

LVL ENERGY FUND PLC



FINANCIAL STATEMENTS

For the period ended 31 December 2022

Ocean Lines Building
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Colombo 02.

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LVL ENERGY FUND PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited)

(All amounts in Sri Lanka Rupees thousands)

	Interim period of 03 Months				Accumulated 09 Months			
	Group		Company		Group		Company	
	Period ended 31		Period ended 31		Period ended 31		Period ended 31	
	December		December		December		December	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue								
Investment income	13	262	-	-	60	689	-	-
Interest income	5,311	1,679	4,187	631	16,094	8,242	13,375	2,140
Subsidiary company income	75,877	143,768	-	-	225,016	394,481	-	-
Other income	3	126	1,206	146	199	8,499	2,603	146
	81,204	145,835	5,394	777	241,369	411,910	15,978	2,287
Operating expenses								
Administrative expenses	-	(2,341)	-	(2,341)	(480)	(6,401)	(480)	(6,401)
Sales and establishment expenses	(141)	(50)	-	-	(191)	(103)	-	-
Other operating expenses	(5,676)	(4,085)	(1,904)	(1,539)	(19,462)	(14,087)	(7,355)	(6,574)
Direct expenses - subsidiaries	(46,063)	(41,434)	-	-	(135,453)	(113,079)	-	-
Results from operating activities	29,324	97,925	3,490	(3,103)	85,783	278,240	8,143	(10,689)
Share of profit of equity accounted investees	1,827,034	60,948	1,789,896	112,588	642,849	580,701	435,402	649,144
Finance cost	(186,795)	(68,495)	(113,161)	(58,490)	(475,946)	(195,099)	(301,151)	(165,503)
Profit/(loss) before income tax	1,669,563	90,378	1,680,225	50,995	252,686	663,842	142,395	472,952
Tax expense	(730)	(12,438)	-	-	(135,332)	(124,316)	-	-
Profit/(loss) for the period	1,668,833	77,940	1,680,225	50,995	117,355	539,526	142,395	472,952
Profit/(loss) attributable to:								
Equity holders of the company	1,680,225	50,995	1,680,225	50,995	142,395	472,952	142,395	472,952
Non-controlling interest	(11,392)	26,945	-	-	(25,040)	66,574	-	-
Profit/(loss) for the period	1,668,833	77,940	1,680,225	50,995	117,355	539,526	142,395	472,952
Other comprehensive income, net of income tax								
Items that are or may be re-classified subsequently to profit or loss								
Share of other comprehensive income from equity accounted investees	(963,261)	-	(963,261)	-	(963,261)	-	(963,261)	-
Foreign operations - foreign currency translation difference	(102,295)	(514)	(102,295)	(514)	198,861	(15,646)	198,861	(15,646)
Total other comprehensive income that are or may be re-classified to profit or loss in subsequent period	(1,065,556)	(514)	(1,065,556)	(514)	(764,400)	(15,646)	(764,400)	(15,646)
Items that will not be re-classified subsequently to profit or loss								
Total other comprehensive income that will not be re-classified to profit or loss in subsequent period	-	-	-	-	-	-	-	-
Total other comprehensive income for the period	(1,065,556)	(514)	(1,065,556)	(514)	(764,400)	(15,646)	(764,400)	(15,646)
Total comprehensive income for the period	603,277	77,427	614,669	50,482	(647,045)	523,880	(622,005)	457,306
Total comprehensive income attributable to:								
Equity holders of the company	614,669	50,482	614,669	50,482	(622,005)	457,306	(622,005)	457,306
Non-controlling interest	(11,392)	26,945	-	-	(25,040)	66,574	-	-
Total comprehensive income for the period	603,277	77,427	614,669	50,482	(647,045)	523,880	(622,005)	457,306
Basic earnings per share (Rs.)	2.89	0.09	2.89	0.09	0.24	0.81	0.24	0.81

LVL ENERGY FUND PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

(All amounts in Sri Lanka Rupees thousands)

	Group As at 31 December 2022	Company As at 31 December 2022	Group As at 31 March 2022 Audited	Company As at 31 March 2022 Audited
Assets				
Non current assets				
Property, plant and equipment	1,629,697	2,813	1,677,672	4,396
Right-to-use land	2,850	-	2,990	-
Investment in equity accounted investees	8,294,751	9,808,744	9,264,278	10,660,905
Intangible assets	104,708	-	88,305	-
Total non current assets	10,032,006	9,811,558	11,033,245	10,665,301
Current assets				
Loans and receivables	301,233	2,042	244,704	1,826
Amounts due from related parties	967	38,157	847	56,079
Other receivables	837,845	80,998	719,475	92,758
Income tax receivables	6,589	5,235	6,378	5,236
Cash and cash equivalents	77,266	11,228	70,653	988
Total current assets	1,223,899	137,660	1,042,057	156,887
Total assets	11,255,906	9,949,218	12,075,302	10,822,188
Equity				
Stated capital	2,906,472	2,906,472	2,906,472	2,906,472
Revaluation reserve	9,101	9,101	9,101	9,101
Translation reserve	3,645,793	3,645,793	3,446,932	3,446,932
Cash flow hedge reserve	(963,261)	(963,261)	-	-
Retained earnings	2,023,742	2,038,730	1,878,891	1,893,879
Total equity attributable to equity holders of the Company	7,621,847	7,636,836	8,241,396	8,256,384
Non controlling interest	170,598	-	235,844	-
Total equity	7,792,446	7,636,836	8,477,240	8,256,384
Liabilities				
Non current liabilities				
Interest bearing borrowings	2,872,432	1,865,811	2,900,650	2,031,594
Deferred tax liability	38,230	-	39,903	-
Total non current liabilities	2,910,662	1,865,811	2,940,553	2,031,594
Current liabilities				
Interest bearing borrowings	497,711	444,611	546,601	463,465
Amounts due to related parties	-	-	66,285	66,285
Other payables	51,225	1,960	27,010	4,460
Income tax payable	3,862	-	17,613	-
Total current liabilities	552,799	446,571	657,509	534,210
Total liabilities	3,463,461	2,312,382	3,598,062	2,565,804
Total equity and liabilities	11,255,906	9,949,218	12,075,302	10,822,188
Net assets per share (Rs.)	13.09	13.12	14.15	14.18

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

14 February 2023

LVL ENERGY FUND 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	2,906,472	9,101	-	722,612	1,427,254	207,631	5,273,070
Profit/ (loss) for the period	-	-	-	-	472,952	66,574	539,526
Foreign operations - foreign currency translation difference	-	-	-	(15,646)	-	-	(15,646)
Total comprehensive income for the period	-	-	-	(15,646)	472,952	66,574	523,880
Transactions with equity holders recognized directly in equity							
Dividend paid	-	-	-	-	(203,797)	(38,756)	(242,553)
	-	-	-	-	(203,797)	(38,756)	(242,553)
Balance as at 31 December 2021	2,906,472	9,101	-	706,966	1,696,409	235,449	5,554,397
Balance as at 01 April 2022	2,906,472	9,101	-	3,446,932	1,878,891	235,844	8,477,240
Profit/ (loss) for the period	-	-	-	-	142,395	(25,040)	117,355
Share of other comprehensive income from equity accounted investees	-	-	(963,261)	-	-	-	(963,261)
Foreign operations - foreign currency translation difference	-	-	-	198,861	-	-	198,861
Total comprehensive income for the period	-	-	(963,261)	198,861	142,395	(25,040)	(647,045)
Transactions with equity holders recognized directly in equity							
Change in ownership without change in control	-	-	-	-	2,456	16,189	18,646
Dividend paid	-	-	-	-	-	(56,395)	(56,395)
	-	-	-	-	2,456	(40,206)	(37,749)
Balance as at 31 December 2022	2,906,472	9,101	(963,261)	3,645,793	2,023,742	170,598	7,792,446

Company	Stated capital	Revaluation reserve	Cash Flow Hedge Reserve	Translation reserve	Retained earnings	Total
Balance as at 01 April 2021	2,906,472	9,101	-	722,612	1,442,242	5,080,427
Profit/ (loss) for the period	-	-	-	-	472,952	472,952
Foreign operations - foreign currency translation difference	-	-	-	(15,646)	-	(15,646)
Total comprehensive income for the period	-	-	-	(15,646)	472,952	457,306
Transactions with equity holders recognized directly in equity						
Dividend paid	-	-	-	-	(203,797)	(203,797)
	-	-	-	-	(203,797)	(203,797)
Balance as at 31 December 2021	2,906,472	9,101	-	706,966	1,711,397	5,333,936
Balance as at 01 April 2022	2,906,472	9,101	-	3,446,932	1,893,879	8,256,384
Profit/ (loss) for the period	-	-	-	-	142,395	142,395
Share of other comprehensive income from equity accounted investees	-	-	(963,261)	-	-	(963,261)
Foreign operations - foreign currency translation difference	-	-	-	198,861	-	198,861
Total comprehensive income for the period	-	-	(963,261)	198,861	142,395	(622,005)
Transactions with equity holders recognized directly in equity						
Dividend paid	-	-	-	-	-	-
Change in ownership without change in control	-	-	-	-	2,456	2,456
	-	-	-	-	2,456	2,456
Balance as at 31 December 2022	2,906,472	9,101	(963,261)	3,645,793	2,038,730	7,636,836

LVL ENERGY FUND PLC
CONSOLIDATED STATEMENT OF CASHFLOWS (Unaudited)

(All amounts in Sri Lanka Rupees thousands)

For the period ended 31 December	Group		Company	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit/(loss) before income tax	252,686	663,842	142,395	472,952
Adjustments for:				
Depreciation	60,885	37,334	1,582	1,582
Amortization of intangible assets	2,301	1,056	-	-
Share of profit from equity accounted investees	(642,849)	(580,701)	(435,402)	(649,144)
Interest income on investments	(16,094)	(8,242)	(13,375)	(2,140)
Other income	(199)	(8,499)	(2,603)	(146)
Dividend on preference shares	-	274	-	-
Interest expense	469,844	192,138	297,256	164,329
	126,574	297,203	(10,147)	(12,567)
Changes in				
Loans and receivables	(56,529)	(113,063)	(216)	(1,584)
Amounts due from related parties	(120)	(325)	17,922	(17,997)
Other receivables	570,322	99,223	-	-
Amounts due to related parties	(66,285)	4,409	(66,285)	4,409
Other payables	24,215	14,320	(1,121)	213
Cash generated from operating activities	598,178	301,767	(59,847)	(27,526)
Taxes paid	(17,407)	(35,449)	-	-
Gratuity paid	(1,380)	-	(1,380)	-
Interest paid	(377,409)	(149,079)	(236,986)	(124,730)
Net cash from operating activities	201,982	117,239	(298,213)	(152,257)
Cash flows from investing activities				
Interest received	16,293	16,741	15,978	2,287
Dividend received	11,760	76,053	537,380	395,730
Additions to intangible assets	(18,563)	(5,866)	-	-
Investment in equity accounted investees	-	-	-	(70,000)
Additions to property plant & equipment	(12,910)	(556,728)	-	-
Net cash from investing activities	(3,420)	(469,799)	553,358	328,017
Cash flows from financing activities				
Preference dividend paid	-	(274)	-	-
Cash repayments of cumulative redeemable preference shares	-	(95,000)	-	-
Cash proceeds of interest bearing borrowings	244,689	1,499,303	85,000	850,000
Cash repayments of interest bearing borrowings	(398,889)	(1,076,615)	(329,905)	(911,667)
Share issued to minority shareholders	18,646	(203,797)	-	(203,797)
Dividend paid to minority share holders by subsidiary	(56,395)	(38,756)	-	-
Net cash from financing activities	(191,949)	84,861	(244,905)	(265,464)
Net increase/(decrease) in cash and cash equivalents	6,613	(267,699)	10,241	(89,704)
Cash and cash equivalent as at 01 April	70,653	391,129	988	93,196
Cash and cash equivalent as at 31 December	77,266	123,430	11,229	3,492

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 Translation losses in relation to re-statement of USD denominated debt in respect of the plants in Bangladesh were reclassified from P&L to OCI following the application of hedge accounting by the respective investees which is reviewed by the auditors.
- 6 The stated capital comprises 582,278,117 ordinary shares.
- 7 The Company is charged Rs. 1.65 Mn p.a. as management fees by its parent company, Lanka Ventures PLC.
- 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 31 December	2022	2021
Highest price	7.50	11.00
Lowest price	5.90	10.10
Last traded price	6.00	10.50

- 11 Twenty major shareholders of the Company as at 31 December 2022

Name of shareholder /company name	No. of shares	% of issued capital
1 Lanka Ventures PLC	331,885,609	57.00
2 Mr. M. A. Wijetunge	67,911,668	11.66
3 Sri Lanka Insurance Corporation Limited-General Fund	35,500,000	6.10
4 Phoenix Ventures (Private) Limited	22,268,600	3.82
5 Hatton National Bank PLC - Senfin Growth Fund	4,673,096	0.80
6 Peoples Leasing & Finance PLC / L. P. Hapangama	4,146,425	0.71
7 Mr. M. M. Wijetunge	3,746,104	0.64
8 National Savings Bank	3,597,704	0.62
9 J.B. Cocoshell (Pvt) Ltd	2,900,000	0.50
10 Mr. Ranasinghe Gerald Dave Michael	2,600,000	0.45
11 Merchant Bank of Sri Lanka & Finance PLC 01	2,500,000	0.43
12 Mr. Konesh Kandiah Tharmalingam	2,425,000	0.42
13 Mr. Damian Amal Cabraal	2,200,000	0.38
14 Mr. Sinniah Sellathurai Sithambaranathan	2,040,510	0.35
15 Senkadagala Finance PLC	2,037,110	0.35
16 Peoples Leasing & Finance PLC/L.H.L.M.P. Haradasa	1,799,445	0.31
17 Peoples Bank	1,700,000	0.29
18 Mr. Colombapatabendige Ranjith Perera	1,670,000	0.29
19 Peoples Leasing & Finance PLC/Dr. H.S.D. Soysa & Mrs. G. Soysa	1,590,283	0.27
20 Mr. Hiran Anthony Cabraal	1,500,000	0.26
Total	<u>498,691,554</u>	<u>85.64</u>

- 12 Percentage of shares held by public as at 31 December 2022 : 30.61%
No. of public shareholders as at 31 December 2022 : 1,470
- 13 Float adjusted market capitalization as at 31 December 2022 was Rs. 1,069,411,989.68 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 December 2022

		No. of Shares
Mr. M. A. Wijetunge	Director	67,911,668
Mr. M. M. Wijetunge	Director	3,746,104
Mr. J. D. N. Kekulawala	Director	500,000