 2018.

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.

07. DIVIDENDS PAID

The final ordinary dividend of Rs. 2.25 per share for the year ended 31st March 2018 was paid on 05th October 2018, after it was approved at the Annual General Meeting on the 28th September 2018. Total dividend paid was Rs. 11,576,250.

08. SEGMENTS INFORMATION

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2018	Retail/Wholesale Trade and Others	Manufacturing	Total
	Rs.	Rs.	Rs.
Total Turnover	811,647,483	1,648,677,578	2,460,325,060
Less: Inter Segment Sales/Rendering of Services	(112,814,547)	(944)	(112,815,490)
Sales to Customers Outside the Company	698,832,936	1,648,676,634	2,347,509,570
Depreciation and Amortization	3,020,536	40,935,529	43,956,064
Profit/(Loss) Before Tax	71,569,724	(103,565,149)	(31,995,425)
Property, Plant and Equipment	7,917,760,227	4,661,303,133	12,579,063,360
Intangible Assets	215,516	-	215,516
Current Assets	654,499,346	1,412,859,963	2,067,359,308
Current Liabilities	135,255,599	645,885,636	781,141,235

FOR THE NINE MONTHS ENDED ON 31ST DECEMBER 2017	Retail/Wholesale Trade and Others	Manufacturing	Total
	Rs.	Rs.	Rs.
Total Turnover	752,322,522	1,568,300,011	2,320,622,533
Less: Inter Segment Sales	(113,318,714)	(28,300)	(113,347,014)
Sales to Customers Outside the Company	639,003,808	1,568,271,711	2,207,275,520
Depreciation and Amortization	3,819,027	31,577,582	35,396,609
Profit/(Loss) Before Tax	76,024,619	(18,558,066)	57,466,553
Property, Plant and Equipment	2,917,959,157	1,993,258,797	4,911,217,953
Intangible Assets	695,981	-	695,981
Current Assets	627,102,474	1,409,121,864	2,036,224,338
Current Liabilities	136,931,768	583,497,984	720,429,752

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the nine months ended 31st December, 2018

09. SHARE INFORMATION

08.1 Stated Capital

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

As at	31.12.2018	31.03.2018
Ordinary shares	5,145,000	5,145,000

08.2 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 September 2018.

As at	31.12.2018	31.03.2018
	Rs. Cts.	Rs. Cts.
Group	1,813.91	1,822.96
Company	792.43	786.33

08.3 Market price per share

For the three months ended 31st December,	2018	2017
	Rs. Cts.	Rs. Cts.
Highest	466.00	445.00
Lowest	370.50	381.00
Last traded	400.00	444.80

08.4 Public share holdings

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

As at	31.12.2018	31.03.2018
Public shareholding (%)	29.676%	29.676%
Public shareholders	746	758
Compliant under option 5 - Float adjusted market capitalization (LKR)	610,741,200	

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.

08.5 Directors' share holdings

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

As at	31.12.2018		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

08.6 Twenty largest shareholders of the Company:

As at	31.12.2018	
	No. of Shares	% of Shareholding
1 MRS L.R.P. DOSSA	3,617,447	70.310
2 MR T.T.T. AL-NAKIB	634,032	12.323
3 MR K.C. VIGNARAJAH	211,119	4.103
4 MRS A.T.T.T. ALNAKIB	133,630	2.597
5 SAMPATH BANK PLC/MRS.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	41,848	0.813
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 SEYLAN BANK PLC/W.D.N.H.PERERA	15,600	0.303
12 MRS C.A.D.S. WOODWARD	14,900	0.290
13 ENTERPRISE CEYLON CAPITAL (PRIVATE) LIMITED (STOCK DEALER)	13,976	0.272
14 MR M.M.M. MIZVER	7,933	0.154
15 MR G.C. GOONETILLEKE	7,715	0.150
16 MRS S. VIGNARAJAH	7,608	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