

LVL ENERGY FUND PLC



FINANCIAL STATEMENTS
For the period ended 30 September 2024

Ocean Lines Building
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Tel : 2 439 201 Fax : 2 439 203

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 06 Months			
	Group		Company		Group		Company	
	Period ended 30 September		Period ended 30 September		Period ended 30 September		Period ended 30 September	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue								
Subsidiary company income	160,400	83,190	-	-	244,551	165,139	-	-
	160,400	83,190	-	-	244,551	165,139	-	-
Interest income	7,783	2,730	4,850	68	12,350	5,729	5,899	150
Other income	6,058	3,439	1	2,322	73,731	7,495	33	6,181
Operating expenses								
Administrative expenses	-	-	-	-	-	-	-	-
Sales and establishment expenses	-	-	-	-	(46)	(90)	-	-
Other operating expenses	(17,919)	(17,282)	(12,007)	(12,829)	(36,653)	(34,368)	(25,217)	(24,852)
Direct expenses - subsidiaries	(61,079)	(46,815)	-	-	(106,906)	(88,482)	-	-
Results from operating activities	95,243	25,262	(7,156)	(10,439)	187,027	55,423	(19,285)	(18,521)
Share of profit of equity accounted investees	201,173	251,336	239,051	231,139	522,205	296,538	621,002	256,680
Finance cost	(90,161)	(128,885)	(65,919)	(81,327)	(177,530)	(280,466)	(124,995)	(171,907)
Profit/(loss) before income tax	206,255	147,713	165,976	139,373	531,702	71,495	476,722	66,252
Tax expense	(39,500)	(10,693)	(21,810)	-	(38,130)	(9,357)	(21,810)	-
Profit/(loss) for the period	166,755	137,020	144,166	139,373	493,572	62,138	454,912	66,252
Profit/(loss) attributable to:								
Equity holders of the company	144,166	139,373	144,166	139,373	454,912	66,252	454,912	66,252
Non-controlling interest	22,589	(2,353)	-	-	38,660	(4,114)	-	-
Profit/(loss) for the period	166,755	137,020	144,166	139,373	493,572	62,138	454,912	66,252
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	16,861	(117,846)	16,861	(117,846)	(293,876)	(262,776)	(293,876)	(262,776)
Foreign operations - foreign currency translation difference	(288,539)	171,325	(288,539)	171,325	(427,154)	(191,897)	(427,154)	(191,897)
Total other comprehensive income that are or may be re-classified to profit or loss in subsequent period	(271,678)	53,479	(271,678)	53,479	(721,030)	(454,673)	(721,030)	(454,673)
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	(271,678)	53,479	(271,678)	53,479	(721,030)	(454,673)	(721,030)	(454,673)
Total comprehensive income for the period	(104,923)	190,499	(127,512)	192,852	(227,458)	(392,535)	(266,118)	(388,421)
Total comprehensive income attributable to:								
Equity holders of the company	(127,512)	192,852	(127,512)	192,852	(266,118)	(388,421)	(266,118)	(388,421)
Non-controlling interest	22,589	(2,353)	-	-	38,660	(4,114)	-	-
Total comprehensive income for the period	(104,923)	190,499	(127,512)	192,852	(227,458)	(392,535)	(266,118)	(388,421)
Basic earnings per share (Rs.)	0.21	0.24	0.21	0.24	0.69	0.11	0.69	0.11

LVL ENERGY FUND PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

(All amounts in Sri Lanka Rupees thousands)

	Group As at 30 September 2024	Group As at 31 March 2024 Audited	Company As at 30 September 2024	Company As at 31 March 2024 Audited
Assets				
Non current assets				
Property, plant and equipment	1,489,175	1,528,134	-	176
Right-to-use land	2,521	2,614	-	-
Investment in equity accounted investees	6,261,881	6,525,407	7,401,425	7,618,331
Intangible assets	117,919	120,403	-	-
Total non current assets	7,871,496	8,176,558	7,401,425	7,618,507
Current assets				
Loans and receivables	134,746	120,346	127	1,651
Amounts due from related parties	3,588	3,843	20,113	26,166
Other receivables	435,195	495,195	-	60,000
Income tax receivables	8,264	6,602	5,236	5,236
Cash and cash equivalents	333,902	157,416	204,640	1,198
Total current assets	915,695	783,403	230,116	94,251
Total assets	8,787,191	8,959,960	7,631,541	7,712,758
Equity				
Stated capital	3,372,295	2,906,472	3,372,295	2,906,472
Revaluation reserve	9,101	9,101	9,101	9,101
Translation reserve	1,555,278	1,982,432	1,555,278	1,982,432
Cash flow hedge reserve	(1,505,451)	(1,211,575)	(1,505,451)	(1,211,575)
Retained earnings	1,983,554	1,528,642	1,989,482	1,534,570
Total equity attributable to equity holders of the Company	5,414,777	5,215,072	5,420,705	5,221,000
Non controlling interest	170,454	156,596	-	-
Total equity	5,585,231	5,371,668	5,420,705	5,221,000
Liabilities				
Non current liabilities				
Interest bearing borrowings	2,583,767	2,881,315	1,798,679	2,004,797
Deferred tax liability	72,498	74,781	-	-
Total non current liabilities	2,656,265	2,956,096	1,798,679	2,004,797
Current liabilities				
Interest bearing borrowings	475,681	571,475	398,825	484,290
Amounts due to related parties	11,579	746	11,579	746
Other payables	49,136	31,754	1,753	1,925
Income tax payable	9,299	28,221	-	-
Total current liabilities	545,695	632,196	412,157	486,961
Total liabilities	3,201,960	3,588,292	2,210,836	2,491,758
Total equity and liabilities	8,787,191	8,959,960	7,631,541	7,712,758
Net assets per share (Rs.)	8.21	8.96	8.21	8.97

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

11 November 2024

LVL ENERGY FUND PLC
STATEMENT OF CHANGES IN EQUITY (Unaudited)
(All amounts in Sri Lanka Rupees thousands)

Group	Stated capital	Revaluation reserve	Translation reserve	Cash flow hedge reserve	Retained earnings	Non controlling interest	Total
Balance as at 01 April 2023	2,906,472	9,101	2,671,520	(1,135,151)	1,625,274	156,169	6,233,385
Profit/(loss) for the period	-	-	-	-	66,252	(4,114)	62,138
Share of Other Comprehensive Income from Equity Accounted Investees	-	-	-	(262,776)	-	-	(262,776)
Foreign operations - foreign currency translation difference	-	-	(191,897)	-	-	-	(191,897)
Total comprehensive income for the period	-	-	(191,897)	(262,776)	66,252	(4,114)	(392,535)
Transactions with equity holders recognized directly in equity							
Issue of shares by a subsidiary	-	-	-	-	-	-	-
Dividend payable	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Balance as at 30 September 2023	2,906,472	9,101	2,479,623	(1,397,927)	1,691,526	152,055	5,840,850
Balance as at 01 April 2024	2,906,472	9,101	1,982,432	(1,211,575)	1,528,642	156,596	5,371,668
Profit/(loss) for the period	-	-	-	-	454,912	38,660	493,572
Share of Other Comprehensive Income from Equity Accounted Investees	-	-	-	(293,876)	-	-	(293,876)
Foreign operations - foreign currency translation difference	-	-	(427,154)	-	-	-	(427,154)
Total comprehensive income for the period	-	-	(427,154)	(293,876)	454,912	38,660	(227,458)
Transactions with equity holders recognized directly in equity							
Shares issued	465,823	-	-	-	-	-	465,823
Dividend paid	-	-	-	-	-	(24,802)	(24,802)
	465,823	-	-	-	-	(24,802)	441,021
Balance as at 30 September 2024	3,372,295	9,101	1,555,278	(1,505,451)	1,983,554	170,454	5,585,231

Company	Stated capital	Revaluation reserve	Translation reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 01 April 2023	2,906,472	9,101	2,671,520	(1,135,151)	1,631,202	6,083,144
Profit/(loss) for the period	-	-	-	-	66,252	66,252
Share of Other Comprehensive Income from Equity Accounted Investees	-	-	-	(262,776)	-	(262,776)
Foreign operations - foreign currency translation difference	-	-	(191,897)	-	-	(191,897)
Total comprehensive income for the period	-	-	(191,897)	(262,776)	66,252	(388,421)
Transactions with equity holders recognized directly in equity						
Dividend payable	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Balance as at 30 September 2023	2,906,472	9,101	2,479,623	(1,397,927)	1,697,454	5,694,723
Balance as at 01 April 2024	2,906,472	9,101	1,982,432	(1,211,575)	1,534,570	5,221,000
Profit/(loss) for the period	-	-	-	-	454,912	454,912
Share of Other Comprehensive Income from Equity Accounted Investees	-	-	-	(293,876)	-	(293,876)
Foreign operations - foreign currency translation difference	-	-	(427,154)	-	-	(427,154)
Total comprehensive income for the period	-	-	(427,154)	(293,876)	454,912	(266,118)
Transactions with equity holders recognized directly in equity						
Shares issued	465,823	-	-	-	-	465,823
Dividend payable	-	-	-	-	-	-
	465,823	-	-	-	-	465,823
Balance as at 30 September 2024	3,372,295	9,101	1,555,278	(1,505,451)	1,989,482	5,420,705

LVL ENERGY FUND PLC
CONSOLIDATED STATEMENT OF CASHFLOWS (Unaudited)

(All amounts in Sri Lanka Rupees thousands)

For the period ended 30 September	Group		Company	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit/(loss) before income tax	531,702	71,495	476,722	66,252
Adjustments for:				
Depreciation	40,259	41,104	176	1,055
Amortization of intangible assets	2,578	2,578	-	-
Share of profit from equity accounted investees	(522,205)	(296,538)	(621,002)	(256,680)
Interest income on investments	(12,350)	(5,729)	(5,899)	(150)
Other income	(73,731)	(7,495)	(33)	(6,181)
Interest expense	175,708	278,783	124,028	171,902
	141,961	84,198	(26,008)	(23,802)
Changes in				
Loans and receivables	(14,400)	63,051	1,524	(379)
Amounts due from related parties	255	(42,219)	6,053	(29,483)
Other receivables	-	-	-	-
Amounts due to related parties	10,833	(10,913)	10,833	(10,913)
Other payables	17,385	1,389	(139)	556
Cash generated from operating activities	156,034	95,506	(7,737)	(64,021)
Taxes paid	(31,979)	(1,133)	-	-
Gratuity paid	-	-	-	-
Interest paid	(222,107)	(111,786)	(170,706)	(35,742)
Net cash from operating activities	(98,052)	(17,413)	(178,443)	(99,763)
Cash flows from investing activities				
Interest received	86,081	13,224	5,932	6,332
Dividend received	107,174	-	155,035	93,246
Additions to intangible assets	-	-	-	-
Additions to property plant & equipment	(1,300)	(2,037)	-	-
Net cash from investing activities	191,955	11,187	160,967	99,578
Cash flows from financing activities				
Cash proceeds of interest bearing borrowings	-	-	-	-
Cash repayments of interest bearing borrowings	(346,945)	(90,679)	(244,905)	-
Shares issued	465,823	-	465,823	-
Dividend paid to minority share holders by subsidiary	(36,295)	-	-	-
Net cash from financing activities	82,583	(90,679)	220,918	-
Net increase/(decrease) in cash and cash equivalents	176,486	(96,905)	203,442	(185)
Cash and cash equivalent as at 01 April	157,416	166,724	1,198	520
Cash and cash equivalent as at 30 September	333,902	69,819	204,640	335

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 Company has restructured the loan facilities taken from DFCC Bank PLC (DFCC) and National Development Bank PLC (NDB) considering the delay in expected dividend from one of the investee companies. Due to further delay in the said dividend, the Company has obtained an overdraft facility of Rs. 350 Mn from Hatton National Bank PLC (HNB) to meet short term obligations.
- 7 Company raised Rs. 465,822,500/- by way of a Rights Issue. 116,455,625 ordinary shares were issued to the holders of ordinary voting shares of the company based on a ratio of 01 new ordinary voting share for every 05 ordinary voting shares held by such shareholders, at a consideration of Rs. 4/- per share. Objective of the Rights Issue is to settle part of the debt outstanding.
- 8 The stated capital comprises 698,733,742 ordinary shares.
- 9 The Company is charged Rs. 42 Mn p.a. as management fees by its parent company, Lanka Ventures PLC.
- 10 There were no contingent liabilities during the period under review that require disclosure in interim financial statements.
- 11 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.
- 12 The market price per share:

for the quarter ended 30 September	2024	2023
Highest price	5.30	7.00
Lowest price	4.20	5.80
Last traded price	5.10	6.00

13 Twenty major shareholders of the Company as at 30 September 2024

Name of shareholder /company name	No. of shares	% of issued capital
1 Lanka Ventures PLC	386,762,730	55.35
2 Mr. M. A. Wijetunge	67,911,668	9.72
3 Sri Lanka Insurance Corporation Limited-General Fund	35,500,000	5.08
4 Peoples Leasing & Finance PLC / L. P. Hapangama	7,720,807	1.10
5 People's Leasing & Finance PLC / Mr. D. M. P. Disanayake	5,250,868	0.75
6 Arunodhaya Industries (Private) Limited	5,193,312	0.74
7 Dialog Finance PLC / Fors Investment (Private) Limited	5,128,878	0.73
8 J.B. Cocoshell (Pvt) Ltd	4,859,968	0.70
9 Hatton National Bank PLC - Senfin Growth Fund	4,647,715	0.67
10 Mrs. S. Vasudevan	4,274,963	0.61
11 Seylan Bank PLC / Karagoda Loku Gamage Udayananda	4,000,000	0.57
12 Mr. M. M. Wijetunge	3,746,104	0.54
13 Dr. S. I. Bangamuarachchi	3,500,000	0.50
14 Mr. K. C. Vignarajah	2,859,744	0.41
15 Merchant Bank of Sri Lanka & Finance PLC 01	2,850,000	0.41
16 Mr. G. D. M. Ranasinghe	2,800,000	0.40
17 National Savings Bank	2,597,704	0.37
18 Senkadagala Finance PLC	2,444,532	0.35
19 MR. K. T. Konesh	2,425,000	0.35
20 People's Leasing & Finance PLC / L. H. L. M. P. Haradasa	2,279,088	0.33
Total	556,753,081	79.68

14 Percentage of shares held by public as at 30 September 2024 : 34.31%
 No. of public shareholders as at 30 September 2024 : 2,227

15 Float adjusted market capitalization as at 30 September 2024 was Rs. 1,222,651,289/-. In terms of the rule 7.13.1(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.

16 Shareholding of Directors/CEO as at 30 September 2024

No. of Shares

Mr. P. G. D. B. Pallewatte	Chairman	-
Mr. T. Perera	Director	-
Mr. M. A. Wijetunge	Director	67,911,668
Mr. R. A. Dassanayake	Director	1
Mr. M. R. Abeywardena	Director	-
Mr. A. G. R. Dissanayake	Director	-
Mr. M. M. Wijetunge	Director	3,746,104
Mr. J. D. N. Kekulawala	Director	600,000
Mr. K. C. S. Dharmawardana	Director	-
Mr. K. Jayawardana	Director	-
Mr. I. G. J. Palitha	CEO	-

UTILIZATION OF RIGHTS ISSUE PROCEEDS AS AT 30 SEPTEMBER 2024

Objective Number	Objective as per Circular	Amount Allocated as per Circular in LKR	Proposed Date of Utilization as per Circular	Amount Allocated from Proceeds in LKR (A)	% of Total Proceeds	Amount Utilized in LKR (B)	% of Utilization Against Allocation (B/A)	Clarification if not fully utilized including where the funds are invested (e.g. whether lent to related party/s etc.)
1	Capital due on the term loan obtained on 14 March 2022 from Hatton National Bank	15,000,000	14 March 2024	15,000,000	3.22%	15,000,000	100.00%	Not Applicable
2	Capital due on the term loan obtained on 21 March 2019 from DFCC Bank	28,571,428	25 March 2024	28,571,428	6.13%	28,571,428	100.00%	Not Applicable
3	Capital due on the term loan obtained on 25 September 2017 from DFCC Bank	54,666,673	25 March 2024	54,666,673	11.74%	54,666,673	100.00%	Not Applicable
4	Capital due on the term loan obtained on 27 September 2019 from DFCC Bank	13,888,889	29 March 2024	13,888,889	2.98%	13,888,889	100.00%	Not Applicable
5	Capital and interest due on the term loan obtained on 08 May 2019 from NDB Bank	105,200,000	30 April 2024	105,200,000	22.58%	105,200,000	100.00%	Not Applicable
6	Capital and interest due on the term loan obtained on 08 May 2019 from NDB Bank	110,200,000	30 April 2024	110,200,000	23.66%	99,100,000	89.93%	Temporarily invested in a one-month TB Repo at an interest rate of 9.10% p.a. in Acuity Securities Limited
7	Capital due on the term loan obtained on 27 September 2019 from DFCC Bank	13,888,889	29 June 2024	13,888,889	2.98%	13,888,889	100.00%	Not Applicable
8	Capital due on the term loan obtained on 27 September 2019 from DFCC Bank	13,888,889	29 Sep 2024	13,888,889	2.98%	13,888,889	100.00%	Not Applicable
9	Capital due on the term loan obtained on 27 September 2019 from DFCC Bank	13,888,889	29 Dec 2024	13,888,889	2.98%	-	0.00%	Temporarily invested in a three-month TB Repo at an interest rate of 8.85% p.a. in Acuity Securities Limited

10	Capital due on the term loan obtained on 14 March 2022 from Hatton National Bank	15,000,000	16 March 2025	15,000,000	3.22%	-	0.00%	Temporarily invested in a six-month TB Repo at an interest rate of 9.50% p.a. in DFCC Bank
11	Capital due on the term loan obtained on 21 March 2019 from DFCC Bank	28,571,428	25 March 2025	28,571,428	6.13%	-	0.00%	Temporarily invested in a five-month TB Repo at an interest rate of 9.50% p.a. in Acuity Securities Limited
12	Capital due on the term loan obtained on 25 September 2017 from DFCC Bank	53,057,415	25 March 2025	53,057,415	11.39%	-	0.00%	Temporarily invested in a five-month TB Repo at an interest rate of 9.50% p.a. in Acuity Securities Limited