

# **FINANCIAL STATEMENTS**

For the Nine Months ended  
31 December 2009



**LANKA VENTURES PLC**  
Ocean Lines Building  
46/12, Nawam Mawatha  
Colombo 2.


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**LANKA VENTURES PLC**  
**INCOME STATEMENTS (Unaudited)**

	Interim period of 03 Months				Accumulated 09 Months			
	Group		Company		Group		Company	
	Quarter ended 31/12/2009 (Rs. ' 000)	Quarter ended 31/12/2008 (Rs. ' 000)	Quarter ended 31/12/2009 (Rs. ' 000)	Quarter ended 31/12/2008 (Rs. ' 000)	Period ended 31/12/2009 (Rs. ' 000)	Period ended 31/12/2008 (Rs. ' 000)	Period ended 31/12/2009 (Rs. ' 000)	Period ended 31/12/2008 (Rs. ' 000)
Investment Income	15,894	9,347	5,449	3,062	61,783	49,462	31,927	40,528
Interest Income	9,093	13,796	7,921	13,683	27,795	44,599	26,126	44,344
<b>Total Income</b>	<b>24,987</b>	<b>23,143</b>	<b>13,370</b>	<b>16,745</b>	<b>89,578</b>	<b>94,061</b>	<b>58,053</b>	<b>84,872</b>
Other Operating Income	2	250	2	500	20	837	20	1,587
Administrative Expenses	(6,456)	(6,028)	(5,917)	(5,942)	(15,521)	(19,745)	(14,837)	(19,179)
Promotional Expenses	(5)	(7)	(5)	(7)	(47)	(133)	(47)	(133)
Provision for diminution in value of investments	-	-	-	-	-	(15,000)	-	(15,000)
<b>Operating Profit Before Tax</b>	<b>18,528</b>	<b>17,358</b>	<b>7,450</b>	<b>11,296</b>	<b>74,030</b>	<b>60,020</b>	<b>43,189</b>	<b>52,147</b>
Tax	(1,731)	(1,521)	(1,200)	(1,404)	(4,565)	(138,101)	(3,260)	(137,757)
<b>Profit / (Loss) for the Period</b>	<b>16,797</b>	<b>15,837</b>	<b>6,250</b>	<b>9,892</b>	<b>69,465</b>	<b>(78,081)</b>	<b>39,929</b>	<b>(85,610)</b>
Earnings per share (Rs.)	0.34	0.32	0.13	0.20	1.39	(1.56)	0.80	(1.71)

LANKA VENTURES PLC  
BALANCE SHEETS (Unaudited)

	Group As at 31 December 2009	Company As at 31 December 2009	Group As at 31 March 2009 (Audited)	Company As at 31 March 2009 (Audited)
	(Rs. ' 000)	(Rs. ' 000)	(Rs. ' 000)	(Rs. ' 000)
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
Property, Plant and Equipment	633	633	756	756
Investments	397,122	179,967	397,122	179,967
Investment in Subsidiary	-	300,000	-	216,600
Investment in Unit Trust	50,000	50,000	50,000	50,000
Investment Securities	51,000	51,000	16,875	16,875
Investment in Unquoted Debentures	13,500	13,500	13,500	13,500
Non - Current Receivables	67	67	550	550
	<u>512,322</u>	<u>595,167</u>	<u>478,803</u>	<u>478,248</u>
<b>Current Assets</b>				
Dealing Securities	-	-	7,426	7,426
Receivables and Prepayments	27,432	14,176	35,524	28,870
Short Term Investments	129,030	95,153	184,294	184,294
Cash and Cash Equivalents	94,373	13,928	122,114	114,533
	<u>250,835</u>	<u>123,257</u>	<u>349,358</u>	<u>335,123</u>
<b>Total Assets</b>	<b><u>763,157</u></b>	<b><u>718,424</u></b>	<b><u>828,161</u></b>	<b><u>813,371</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Stated Capital	631,638	631,638	631,638	631,638
Retained Profit	127,517	84,142	51,202	37,363
	<u>759,155</u>	<u>715,780</u>	<u>682,840</u>	<u>669,001</u>
<b>Non-Current Liabilities</b>				
Retirement Benefit Obligations	1,435	1,435	1,435	1,435
	<u>1,435</u>	<u>1,435</u>	<u>1,435</u>	<u>1,435</u>
<b>Current Liabilities</b>				
Payables	3,720	3,565	9,859	9,765
Tax Payable	(1,153)	(2,356)	134,027	133,170
	<u>2,567</u>	<u>1,209</u>	<u>143,886</u>	<u>142,935</u>
<b>Total Liabilities</b>	<u>4,002</u>	<u>2,644</u>	<u>145,321</u>	<u>144,370</u>
<b>Total Equity and Liabilities</b>	<b><u>763,157</u></b>	<b><u>718,424</u></b>	<b><u>828,161</u></b>	<b><u>813,371</u></b>
Net Assets per share (Rs.)	15.18	14.32	13.66	13.38



A N Fonseka  
Chairman

  
J D N Kekulavala  
Director

2 February 2010

**STATEMENT OF CHANGES IN EQUITY****Group**

	Stated capital (Rs. ' 000)	Retained profits (Rs. ' 000)	Total (Rs. ' 000)
Balance at 1 April 2008	631,638	216,976	848,614
Net profit	-	(78,081)	(78,081)
Temporary diminution in value of investments	-	(5,590)	(5,590)
Dividend	-	(75,000)	(75,000)
<b>Balance at 31 December 2008</b>	<b>631,638</b>	<b>58,305</b>	<b>689,943</b>
Balance at 1 April 2009	631,638	51,202	682,840
Net profit	-	69,465	69,465
Temporary diminution in value of investments	-	6,850	6,850
Dividend	-	-	-
<b>Balance at 31 December 2009</b>	<b>631,638</b>	<b>127,517</b>	<b>759,155</b>

**STATEMENT OF CHANGES IN EQUITY****Company**

	Stated capital (Rs. ' 000)	Retained profits (Rs. ' 000)	Total (Rs. ' 000)
Balance at 1 April 2008	631,638	213,529	845,167
Net profit	-	(85,610)	(85,610)
Temporary diminution in value of investments	-	(5,590)	(5,590)
Dividend	-	(75,000)	(75,000)
<b>Balance at 31 December 2008</b>	<b>631,638</b>	<b>47,329</b>	<b>678,967</b>
Balance at 1 April 2009	631,638	37,363	669,001
Net profit	-	39,929	39,929
Temporary diminution in value of investments	-	6,850	6,850
Dividend	-	-	-
<b>Balance at 31 December 2009</b>	<b>631,638</b>	<b>84,142</b>	<b>715,780</b>

LANKA VENTURES PLC

CASH FLOW STATEMENTS

Nine months ended 31 December

	Group 2009 (Rs. ' 000)	Company 2009 (Rs. ' 000)	Group 2008 (Rs. ' 000)	Company 2008 (Rs. ' 000)
<b>Operating activities</b>				
Cash generated from operations	71,719	47,420	57,164	54,182
Tax Paid	(139,751)	(138,785)	(10,584)	(10,474)
<b>Net cash from operating activities</b>	<u>(68,032)</u>	<u>(91,365)</u>	<u>46,580</u>	<u>43,708</u>
<b>Investing activities</b>				
Proceeds from disposal of long term investments	24,981	24,981	-	-
Purchase of long term investments	(51,000)	(51,000)	-	-
	239,966	184,300	35,591	35,591
Purchase of property, plant and equipment	(100)	(100)	-	-
Disposal of property, plant and equipment	-	-	(35)	(35)
Investment in Subsidiary	-	(83,400)	-	(40,000)
Venture capital investments	-	-	(58,750)	(18,750)
Proceeds from disposal of dealing securities	11,132	11,132	-	-
Proceeds from disposal / redemption of venture capital investn	-	-	27,863	27,863
Purchase of short term investments	(184,688)	(95,153)	(139,301)	(137,701)
<b>Net cash generated from / (used in) investing activities</b>	<u>40,291</u>	<u>(9,240)</u>	<u>(134,632)</u>	<u>(133,032)</u>
<b>Financing activities</b>				
Dividend paid	-	-	(75,000)	(75,000)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	<u>(27,741)</u>	<u>(100,605)</u>	<u>(163,052)</u>	<u>(164,324)</u>
<b>Movement in cash and cash equivalents</b>				
At start of year	122,114	114,533	166,251	166,564
Increase / (decrease)	(27,741)	(100,605)	(163,052)	(164,324)
<b>At end of period</b>	<u>94,373</u>	<u>13,928</u>	<u>3,199</u>	<u>2,240</u>

**Explanatory Notes :**

1 The financial statements which are subject to audit have been prepared in accordance with Sri Lanka Accounting Standards. There have been no material events subsequent to the end of the period that require disclosure in these notes.

2 The stated capital comprises 50,000,000 Ordinary Shares.

3 Capital commitments outstanding as at 31 December 2009 amounted to Rs 110,200,000.

4 The Market price per share

	<b>2009</b>	<b>2008</b>
<b>for the quarter ended 31 December</b>		
Highest price	Rs. 18.00	9.25
Lowest price	Rs. 14.50	5.00
Market price as at 31 December	Rs. 17.25	6.00

5 Twenty major shareholders of the Company as at 31 December 2009

<b>Name of shareholder/company name</b>	<b>No. of shares</b>	<b>% of issued capital</b>
Development Finance Corp. Of Ceylon	29,119,743	58.23
Hatton National Bank PLC A/C No 1	10,036,250	20.07
Dr. Ayesha Khalil	519,000	1.03
Mr. Ravimohan Surendranath Tissanayagam	483,700	0.96
J.B. Cocoshell (Pvt) Ltd.	479,000	0.95
Belmont Agents Limited	300,000	0.60
Mrs. Muriel Geratrude Kekulawala	270,000	0.54
Harischandra Mills (Distributors) Limited	250,000	0.50
Mr. Anthony Walter Edwards	250,000	0.50
Distilleries Company of Sri Lanka Limited	250,000	0.50
Alliance Finance Company PLC	245,000	0.49
Mr. Addara Pathiranage Somasiri	240,000	0.48
Mr. Jayaprakash Rudra	200,000	0.40
Arunodhaya Ltd	200,000	0.40
Arunodhaya Investments (Pvt) Limited	200,000	0.40
Arunodhaya Industries (Pvt) Limited	170,000	0.34
E.W. Balasuriya & Co. (Pvt) Ltd	165,200	0.33
Mr. Nihal Ajith Gamwara	110,000	0.22
Mrs. Maduwage Lakshmi De Silva	110,000	0.22
Mr. Arunasalam Sithampalam	101,000	0.20
<b>Total</b>	<b><u>43,698,893</u></b>	<b><u>87.36</u></b>

6 Percentage of shares held by public as at 31 December 2009 : 21.68%

7 Directors' shareholding as at 31 March 2009  
Mr. J.D.N. Kekulawala - 6,000