

ADAM INVESTMENTS LIMITED

(Company Registration Number - PV 78150 PB)



Delivering Through Perseverance

QUARTERLY FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30TH SEPTEMBER 2014

ADAM INVESTMENTS LIMITED

NO:264,GRANDPASS ROAD,

COLOMBO 14.

STATEMENT OF FINANCIAL POSITION

FOR QUARTER ENDED 30th SEPTEMBER 2014

In LKR	Company			Group		
	Un Audited		Audited	Un Audited		Audited
	Period Ended 30th Sep 2014	Period Ended 30th Sep. 2013	Year Ended 31-Dec-2013	Period Ended 30th Sep 2014	Period Ended 30th Sep. 2013	Year Ended 31-Dec-2013
ASSETS						
Property, plant and equipment	-	-	-	-	-	-
Investment in Subsidiaries	40	-	20	-	-	-
Investment in Equity accounted Associates	202,507,500	202,507,500	202,507,500	221,448,546	213,471,740	212,436,056
Good will on Acquisition	-	-	-	3,267,708	3,267,708	3,267,708
NON CURRENT ASSETS	202,507,540	202,507,500	202,507,520	224,716,254	216,739,448	215,703,763
Inventories	-	-	-	7,602,062	2,175,284	591,855
Available For Sale Financial Assets	889,808,633	289,094,611	396,142,961	889,808,633	289,094,611	396,142,961
Trade & Other Receivable	-	-	-	713,000	528,300	230,000
Amount Due from Related Companies	170,969,155	28,836,742	57,285,310	172,625,175	28,695,482	56,994,050
Other Receivables	1,010,045	250,000	1,000,000	1,010,045	250,000	1,000,000
Cash & cash equivalents	28,845	48,950	718,326	373,518	83,250	752,646
CURRENT ASSETS	1,061,816,678	318,230,303	455,146,598	1,072,132,433	320,826,927	455,711,513
TOTAL ASSETS	1,264,324,218	520,737,803	657,654,118	1,296,848,688	537,566,375	671,415,276
EQUITY						
Stated capital	714,508,200	316,660,200	316,660,200	714,508,200	316,660,200	316,660,200
Reserve	259,986,797	-	(19,213,606)	259,986,797	-	(19,213,606)
Net profit / (loss) for the Year	64,609,963	104,778,247	123,958,005	88,161,411	119,036,516	137,174,161
TOTAL EQUITY	1,039,104,960	421,438,447	421,404,599	1,062,656,408	435,696,716	434,620,754
LIABILITIES						
NON CURRENT LIABILITIES						
Long Term Loan	140,000,000	-	120,000,000	140,000,000	-	120,000,000
CURRENT LIABILITIES						
Trade & other payable	83,614,320	4,105,771	81,198,436	83,165,580	4,105,771	81,198,436
Amount Due to Related Companies	518,740	10,566,057	30,566,057	9,940,500	13,136,360	31,111,060
Bank Overdraft	1,086,199	84,627,528	4,485,026	1,086,199	84,627,528	4,485,026
TOTAL LIABILITIES	225,219,260	99,299,356	236,249,519	234,192,280	101,869,659	236,794,522
TOTAL EQUITY & LIABILITIES	1,264,324,218	520,737,803	657,654,118	1,296,848,688	537,566,375	671,415,276

We certify that these financial statements have been prepared in compliance with the requirements of the company act No. 07 of 2007.

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

Dr.Lawrence Mervyn Fritsgerald Adams
Director

Malayandi Jeyapragash
Director

APPROVED BY THE BOARD ON 13th November 2014

ADAM INVESTMENTS LIMITED

NO:264,GRANDPASS ROAD,

COLOMBO 14.

STATEMENT OF COMPREHENSIVE INCOME

FOR QUARTER ENDED 30th SEPTEMBER 2014

In LKR	Company				Group			
	Un Audited		Un Audited	Audited	Un Audited		Un Audited	Audited
	Quater Ended	Nine months Ended	Quater Ended	Year Ended	Quater Ended	Nine months Ended	Quater Ended	Year Ended
	30th Sep 2014	30th Sep. 2014	30th Sep. 2013	31-Dec-2013	30th Sep 2014	30th Sep. 2014	30th Sep. 2013	31-Dec-2013
CONTINUING OPERATION								
Turn Over	-	-	-	-	3,067,000	7,555,000	-	4,332,300
Cost of sales	-	-	-	-	(2,177,570)	(5,578,929)	-	(3,830,448)
Direct Income	-	-	-	-	-	-	2,605,300	-
GROSS PROFIT	-	-	-	-	889,430	1,976,071	2,605,300	501,852
Other Income	85,017	290,697	15,729,199	40,903,629	85,017	290,697	15,729,199	40,903,629
Direct expenses	-	-	-	-	-	-	(2,247,019)	-
Administrative expenses	(11,153,917)	(15,456,827)	(274,058)	(1,086,598)	(11,431,417)	(16,108,202)	(605,318)	(1,567,858)
RESULT FROM OPERATING ACTIVITIES	(11,068,899)	(15,166,130)	15,455,140	39,817,031	(10,456,969)	(13,841,434)	15,482,161	39,837,623
Finance cost	(15,157,186)	(39,198,072)	(2,160,184)	(7,342,317)	(15,157,954)	(39,199,966)	(2,160,884)	(7,343,017)
NET FINANCE COST	(15,157,186)	(39,198,072)	(2,160,184)	(7,342,317)	(15,157,954)	(39,199,966)	(2,160,884)	(7,343,017)
Post tax Share of Equity accounted Associate's Profit	-	-	-	-	3,450,688	9,012,490.28	8,031,517.91	6,337,366
PROFIT BEFORE TAX	(26,226,085)	(54,364,202)	13,294,956	32,474,714	(22,164,236)	(44,028,909)	21,352,795	38,831,973
Tax expense	-	-	-	-	-	-	(658,467)	-
PROFIT FROM CONTINUING OPERATION	(26,226,085)	(54,364,202)	13,294,956	32,474,714	(22,164,236)	(44,028,909)	20,694,328	38,831,973
DISCONTINUING OPERATION								
	-	-	-	-	-	-	-	-
PROFIT FOR THE PERIOD	(26,226,085)	(54,364,202)	13,294,956	32,474,714	(22,164,236)	(44,028,909)	20,694,328	38,831,973
OTHER COMPREHENSIVE INCOME								
foreign currency translation differences(Exchange gain/(loss))	-	-	-	-	-	-	-	-
Net changing fair value of available for sale financial assets	11,699,525	279,434,437	-	(19,213,606)	11,699,525	279,434,437	-	(19,213,606)
Defined benefit plan actuarial gains (losses)	-	-	-	-	-	-	-	-
Tax on other comprehensive income	-	-	-	-	-	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD (NET OF TAX)	11,699,525	279,200,404	-	(19,213,606)	11,699,525	279,434,437	-	(19,213,606)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(14,526,560)	224,836,202	13,294,956	13,261,108	(10,464,711)	235,405,528	20,694,328	19,618,366
EPS	(0.06)	(0.12)	0.42	0.10	(0.05)	(0.10)	0.65	0.12

ADAM INVESTMENTS LIMITED

NO:264,GRANDPASS ROAD, COLOMBO 14.

STATEMENT OF CHANGES IN EQUITY

FOR QUARTER ENDED 30th SEPTEMBER 2014

Company	Stated capital	AFS Reserve	Retained profit/ (loss)	Total
In LKR				
Balance at 30th June 2014	714,508,200	248,287,272	90,836,048	1,053,631,520
Impacts of changers in accounting policies	-	-	-	-
Prior year adjustments - Retirement benefit under provision	-	-	-	-
Restated Balance at 30th June 2014	714,508,200	248,287,272	90,836,048	1,053,631,520
Profit	-	-	(26,226,085)	(26,226,085)
Revaluation of property plant & equipment	-	-	-	-
IPO Expences				
Net changing fair value of available for sale financial assets	-	11,699,525	-	11,699,525
Total comprehensive income for the period	-	11,699,525	(26,226,085)	(14,526,560)
Issue of shares	-	-	-	-
Dividends	-	-	-	-
Total contribution by and distribution to the owners of the company	-	-	-	-
Restated Balance at 30th Sep. 2014	714,508,200	259,986,797	64,609,963	1,039,104,960

Group	Stated capital	AFS Reserve	Retained profit/ (loss)	Total
In LKR				
Balance at 30th June 2014	714,508,200	248,287,272	110,325,647	1,073,121,119
Impacts of changers in accounting policies	-	-	-	-
Prior year adjustments - Retirement benefit under provision	-	-	-	-
Restated Balance at 30th June 2014	714,508,200	248,287,272	110,325,647	1,073,121,119
Profit	-	-	(22,164,236)	(22,164,236)
Revaluation of property plant & equipment	-	-	-	-
IPO Expences				
Net changing fair value of available for sale financial assets	-	11,699,525	-	11,699,525
Total comprehensive income for the period	-	11,699,525	(22,164,236)	(10,464,711)
Issue of shares	-	-	-	-
Dividends	-	-	-	-
Total contribution by and distribution to the owners of the company	-	-	-	-
Restated Balance at 30th Sep. 2014	714,508,200	259,986,797	88,161,411	1,062,656,408

ADAM INVESTMENTS LIMITED

NO:264,GRANDPASS ROAD,

COLOMBO 14.

STATEMENT OF CASH FLOW

FOR QUARTER ENDED 30th SEPTEMBER 2014

	Company		Group	
	Un Audited Period Ended 30-Sep-2014	Audited Year Ended 31-Dec-2013	Un Audited Period Ended 30-Sep-2014	Audited 31-Dec-2013
In LKR				
<u>Cash flow from operating activities</u>				
Profit/(loss) before tax	(54,364,202)	32,474,714	(44,028,909)	38,831,973
Adjustments for				
Profit on sale of shares	16,988	(42,327,534)	16,988	(42,327,915)
Post tax Share of Equity accounted Associate's Profit	-	-	(9,012,490)	(6,337,366)
	(54,347,213)	(9,852,820)	(53,024,411)	(9,833,308)
Changes in				
Inventories	-		(7,010,207)	(591,855)
Other Receivables	(10,045)		(10,045)	
Trade & other receivables		(750,000)	(483,000)	(980,000)
Amount Due from Related Companies	(113,683,845)	(48,340,770)	(115,631,125)	(48,049,510)
Amount Due to Related Companies	(30,047,317)	30,566,057	(21,170,560)	31,111,080
Trade & other payables	2,415,885	81,175,568	1,967,165	81,175,568
Director current account	-	96,456,675	-	96,456,675
Cash generated from operations	(141,325,322)	159,107,530	(142,337,772)	159,121,958
Net cash from operating activities	(195,672,535)	149,254,710	(195,362,183)	149,288,650
<u>Cash flow from investing activities</u>				
Sales proceed on sale of shares	854,516	82,871,065	854,516	82,871,445
Investment in associates		-	-	-
Reinvestment of the profit of the sale of share		(40,543,531)		(40,543,531)
Investment in short term investment	(215,336,772)	(315,355,278)	(215,336,772)	(315,355,278)
Net cash used in investing activities	(214,482,257)	(273,027,744)	(214,482,257)	(273,027,364)
<u>Cash flow from financing activities</u>				
IPO Expences	(4,983,840)		(4,983,840)	
Issue of shares	397,848,000	-	397,848,000	
Long term loan	20,000,000	120,000,000	20,000,000	120,000,000
Net cash used in financing activities	412,864,160	120,000,000	412,864,160	120,000,000
Net increase / (decrease) in cash and cash equivalents	2,709,368	(3,773,034)	3,019,721	(3,738,714)
Cash and cash equivalent at 1st January 2014	(3,766,700)	6,334	(3,732,380)	6,334
Cash and cash equivalent at 30th June 2014	(1,057,331)	(3,766,700)	(712,660)	(3,732,380)
<u>Cash & Cash Equivalents</u>				
Pan Asia Bank - Acc No - 034812480121	-	-	344,672.64	34,320.00
Union Bank	-	665,789	-	665,789
Sampath Bank	28,845	48,845	28,845	48,845
DFCC Bank	-	3,692	-	3,692
	28,847	718,326	373,519	752,646
Bank Overdrafts				
Pan Asia Bank	(235)	(4,485,026)	(235)	(4,485,026)
DFCC Bank	(731,294)		(731,294)	
Union Bank - 8604800014	(354,648)		(354,648)	
	(1,086,177)	(4,485,026)	(1,086,177)	(4,485,026)
Net Cash & Cash Equivalents	(1,057,331)	(3,766,700)	(712,660)	(3,732,380)

ADAM INVESTMENTS LIMITED

Notes to the interim financial statements

(In the notes all amounts are shown in Sri Lanka Rupees millions unless otherwise stated)

1. General Information

Adam Investments Limited is a Public Limited Company domiciled in Sri Lanka. It is an investment holding company which holds shares of privately held companies operating in various industries such as manufacturing and exporting of garments for leading global fashion labels, Importing & supplying of Information Technology and total solution provider to computers and accessories , manufacturing of metal hardware items ,importing and installing of Air Conditioners and importing vehicles and vehicle spare parts. The registered office of business is 264, Grandpass Road, Colombo 14.

2. Basis of preparation

The condensed interim financial statements of Adam Investments Limited are for the nine months ended 30 September 2014. They have been prepared in accordance with LKAS 34, Interim Financial Reporting. These interim financial statements have been prepared in accordance with the SLFRS standards and IFRIC interpretations issued and effective as at the time of preparing these statements. The condensed interim financial statements do not include all of the information required for full annual financial statements and have not been audited.

3. Summary of significant accounting policies

The accounting policies adopted are consistent with most recent Audited Financial Statements for the year ended 31st December 2013.

4. Comparatives

Comparatives are provided for the statement of financial position at the date of the last published annual report (31 December 2013) and Quarter ended 30th September 2013.

5. Contingent Liabilities

There have been no material changes to the contingent assets or contingent liabilities since the last annual reporting period.

6. Market Price Per Share

For the Quarter ended 30 September 2014

	2013/2014 – 2 nd Quarter		2014/2015 – 2 nd Quarter	
	Date	Price (Rs)	Date	Price (Rs)
Highest	N/A	N/A	01-07-2014	6.20
Lowest	N/A	N/A	21-08-2014	3.90

Closing	N/A	N/A	-	4.20
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7. Issued Share Capital

The number of Shares issued and fully paid of the Company as at 30th September 2014 is 449,276,200 and value of the Share is Rs.714, 508,200.

8. Net assets per share

	Company		Group	
	30 th Sep. 2014	30 th June 2014	30 th Sep. 2014	30 th June 2014
Net assets per share	2.31	2.35	2.37	2.39

DIRECTORS' AND CEO'S SHAREHOLDING AS AT 30TH SEPTEMBER 2014

	NO OF SHARES	%
Mr. Deshabandhu Dr.A.A.S.Gulamhusein	309,660,200	68.92%
Rev. Dr.L.M.F.Adams	1,000,000	0.22%
Mrs.D.M.Gulamhusein	Nil	-
Mr.T.A.Gulamhusein	Nil	-
Mr.I. Shabbir	4,060,000	0.90%
Mr.M.Jeyapragash	1,000,000	0.22%
Mr.L.W.W. Priyankara	1,000,000	0.22%
Shares held in the following manner		
Seylan Bank LTD/ Mr.G.Ramanan	8,333,400	1.86%
Mr. I.Zahir	Nil	-

ADAM INVESTMENTS LIMITED
MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2014

		No of Shares	(%)
1	DR A A S GULAMHUSEIN	309,660,200	68.924
2	SAMPATH BANK PLC/DR T SENTHILVERL	43,546,250	9.693
3	REDINGTON GLOBAL (PRIVATE) LIMITED	22,000,000	4.897
4	MRS L N BALDSING	17,662,324	3.931
5	COLOMBO METALS (PRIVATE) LIMITED	8,489,839	1.890
6	SEYLAN BANK LTD/GOVINDASAMY RAMANAN	8,333,400	1.855
7	MR G I SHABBIR	4,060,000	0.904
8	COMMERCIAL BANK OF CEYLON PLC/CEYLON & FOREIGN TRADES PLC	3,000,000	0.668
9	SEYLAN BANK PLC/AASIRI MANMOHAN IDDAMALGODA	1,965,798	0.438
10	BANK OF CEYLON A/C CEYBANK UNIT TRUST	1,909,512	0.425
11	COMMERCIAL BANK OF CEYLON PLC/S A GULAMHUSEIN	1,880,000	0.418
12	MR S C HITHTHATYAGE	1,182,531	0.263
13	DR L M F ADAMS	1,000,000	0.223
14	MR M JEYAPRAGASH	1,000,000	0.223
15	MR L W W PRIYANKARA	1,000,000	0.223
16	MR C R PERERA	800,000	0.178
17	MR W JINADASA	720,000	0.160
18	MR P RAMACHANDRAN	600,000	0.134
19	SEYLAN BANK PLC/SPICE OF LIFE (PVT) LTD	506,961	0.113
20	DFCC VARDHANA BANK LTD/MRS P RAMACHANDRA	500,000	0.111
21	MR S DISSANAYAKE	500,000	0.111
22	MR C P LINLANHAI AND MISS C A L LAANU	500,000	0.111
		430,816,815	95.891
	OTHERS	18,459,385	4.109
	TOTAL	449,276,200	100.00

Public Holding percentage as at 30th September 2014 - 17.97% comprising of 927 shareholders.