

FINANCIAL STATEMENTS

For the Period Ended
30 JUNE 2023



LANKA VENTURES PLC

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LANKA VENTURES PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited)

(All amounts in Sri Lanka Rupees thousands)

	Group		Company	
	Period ended 30 June		Period ended 30 June	
	2023	2022	2023	2022
Revenue				
Interest income	7,849	973	4,850	58
Subsidiary company income	81,949	70,230	-	-
Other income	1,156	239	12,836	5,170
	90,954	71,443	17,686	5,228
Operating expenses				
Administrative expenses	(11,642)	(11,493)	(9,609)	(8,238)
Sales and establishment expenses	(1,151)	(761)	(902)	(467)
Other operating expenses	(3,134)	(2,917)	(990)	(920)
Direct expenses - other subsidiaries	(41,666)	(35,287)	-	-
Results from operating activities	33,362	20,985	6,185	(4,397)
Share of earnings from equity accounted investees	45,202	(187,018)	(41,676)	(155,952)
Finance cost	(152,466)	(111,431)	(3,871)	(908)
Profit/(loss) before income tax	(73,902)	(277,465)	(39,362)	(161,257)
Tax expense	1,335	203	-	-
Profit/(loss) for the period	(72,567)	(277,262)	(39,362)	(161,257)
Profit/(loss) attributable to:				
Equity holders of the company	(39,362)	(161,257)	(39,362)	(161,257)
Non-controlling interest	(33,205)	(116,005)	-	-
Profit/(loss) for the period	(72,567)	(277,262)	(39,362)	(161,257)
Other comprehensive income, net of income tax				
Items that are or may be re-classified subsequently to profit or loss				
Foreign operations - foreign currency translation difference	(363,222)	771,775	(207,029)	439,895
Share of other comprehensive income from equity accounted investees	(144,931)	-	(82,607)	-
Total other comprehensive income that are or may be re-classified to profit or loss in subsequent period	(508,153)	771,775	(289,636)	439,895
Items that will not be re-classified subsequently to profit or loss				
Defined benefit plan actuarial gains/(losses) net of tax	-	-	-	-
Total other comprehensive income that not will be re-classified to profit or loss in subsequent period	-	-	-	-
Total other comprehensive income for the period, net of income tax	(508,153)	771,775	(289,636)	439,895
Total comprehensive income for the period	(580,720)	494,513	(328,998)	278,638
Total comprehensive income attributable to:				
Equity holders of the company	(328,998)	278,638	(328,998)	278,638
Non-controlling interest	(251,722)	215,875	-	-
Total comprehensive income for the period	(580,720)	494,513	(328,998)	278,638
Basic earnings per share (Rs.)	(0.79)	(3.23)	(0.79)	(3.23)

LANKA VENTURES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

(All amounts in Sri Lanka Rupees thousands)

	Group As at 30 June 2023	Group As at 31 March 2023	Company As at 30 June 2023	Company As at 31 March 2023
Assets				
Non current assets				
Property, plant and equipment	1,588,627	1,609,262	625	710
Right-of-use assets	5,011	6,048	2,255	3,245
Investment in equity accounted investees	6,865,608	7,328,559	3,249,899	3,581,212
Intangible assets	124,053	125,306	-	-
Financial assets measured at fair value through OCI	7,500	7,500	7,500	7,500
Total non current assets	8,590,799	9,076,675	3,260,279	3,592,667
Current assets				
Loans and receivables	281,976	306,982	6,008	2,589
Amounts due from related parties	2,768	1,200	1,100	2,325
Trade and other receivables	564,326	564,837	15	10,913
Income tax receivables	8,111	8,436	1,515	1,515
Cash and cash equivalents	217,435	218,869	122,098	52,013
Total current assets	1,074,616	1,100,324	130,736	69,355
Total assets	9,665,415	10,176,999	3,391,015	3,662,022
Equity				
Stated capital	631,638	631,638	631,638	631,638
Revaluation reserve	6,416	6,416	6,416	6,416
Translation reserve	1,338,368	1,545,397	1,338,368	1,545,397
Cashflow hedge reserve	(729,638)	(647,031)	(729,638)	(647,031)
Retained earnings	2,050,192	2,089,554	2,054,969	2,094,331
Total equity attributable to equity holders of the Company	3,296,976	3,625,974	3,301,753	3,630,751
Non controlling interest	2,602,703	2,854,424	-	-
Total equity	5,899,678	6,480,398	3,301,753	3,630,751
Liabilities				
Non current liabilities				
Defined benefit obligation	3,546	3,477	3,546	3,477
Deferred tax liability	78,763	80,128	-	-
Interest bearing borrowings	3,052,510	3,066,436	-	-
Total non current liabilities	3,134,819	3,150,041	3,546	3,477
Current liabilities				
Interest bearing borrowings	581,847	496,961	6,750	9,000
Lease liability	1,981	2,971	1,980	2,971
Other payables	47,090	45,697	76,986	15,823
Income tax payables	-	931	-	-
Total current liabilities	630,918	546,560	85,716	27,794
Total liabilities	3,765,737	3,696,601	89,262	31,271
Total equity and liabilities	9,665,415	10,176,999	3,391,015	3,662,022
Net assets per share (Rs.)	65.94	72.52	66.04	72.62

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

Sgd.

D L Wijesekara
Finance Manager

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

Signed for and on behalf of the Board.

Sgd.

M R Abeywardena
Director

Sgd.

R A Dassanayake
Director

08 August 2023

LANKA VENTURES PLC
STATEMENT OF CHANGES IN EQUITY (Unaudited)

(All amounts in Sri Lanka Rupees thousands)

Group

	Stated capital	Revaluation reserve	Translation reserve	Cashflow hedge reserve	Retained earnings	Non controlling interest	Total
Balance as at 01 April 2022	631,638	6,416	1,971,875	-	2,148,239	3,779,824	8,537,992
Profit/(loss) for the period	-	-	-	-	(161,257)	(116,005)	(277,262)
Foreign operations - foreign currency translation difference	-	-	439,895	-	-	331,881	771,775
Total comprehensive income for the period	-	-	439,895	-	(161,257)	215,875	494,513
Transactions with equity holders recognized directly in equity							
Dividend paid	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Balance as at 30 June 2022	631,638	6,416	2,411,770	-	1,986,983	3,995,699	9,032,505
Balance as at 01 April 2023	631,638	6,416	1,545,397	(647,031)	2,089,554	2,854,424	6,480,398
Profit/(loss) for the period	-	-	-	-	(39,362)	(33,205)	(72,567)
Foreign operations - foreign currency translation difference	-	-	(207,029)	-	-	(156,193)	(363,222)
Share of other comprehensive income from equity accounted investees	-	-	-	(82,607)	-	(62,324)	(144,931)
Total comprehensive income for the period	-	-	(207,029)	(82,607)	(39,362)	(251,722)	(580,720)
Transactions with equity holders recognized directly in equity							
Dividend paid	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Balance as at 30 June 2023	631,638	6,416	1,338,368	(729,638)	2,050,192	2,602,703	5,899,678

Company

	Stated Capital	Revaluation reserve	Translation reserve	Cashflow hedge reserve	Retained earnings	Total
Balance as at 01 April 2022	631,638	6,416	1,971,876	-	2,156,780	4,766,710
Profit/(loss) for the period	-	-	-	-	(161,257)	(161,257)
Foreign operations - foreign currency translation difference	-	-	439,895	-	-	439,895
Total comprehensive income for the period	-	-	439,895	-	(161,257)	278,639
Transactions with equity holders recognized directly in equity						
Dividend paid	-	-	-	-	-	-
	-	-	-	-	-	-
Balance as at 30 June 2022	631,638	6,416	2,411,771	-	1,995,524	5,045,349
Balance as at 01 April 2023	631,638	6,416	1,545,397	(647,031)	2,094,331	3,630,751
Profit/(loss) for the period	-	-	-	-	(39,362)	(39,362)
Foreign operations - foreign currency translation difference	-	-	(207,029)	-	-	(207,029)
Share of other comprehensive income from equity accounted investees	-	-	-	(82,607)	-	(82,607)
Total comprehensive income for the period	-	-	(207,029)	(82,607)	(39,362)	(328,998)
Transactions with equity holders recognized directly in equity						
Dividend paid	-	-	-	-	-	-
	-	-	-	-	-	-
Balance as at 30 June 2023	631,638	6,416	1,338,368	(729,638)	2,054,969	3,301,753

LANKA VENTURES PLC
CONSOLIDATED STATEMENT OF CASHFLOWS (Unaudited)
(All amounts in Sri Lanka Rupees thousands)

For the period ended 30 June	Group		Company	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit/(loss) before income tax	(73,902)	(277,465)	(39,362)	(161,257)
Adjustments for:				
Amortization of staff cost	37	65	37	65
Depreciation	20,636	17,087	85	85
Amortization of ROUA	990	990	990	990
Amortization of intangible assets	1,289	479	-	-
Share of earnings	(45,202)	187,018	41,676	155,952
Interest income on staff loan	(57)	(106)	(57)	(106)
Provision for defined benefit obligation	300	238	300	238
Interest income on investments	(7,849)	(973)	(4,850)	(58)
Interest expense on lease	429	429	429	429
Interest expense	151,752	109,210	433	472
	48,423	36,971	(318)	(3,190)
Changes in				
Loans and receivables	24,969	(30,142)	(3,419)	83
Amounts due from related parties	(1,056)	(47)	1,225	(1,073)
Other receivables	-	-	10,898	(3,937)
Other payables	1,380	6,333	61,145	1,766
Cash generated from operating activities	73,716	13,115	69,531	(6,352)
Garuity paid	(232)	-	(232)	-
Taxes paid	(634)	(7,680)	-	-
Interest paid	(53,373)	(81,968)	(862)	(901)
Net cash from operating activities	19,477	(76,532)	68,437	(7,253)
Cash flows from investing activities				
Dividend received	-	11,760	-	-
Additions to intangible assets	11	(2,075)	-	-
Interest received	7,906	1,079	4,908	164
Investment in equity accounted investees	-	-	-	-
Additions to property, plant & equipment	-	(7,068)	(18)	(296)
Net cash from investing activities	7,917	3,696	4,890	(132)
Cash flows from financing activities				
Dividend paid	-	-	-	-
Dividend paid to the minority shareholders	-	-	-	-
Lease rental paid	(991)	(1,419)	(991)	(1,419)
Preference dividend paid	-	-	-	-
Shares issued to minority shareholders	-	-	-	-
Cash repayments of cumulative redeemable preference shares	-	-	-	-
Cash proceeds of interest bearing borrowings	-	124,337	-	-
Cash repayments of interest bearing borrowings	(27,837)	(185,097)	(2,250)	(2,550)
Net cash from financing activities	(28,828)	(62,179)	(3,241)	(3,969)
Net increase/(decrease) in cash and cash equivalents	(1,434)	(135,015)	70,086	(11,354)
Cash and cash equivalent as at 01 April	218,869	86,262	52,013	15,609
Cash and cash equivalent as at 30 June	217,435	(48,753)	122,098	4,255

Explanatory Notes :

- 1 The interim financial statements are subject to audit.
- 2 The same accounting policies and methods of computation have been followed in interim financial statements as compared with the most recent audited financial statements.
- 3 The interim financial statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting.
- 4 Where items have been regrouped, comparative information in relation to previous year have been presented in line with information pertaining to the current period.
- 5 Two of our investee companies in Bangladesh namely Lakdhanavi Bangla Power Limited and Feni Lanka Power Limited have USD borrowings as well as a USD revenue component as per the Power Purchase Agreement (PPA) signed with the Bangladesh Power Development Board. Both companies have sufficient USD cash inflows to cover the USD loan repayments. According to IFRS 9 Financial Instruments, the respective investee companies have treated the said transaction as a "Cash Flow Hedge" in the financial statements and the two companies expect to hedge the variability in the cash flows corresponding to the loan repayments attributable to changes in exchange rates over the period.

In this situation, USD borrowing was recognized as the Hedge Instrument and the USD revenue from the PPA is identified as the Hedged Item and both meet the recognition criteria set out in IFRS 9. Further, Hedge Effectiveness appears to be 100%. Accordingly, respective investee companies have applied hedge accounting principles in their financial statements.

Since both these investments are associates, as per the guidelines of LKAS 28 Investments in Associates and Joint Ventures, Company has applied equity method of accounting and recognized relevant share of the profit or loss, other comprehensive income and net assets in its financial statements in respect of these investments.
- 6 The stated capital comprises 50,000,000 Ordinary Shares.
- 7 There were no liabilities for management fees or any other similar expenditure not provided for in interim financial statements.
- 8 There were no contingent liabilities during the period under review that require disclosure in interim financial statements.
- 9 Events occurring after the reporting date: No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the interim financial statements other than those disclosed in these notes.

10 The market price per share:

for the quarter ended 30 June	2023	2022
Highest price	Rs. 39.90	45.00
Lowest price	Rs. 31.20	34.00
Last traded price	Rs. 35.00	38.10

11 Twenty major shareholders of the Company as at 30 June 2023:

Name of shareholder / company name	No. of Shares	% of issued Capital
1 Acuity Partners (Private) Limited	39,790,393	79.58
2 Hatton National Bank PLC-Senfin Growth Fund	943,223	1.89
3 Peoples Leasing & Finance PLC / Mr. L. P. Hapangama	548,269	1.10
4 Hallsville Trading Group INC.	517,176	1.03
5 E. W. Balasuriya & Co. (Private) Limited	438,444	0.88
6 Mr. H. A. Cabraal	308,338	0.62
7 Union Investments (Private) Limited	279,700	0.56
8 Akbar Brothers (Private) Limited A/C No. 01	256,517	0.51
9 Peoples Leasing & Finance PLC / Dr. H. S. D. Soysa & Mrs. G. Soysa	205,895	0.41
10 Mr. C. R. Perera	167,750	0.34
11 Mr. G. D. M. Ranasinghe	160,000	0.32
12 Mr. D. A. Cabraal	150,000	0.30
13 Mr. S. S. Sithambaranathan	121,634	0.24
14 Mr. K. C. Vignarajah	120,682	0.24
15 Peoples Leasing & Finance PLC / Mr. J. M. S. Brito & Mrs. B. S. Brito	120,000	0.24
16 Peoples Leasing & Finance PLC / L. H. L. M. P. Haradasa	118,537	0.24
17 Mrs. M. L. De Silva	110,000	0.22
18 Mr. K. D. S. De Silva	105,000	0.21
19 Dr. W. S. E. Fernando	100,321	0.20
20 Mr. K. T. Konesh	100,000	0.20
Mr. U. D. Wickremesooriya	100,000	0.20
Total	44,761,879	89.53

12 Percentage of shares held by public as at 30 June 2023: 20.42%
No. of public shareholders as at 30 June 2023: 1,257

13 Float adjusted market capitalization as at 30 June 2023 was Rs. 357,350,000/-. In terms of the rule 7.14.1(a) of the Listing Rules of the Colombo Stock Exchange relating to Main Board Listing, the Company complies with the minimum public holding pertaining to option 5.

14 Shareholding of Directors/CEO as at 30 June 2023

	No. of Shares
Mr. P. G. D. B. Pallewatte	Chairman -
Mr. R. A. Dassanayake	Director 1
Mr. M. R. Abeywardena	Director -
Mr. J. D. N. Kekulawala	Director -
Mr. A. G. R. Dissanayake	Director -
Mr. T. Perera	Director -
Mr. K. Jayawardana	Director -
Mr. J. P. I. Gamage	CEO -