

FINANCIAL STATEMENTS

For the Period Ended
31 MARCH 2023



LANKA VENTURES PLC

Ocean Lines Building
46/12, Nawam Mawatha
Colombo 02.

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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)

	Interim period of 3 Months				Accumulated 12 Months			
	Group		Company		Group		Company	
	Period ended 31 March		Period ended 31 March		Period ended 31 March		Period ended 31 March	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue								
Investment income	127	32	12,698	2,215	187	721	19,383	5,800
Interest income	4,297	1,567	1,465	698	27,101	12,459	8,175	3,349
Subsidiary company income	59,066	33,659	-	-	284,082	428,140	-	-
Other income	63	231	331	765	595	9,183	4,437	1,501
	63,553	35,489	14,494	3,678	311,965	450,503	31,995	10,649
Operating expenses								
Administrative expenses	(12,085)	(13,015)	(9,372)	(8,966)	(41,707)	(45,471)	(32,478)	(31,820)
Sales and establishment expenses	(697)	(891)	(583)	(508)	(3,092)	(2,363)	(2,493)	(1,768)
Other operating expenses	(3,891)	(5,543)	(1,196)	(1,012)	(13,651)	(16,217)	(4,508)	(4,494)
Direct expenses - other subsidiaries	(35,074)	(21,880)	-	-	(170,527)	(134,959)	-	-
Results from operating activities	11,806	(5,840)	3,343	(6,808)	82,989	251,493	(7,484)	(27,432)
Share of earnings of equity accounted investees	(36,422)	316,788	(104,482)	102,777	606,427	889,939	(23,320)	364,799
Finance cost	(168,675)	(90,512)	(1,118)	(1,088)	(644,658)	(288,045)	(4,928)	(3,804)
Profit/(loss) before income tax	(193,292)	220,436	(102,257)	94,882	44,758	853,387	(35,732)	333,563
Tax expense	(14,176)	(46,091)	-	-	(149,508)	(170,407)	-	-
Profit/(loss) for the period	(207,469)	174,345	(102,257)	94,882	(104,751)	682,980	(35,732)	333,563
Profit/(loss) attributable to:								
Equity holders of the company	(102,257)	94,882	(102,257)	94,882	(35,732)	333,563	(35,732)	333,563
Non-controlling interest	(105,212)	79,463	-	-	(69,019)	349,417	-	-
Profit/(loss) for the period	(207,469)	174,345	(102,257)	94,882	(104,751)	682,980	(35,732)	333,563
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	(944,000)	2,739,966	(538,059)	1,561,720	(745,139)	2,724,320	(424,713)	1,552,802
Share of OCI from equity accounted investees	(171,925)	-	(97,994)	-	(1,135,186)	-	(647,031)	-
Total other comprehensive income that are or may be re-classified to profit or loss in subsequent period	(1,115,925)	2,739,966	(636,053)	1,561,720	(1,880,325)	2,724,320	(1,071,744)	1,552,802
Items that will not be re-classified subsequently to profit or loss								
Defined benefit plan actuarial gains/(losses) net of tax	-	1,644	-	1,644	(129)	1,611	(129)	1,611
Total other comprehensive income that will not be re-classified to profit or loss in subsequent period	-	1,644	-	1,644	(129)	1,611	(129)	1,611
Total other comprehensive income for the period, net of income tax	(1,115,925)	2,741,610	(636,053)	1,563,364	(1,880,454)	2,725,931	(1,071,873)	1,554,413
Total comprehensive income for the period	(1,323,393)	2,915,955	(738,309)	1,658,245	(1,985,205)	3,408,911	(1,107,605)	1,887,976
Total comprehensive income attributable to:								
Equity holders of the company	(738,309)	1,658,245	(738,309)	1,658,245	(1,107,605)	1,887,976	(1,107,605)	1,887,976
Non-controlling interest	(585,084)	1,257,710	-	-	(877,600)	1,520,935	-	-
Total comprehensive income for the period	(1,323,393)	2,915,955	(738,309)	1,658,245	(1,985,205)	3,408,911	(1,107,605)	1,887,976
Basic earnings per share (Rs.)	(2.05)	1.90	(2.05)	1.90	(0.71)	6.67	(0.71)	6.67

LANKA VENTURES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

(All amounts in Sri Lanka Rupees thousands)

	Group As at 31 March 2023	Company As at 31 March 2023	Group As at 31 March 2022 Audited	Company As at 31 March 2022 Audited
Assets				
Non current assets				
Property, plant and equipment	1,610,020	688	1,678,300	629
Right-of-use assets	6,048	3,245	10,197	7,207
Investment in equity accounted investees	7,323,754	3,612,294	9,264,275	4,705,957
Intangible assets	125,974	-	88,305	-
Financial assets measured at fair value through OCI	7,500	7,500	7,500	7,500
Total non current assets	9,073,296	3,623,726	11,048,577	4,721,293
Current assets				
Loans and receivables	310,232	2,734	249,986	5,282
Amounts due from related parties	477	13,651	847	68,735
Trade and other receivables	658,083	-	719,475	-
Income tax receivables	8,104	1,515	8,327	1,514
Cash and cash equivalents	218,830	52,017	86,262	15,610
Total current assets	1,195,726	69,918	1,064,897	91,141
Total assets	10,269,023	3,693,645	12,113,474	4,812,434
Equity				
Stated capital	631,638	631,638	631,638	631,638
Revaluation reserve	6,416	6,416	6,416	6,416
Translation reserve	1,547,162	1,547,163	1,971,875	1,971,876
Cash flow hedge reserve	(647,031)	(647,031)	-	-
Retained earnings	2,113,778	2,122,319	2,148,239	2,156,780
Total equity attributable to equity holders of the Company	3,651,963	3,660,505	4,758,168	4,766,710
Non controlling interest	2,886,231	-	3,779,824	-
Total equity	6,538,194	3,660,505	8,537,992	4,766,710
Liabilities				
Non current liabilities				
Defined benefit obligation	4,005	4,005	3,338	3,338
Deferred tax liability	80,128	-	39,903	-
Interest bearing borrowings	3,012,872	-	2,909,650	9,000
Lease liability	-	-	2,971	2,971
Total non current liabilities	3,097,005	4,005	2,955,862	15,309
Current liabilities				
Interest bearing borrowings	497,747	9,000	555,600	9,000
Lease liability	2,971	2,971	3,961	3,961
Other payables	129,923	17,164	42,004	17,454
Income tax payables	3,182	-	18,055	-
Total current liabilities	633,824	29,135	619,620	30,415
Total liabilities	3,730,828	33,140	3,575,482	45,724
Total equity and liabilities	10,269,023	3,693,645	12,113,474	4,812,434
Net assets per share (Rs.)	73.04	73.21	95.16	95.33

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

31 May 2023

LANKA VENTURES PLC
STATEMENT OF CHANGES IN EQUITY (Unaudited)
(All amounts in Sri Lanka Rupees thousands)

Group

	Stated capital	Revaluation reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Non controlling interest	Total
Balance as at 01 April 2021	631,638	6,416	-	419,073	1,889,347	2,385,879	5,332,353
Profit/(loss) for the period	-	-	-	-	333,563	349,417	682,980
Foreign operations - foreign currency translation difference	-	-	-	1,552,802	-	1,171,518	2,724,320
Defined benefit plan actuarial gains / (losses)	-	-	-	-	1,611	-	1,611
Total comprehensive income for the period	-	-	-	1,552,802	335,174	1,520,935	3,408,911
Transactions with equity holders recognized directly in equity							
Change in ownership without change in control in subsidiary	-	-	-	-	(1,282)	11,678	10,396
Dividend paid	-	-	-	-	(75,000)	(138,668)	(213,668)
	-	-	-	-	(76,282)	(126,990)	(203,272)
Balance as at 31 March 2022	631,638	6,416	-	1,971,875	2,148,239	3,779,824	8,537,992
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	-	-	-	-	(35,732)	(69,019)	(104,751)
Share of OCI from equity accounted investees	-	-	(647,031)	-	-	(488,155)	(1,135,186)
Foreign operations - foreign currency translation difference	-	-	-	(424,713)	-	(320,426)	(745,139)
Defined benefit plan actuarial gains / (losses)	-	-	-	-	(129)	-	(129)
Total comprehensive income for the period	-	-	(647,031)	(424,713)	(35,861)	(877,600)	(1,985,205)
Transactions with equity holders recognized directly in equity							
Change in ownership without change in control	-	-	-	-	1,400	40,402	41,802
Dividend paid	-	-	-	-	-	(56,395)	(56,395)
	-	-	-	-	1,400	(15,993)	(14,593)
Balance as at 31 March 2023	631,638	6,416	(647,031)	1,547,162	2,113,778	2,886,231	6,538,194

Company

	Stated Capital	Revaluation reserve	Cash flow hedge reserve	Translation reserve	Retained earnings	Total
Balance as at 01 April 2021	631,638	6,416	-	419,074	1,897,888	2,955,016
Profit/(loss) for the period	-	-	-	-	333,563	333,563
Foreign operations - foreign currency translation difference	-	-	-	1,552,802	-	1,552,802
Defined benefit plan actuarial gains / (losses)	-	-	-	-	1,611	1,611
Total comprehensive income for the period	-	-	-	1,552,802	335,174	1,887,976
Transactions with equity holders recognized directly in equity						
Issue of shares by a subsidiary	-	-	-	-	(1,282)	(1,282)
Dividend paid	-	-	-	-	(75,000)	(75,000)
	-	-	-	-	(76,282)	(76,282)
Balance as at 31 March 2022	631,638	6,416	-	1,971,876	2,156,780	4,766,710
Balance as at 01 April 2022	631,638	6,416	-	1,971,876	2,156,780	4,766,710
Profit/(loss) for the period	-	-	-	-	(35,732)	(35,732)
Foreign operations - foreign currency translation difference	-	-	-	(424,713)	-	(424,713)
Share of OCI from equity accounted investees	-	-	(647,031)	-	-	(647,031)
Defined benefit plan actuarial gains / (losses)	-	-	-	-	(129)	(129)
Total comprehensive income for the period	-	-	(647,031)	(424,713)	(35,861)	(1,107,605)
Transactions with equity holders recognized directly in equity						
Change in ownership without change in control	-	-	-	-	1,400	1,400
	-	-	-	-	1,400	1,400
Balance as at 31 March 2023	631,638	6,416	(647,031)	1,547,163	2,122,319	3,660,505

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

For the period ended 31 March	Group		Company	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit/(loss) before income tax	44,758	853,387	(35,732)	333,563
Adjustments for:				
Amortization of staff cost	212	260	212	260
Depreciation	81,478	49,847	255	159
Amortization of ROUA	3,961	4,343	3,961	3,848
Amortization of intangible assets	4,227	-	-	-
Share of earnings	(606,427)	(889,939)	23,320	(364,799)
Interest income on staff loan	(290)	(517)	(290)	(517)
Provision for defined benefit obligation	2,413	944	1,033	944
Interest income on investments	(27,101)	(12,459)	(8,175)	(3,349)
Dividend on preference shares	-	274	-	-
Interest expense on lease	1,716	1,829	1,716	1,829
Interest expense	640,495	282,999	3,122	1,842
	145,440	290,968	(10,579)	(26,220)
Changes in				
Loans and receivables	(60,458)	(108,875)	2,336	567
Amounts due from related parties	370	(267)	55,084	(64,542)
Other receivables	647,403	98,387	-	-
Other payables	87,919	9,414	(290)	2,806
Cash generated from operating activities	820,674	289,627	46,550	(87,389)
Gratuity paid	(1,875)	-	(495)	-
Taxes paid	(17,543)	(43,257)	-	-
Interest paid	(461,604)	(196,099)	(4,838)	(3,671)
Net cash from operating activities	339,652	50,271	41,218	(91,060)
Cash flows from investing activities				
Dividend received	11,760	76,053	-	116,160
Additions to intangible assets	(41,708)	(19,391)	-	-
Interest received	27,591	12,976	8,465	3,866
Investment in equity accounted investees	-	(71,437)	-	-
Additions to property, plant & equipment	(13,198)	(584,322)	(315)	(140)
Net cash from investing activities	(15,555)	(586,121)	8,151	119,886
Cash flows from financing activities				
Dividend paid	-	(75,000)	-	(75,000)
Dividend paid to the minority shareholders by subsidiary	(56,395)	(138,668)	-	-
Lease rental paid	(3,961)	(3,848)	(3,961)	(3,848)
Preference dividend paid	-	(274)	-	-
Shares issued to minority shareholders	41,802	10,396	-	-
Cash repayments of cumulative redeemable preference shares	-	(95,000)	-	-
Cash proceeds of interest bearing borrowings	244,689	1,578,513	-	-
Cash repayments of interest bearing borrowings	(417,664)	(1,122,318)	(9,000)	(11,550)
Net cash from financing activities	(191,529)	153,801	(12,961)	(90,398)
Net increase/(decrease) in cash and cash equivalents	132,568	(382,049)	36,407	(61,572)
Cash and cash equivalent as at 01 April	86,262	468,311	15,610	77,182
Cash and cash equivalent as at 31 March	218,830	86,262	52,017	15,610

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 year ended 31 March	2023	2022
Highest price	Rs. 41.40	64.00
Lowest price	Rs. 30.00	36.00
Last traded price	Rs. 38.00	45.00

- 11 Twenty major shareholders of the Company as at 31 March 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	171,750	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 Dr. W. S. E. Fernando	100,321	0.20
19 Mr. K. T. Konesh	100,000	0.20
Mr. U. D. Wickremesooriya	100,000	0.20
Mr. K. D. S. De Silva	100,000	0.20
20 Mr. B.P. Singhage	75,000	0.15
Total	44,835,879	89.67

- 12 Percentage of shares held by public as at 31 March 2023 : 20.42%
- No. of public shareholders as at 31 March 2023 : 1,260

- 13 Float adjusted market capitalization as at 31 March 2023 was Rs. 387,980,000/-. 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 31 March 2023
- | | No. of Shares |
|-----------------------|---------------|
| Mr. R. A. Dassanayake | 1 |
| Director | |