

EQUITY TWO PLC

INTERIM REPORT FOR THE YEAR ENDED 31ST MARCH 2021

A CARSON CUMBERBATCH COMPANY

EQUITY TWO PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All figures are in Sri Lankan Rupees Thousands)

	Three months ended			Year ended		
	31st March			31st March		
	2021	2020	Change %	2021	2020	Change %
Revenue	32,904	33,511	(2)	125,255	141,254	(11)
Direct cost	(8,830)	(8,424)	5	(33,880)	(38,312)	(12)
	24,074	25,087	(4)	91,375	102,942	(11)
Other income	783	2,642	(70)	1,121	3,118	(64)
Net gains arising from changes in fair value of investment properties	1,590	1,480	7	1,590	1,480	7
	26,447	29,209	(9)	94,086	107,540	(13)
Administrative and other operating expenses	(2,267)	(2,016)	12	(7,951)	(8,970)	(11)
Results from operating activities	24,180	27,193	(11)	86,135	98,570	(13)
Finance income	2,108	4,279	(51)	11,216	15,354	(27)
Finance costs	(1,220)	(1,062)	15	(6,051)	(3,827)	58
Net finance income	888	3,217	(72)	5,165	11,527	(55)
Profit before taxation	25,068	30,410	(18)	91,300	110,097	(17)
Income tax expense	(4,240)	(5,585)	(24)	(17,100)	(23,713)	(28)
Deferred taxation	44,845	(1,367)	(3,381)	41,899	(4,331)	(1,067)
Profit for the period	65,673	23,458	180	116,099	82,053	41
Other comprehensive income / (expenses)						
Items that will never be reclassified into profit and loss						
Actuarial gain / (loss) from valuation of employee benefits	(278)	(67)	315	(278)	(67)	315
Related tax	67	19	253	67	19	253
Total other comprehensive income for the period	(211)	(48)	340	(211)	(48)	340
Total comprehensive income for the period	65,462	23,410	180	115,888	82,005	41
Earnings per share (Rs.)	2.12	0.76		3.75	2.65	
Dividend per share (Rs.)	-	-		0.65	-	

Change % represent the percentage change in current period's results compared to the comparative period of previous year.

Figures in brackets indicate deductions.

EQUITY TWO PLC
STATEMENT OF FINANCIAL POSITION

(All figures are in Sri Lankan Rupees Thousands)

As at	31.03.2021	31.03.2020 (Audited)
ASSETS		
Non-current assets		
Investment properties	1,520,255	1,518,342
Total non-current assets	1,520,255	1,518,342
Current assets		
Trade and other receivables	29,375	24,448
Fair value through profit or loss financial assets	4,469	27,189
Investment in fixed deposits	155,009	91,109
Current tax assets	-	1,263
Cash and cash equivalents	6,739	102,048
Total current assets	195,592	246,057
Total assets	1,715,847	1,764,399
EQUITY AND LIABILITIES		
Equity		
Stated capital	444,092	444,092
Capital reserves	750	750
Revenue reserves	913,522	844,134
Total equity	1,358,364	1,288,976
Non-current liabilities		
Refundable rental deposits	42,013	35,162
Deferred tax liability	277,328	319,294
Employee benefits	2,099	1,473
Total non-current liabilities	321,440	355,929
Current liabilities		
Trade and other payables	22,296	60,436
Deferred revenue	8,656	8,889
Current tax liabilities	5,091	-
Loans and borrowings	-	50,169
Total current liabilities	36,043	119,494
Total liabilities	357,483	475,423
Total equity and liabilities	1,715,847	1,764,399
Net assets per share (Rs.)	43.82	41.58

The Statement of Financial Position as at 31st March 2021 and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flow for the period then ended as disclosed in pages 01 to 05 have been drawn up from unaudited financial statements.

I certify that these financial statements are in compliance with the requirements of Companies Act, No. 7 of 2007.

(Sgd).

V.R. Wijesinghe

Director - Finance

Carsons Management Services (Private) Limited

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

Approved and signed on behalf of the managers,

Approved and signed on behalf of the board,

(Sgd).

A.P. Weeratunge

Director

Carsons Management Services (Private) Limited

Colombo

24th May 2021

(Sgd).

D.C.R. Gunawardena

Chairman

(Sgd).

K.C.N. Fernando

Director

EQUITY TWO PLC
STATEMENT OF CHANGES IN EQUITY

(All figures are in Sri Lankan Rupees Thousands)

	Stated capital	Capital reserves	Revenue reserves	Total equity
Balance as at 01st April 2020	444,092	750	844,134	1,288,976
Profit for the period	-	-	116,099	116,099
Other comprehensive income for the period	-	-	(211)	(211)
Total comprehensive income for the period	-	-	115,888	115,888
Dividends	-	-	(46,500)	(46,500)
Balance as at 31st March 2021 (Unaudited)	444,092	750	913,522	1,358,364
Balance as at 01st April 2019	444,092	750	762,129	1,206,971
Profit for the period	-	-	82,053	82,053
Other comprehensive income for the period	-	-	(48)	(48)
Total comprehensive income for the period	-	-	82,005	82,005
Balance as at 31st March 2020 (Audited)	444,092	750	844,134	1,288,976

Figures in brackets indicate deductions.

EQUITY TWO PLC
STATEMENT OF CASH FLOW

(All figures are in Sri Lankan Rupees Thousands)

For the Year ended 31st March	2021	2020
Cash flows from operating activities		
Profit before taxation	91,300	110,097
Adjustments for:		
Finance costs	6,051	3,827
Finance income	(11,216)	(15,354)
Net gain arising from changes in fair value of investment properties	(1,590)	(1,480)
Provision for employee benefits	348	250
Amortization of deferred revenue	(3,888)	(3,959)
Operating profit before working capital changes	81,005	93,381
(Increase) / decrease in trade and other receivables	(4,927)	(12,579)
Increase / (decrease) in trade and other payables	(38,677)	(46,758)
Operating profit after working capital changes	37,401	34,044
Rental deposits received	6,739	-
Rental deposits refunded	-	(3,126)
Income tax paid	(10,746)	(16,891)
Net cash generated from / (used in) operating activities	33,394	14,027
Cash flows from investing activities		
Additions to investment properties	(323)	(5,364)
Disposal of / (investment in) fair value through profit or loss financial assets	22,720	(23,794)
Withdrawal of / (investment in) fixed deposits	(63,900)	34,578
Interest received	11,216	15,354
Net cash generated from / (used in) investing activities	(30,287)	20,774
Cash flows from financing activities		
Dividend paid	(45,963)	(3,311)
Loans obtained/ (settled)	(52,453)	50,000
Net cash generated from / (used in) financing activities	(98,416)	46,689
Net increase / (decrease) in cash and cash equivalents	(95,309)	81,490
Cash and cash equivalents at the beginning of the period	102,048	20,558
Cash and cash equivalents at the end of the period	6,739	102,048

Figures in brackets indicate deductions.

EQUITY TWO PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

(All figures are in Sri Lankan Rupees Thousands)

1. Basis of preparation of Interim Financial Statements

The Interim Financial Statements of the Company has been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2021 and are in compliance with Sri Lanka Accounting Standard LKAS 34 - "Interim Financial Reporting". The provisions of the Companies Act, No. 7 of 2007 have been considered in preparing these Interim Financial Statements.

2. Events after the reporting period

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosure in the financial statements.

3. Contingent liabilities and capital commitments

There were no material contingent liabilities and capital commitments.

4. Liabilities for expenditure

There were no liabilities for management fees or any similar expenditure not provided for in the interim financial statements.

5. Comparative figures

Previous period's figures and phrases have been re-arranged wherever necessary to conform to the current period's presentation.

6. Stated capital

The Stated Capital of the Company as at 31st March 2021 was Rs. 444,092,098/- consists of 31,000,000 fully paid Ordinary Shares.

6. Impact due to COVID - 19

Considering the nature of the business we are in – long term letting of Commercial space – the immediate impact of the ongoing pandemic on the business of the Company is limited.

However, in terms of medium term impact, since the demand for our business is highly dependent on the market conditions of other industries and businesses and considering the subdued economic activities projected, we expect sourcing of new tenants for the existing vacant space of the Company to take longer than under normal circumstances and would be much more challenging.

7. Related party transactions

For the Year ended 31st March	2021	2020
Transactions with the parent company		
Dividends paid	41,299	-
Transactions with affiliate companies		
Receiving of services	4,572	4,672
Rent received	24,665	26,854

EQUITY TWO PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

(All figures are in Sri Lankan Rupees Thousands)

08. Twenty major shareholders as at 31st March 2021

Name of Shareholders	Number of Shares	%
1 Equity One Limited A/C No.1	27,532,525	88.81
2 Bank of Ceylon A/C Ceybank Unit Trust	2,279,187	7.35
3 Mr. K.C. Vignarajah	100,846	0.33
4 Mrs. C.A.D.S. Woodward	61,100	0.20
5 Tranz Dominion, L.L.C.	55,480	0.18
6 Miss. V.K. Ramanayake	50,000	0.16
7 Mrs. C.L. Ramanayake	50,000	0.16
8 Mr. L.L. Hettiarachchi	33,191	0.11
9 Mr. I. Paulraj	31,290	0.10
10 People's Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd	25,337	0.08
11 Miss C.M. Wickramasekera	25,300	0.08
12 Union Investments Private Ltd	25,200	0.08
13 Mr. A.A. Noordeen	23,496	0.08
14 People's Leasing & Finance PLC/Dr.H.S.D.Soyas & Mrs. G. Soysa	19,000	0.06
15 Mrs. S. Vignarajah	18,309	0.06
16 Seylan Bank PLC/Mr.S.N.C.W.M.B.C. Kandegeedara	16,200	0.05
17 Mr. J.B. Hirdaramani	16,000	0.05
18 Mrs. J. Aloysius	15,900	0.05
19 Dialog Finance PLC/A.S.M Shiyam	14,781	0.05
20 Mr. H.P. Bonifass	13,100	0.04

9. Public holding

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization of less than Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 10%.

The Company's Public Holding as at 31st March 2021

Market Capitalization of the Public Holding	Rs.187.69 Million
Number of public shareholders	1,978
Percentage of ordinary shares held by the public	11.17%

10. Directors shareholding as at 31st March 2021

	No. of Shares as at 31.03.21
Mr. D. C. R. Gunawardena (Chairman)	-
Mr. K.C.N. Fernando	3,600
Mr. A. P. Weeratunge	-
Mr. E. H. Wijenaikie	-
Mr. P. D. D. Fernando	-
Mr. S. Marimuthu (appointed w.e.f. 15th September 2020)	550

INVESTOR INFORMATION

11. Share valuation

For the three months ended 31st March 2021

Market value per share (Rs.)	54.20
Highest price per share for the period (Rs.)	70.00
Lowest price per share for the period (Rs.)	50.00

CORPORATE INFORMATION

Name of the Company Equity Two PLC
(A Carson Cumberbatch Company)

Company Registration Number PQ 34

Legal Form A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1990.
Official listing of the Colombo Stock Exchange was obtained in November 1994.

Parent and ultimate controlling entity

Equity One Limited is the immediate Parent Company of Equity Two PLC. In the opinion of the Directors, Carson Cumberbatch PLC is the Parent Company of Equity One Limited and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Equity One Limited.

Directors

Mr. D. C. R. Gunawardena (Chairman)
Mr. K.C.N. Fernando
Mr. A. P. Weeratunge
Mr. E. H. Wijenaike
Mr. P. D. D. Fernando
Mr. S. Marimuthu (appointed w.e.f. 15th September 2020)

Place of Business

No. 61, Janadhipathi Mawatha,
Colombo 01, Sri Lanka.
Tel : +94 11 2039 200
Fax: +94 11 2039 300

Bankers

Standard Chartered Bank
Deutsche Bank AG.
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Nations Trust Bank PLC

Auditors

Messrs. KPMG
Chartered Accountants
No.32A, Sir Mohamed Macan Marker Mawatha,
Colombo 03, Sri Lanka.
Tel: +94 11 5426426
Fax:+94 11 2445872

Managers & Secretaries

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 01, Sri Lanka.
Tel : +94 11 2039 200
Fax: +94 11 2039 300

Registered Office

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Colombo 01, Sri Lanka.
Tel : +94 11 2039 200
Fax: +94 11 2039 300