

INTERIM FINANCIAL STATEMENTS

For the Period Ended 31 March 2022



UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group						Company					
	Un-audited Year ended 31.03.2022	Un-audited Year ended 31.03.2021	Variance	Un-audited 3 Months ended 31.03.2022	Un-audited 3 Months ended 31.03.2021	Variance	Un-audited Year ended 31.03.2022	Un-audited Year ended 31.03.2021	Variance	Un-audited 3 Months ended 31.03.2022	Un-audited 3 Months ended 31.03.2021	Variance
Revenue from contracts with customers	12,884,249	13,537,657	-4.8%	2,247,044	4,003,361	-43.9%	5,268,274	7,187,553	-26.7%	1,606,056	1,469,953	9.3%
Cost of sales	(10,081,012)	(10,832,471)	6.9%	(1,677,569)	(3,353,262)	50.0%	(3,603,030)	(5,101,072)	29.4%	(1,116,526)	(1,085,888)	-2.8%
Gross profit	2,803,237	2,705,186	3.6%	569,475	650,099	-12.4%	1,665,244	2,086,481	-20.2%	489,530	384,065	27.5%
Distribution expenses	(421,510)	(415,467)	-1.5%	(151,140)	(120,071)	-25.9%	(248,341)	(217,356)	-14.3%	(112,550)	(49,281)	-128.4%
Administrative and other expenses	(2,077,845)	(1,546,766)	-34.3%	(749,476)	(335,324)	-123.5%	(1,493,613)	(1,215,081)	-22.9%	(517,451)	(198,039)	-161.3%
Other income	135,469	153,572	-11.8%	31,057	64,943	-52.2%	281,661	321,752	-12.5%	136,063	219,862	-38.1%
Profit/(loss) from operating activities	439,351	896,525	-51.0%	(300,084)	259,647	-215.6%	204,951	975,796	-79.0%	(4,408)	356,607	-101.2%
Finance income	86,613	93,349	-7.2%	26,500	29,974	-11.6%	180,115	148,870	21.0%	84,144	45,508	84.9%
Finance cost	(76,729)	(343,482)	77.7%	(30,453)	(35,393)	14.0%	(32,540)	(218,790)	85.1%	(4,608)	(29,481)	84.4%
Net finance income/(cost)	9,884	(250,133)	104.0%	(3,953)	(5,419)	27.1%	147,575	(69,920)	311.1%	79,536	16,027	396.3%
Profit/(loss) before income tax expense	449,235	646,392	-30.5%	(304,037)	254,228	-219.6%	352,526	905,876	-61.1%	75,128	372,634	-79.8%
Income tax expense	(134,217)	(142,717)	6.0%	48,105	937	-5033.9%	(79,720)	(139,237)	42.7%	(7,425)	2,947	-351.9%
Profit/(loss) for the year/period	315,018	503,675	-37.5%	(255,932)	255,165	-200.3%	272,806	766,639	-64.4%	67,703	375,581	-82.0%
Other comprehensive income												
Items that will never be reclassified to profit or loss												
Changes in the fair value of equity investments at fair value through other comprehensive income	27,872	123,891		(1,358)	(8,886)		27,204	97,414		8,731	(7,536)	
Re-measurements of post employment benefit obligations	60,128	(23,663)		60,128	(23,663)		52,175	(20,502)		52,175	(20,502)	
Deferred tax on re-measurements of post employment benefit obligations	(13,136)	4,301		(13,136)	4,301		(11,686)	3,662		(11,686)	3,662	
Revaluation of land	490,740	135,210		490,740	135,210		454,000	126,000		454,000	126,000	
Deferred tax on gains on revaluation of land	(49,074)	(13,521)		(49,074)	(13,521)		(45,400)	(12,600)		(45,400)	(12,600)	
Other comprehensive income for the year/period	516,530	226,218		487,300	93,441		476,293	193,974		457,820	89,024	
Total comprehensive income for the year/period	831,548	729,893		231,368	348,606		749,099	960,613		525,523	464,605	
Profit attributable to:												
Owners of United Motors Lanka PLC	315,018	503,675		(255,932)	255,165		272,806	766,639		67,703	375,581	
Profit/(loss) for the year/period	315,018	503,675		(255,932)	255,165		272,806	766,639		67,703	375,581	
Total comprehensive income attributable to:												
Owners of United Motors Lanka PLC	831,548	729,893		231,368	348,606		749,099	960,613		525,523	464,605	
Total comprehensive income for the year/period	831,548	729,893		231,368	348,606		749,099	960,613		525,523	464,605	
Basic earnings per share (LKR.)	3.12	4.99		(2.54)	2.53		2.70	7.60		0.67	3.72	

Note:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	Un-audited 31.03.2022	Audited 31.03.2021	Un-audited 31.03.2022	Audited 31.03.2021
Assets				
Non-current assets				
Property, plant & equipment	8,232,589	7,836,020	7,581,106	7,190,990
Investment property	-	-	558,000	521,260
Intangible assets	191,218	220,119	188,330	216,992
Right-of-use assets	307,543	265,208	211,958	212,415
Investments in subsidiaries	-	-	222,400	222,400
Financial assets at fair value through other comprehensive income	140,562	258,864	106,369	211,519
Reimbursable right	34,833	46,833	29,346	41,885
Deferred tax assets	461,794	507,080	170,195	189,714
Total non-current assets	9,368,539	9,134,124	9,067,704	8,807,175
Current assets				
Inventories	6,228,438	3,383,961	1,959,600	1,427,937
Trade and other receivables	3,114,831	2,065,783	1,074,459	764,046
Amounts due from related parties	-	-	65,501	380,206
Current tax receivables	28,729	8,657	-	-
Other financial assets at amortised cost	-	-	2,014,797	-
Financial assets at fair value through profit or loss	1,129,393	3,309,783	1,129,393	3,309,783
Cash and cash equivalents	528,889	851,744	304,071	644,512
Total current assets	11,030,280	9,619,928	6,547,821	6,526,484
Total assets	20,398,819	18,754,052	15,615,525	15,333,659
Equity and liabilities				
Equity				
Stated capital	336,335	336,335	336,335	336,335
Capital reserve	5,822,198	5,380,532	5,426,258	5,017,658
Other components of equity	1,383,641	1,364,572	1,426,618	1,405,852
Retained earnings	6,337,108	6,218,547	6,622,299	6,554,818
Total equity attributable to the equity holders of the parent	13,879,282	13,299,986	13,811,510	13,314,663
Non-current liabilities				
Interest bearing borrowings	-	3,150	-	-
Employee benefit obligations	224,438	282,299	200,136	251,995
Lease liabilities	218,740	180,985	81,961	74,651
Deferred tax liabilities	366,080	315,655	330,652	291,749
Total non-current liabilities	809,258	782,089	612,749	618,395
Current liabilities				
Interest bearing borrowings	1,856,611	2,103,829	-	500,411
Trade and other payables	3,514,778	2,319,162	907,548	619,915
Lease liabilities	93,205	100,363	133,346	152,423
Amounts due to related parties	-	-	11,768	2,841
Current tax liabilities	59,514	76,941	55,219	76,454
Bank overdrafts	186,171	71,682	83,385	48,557
Total current liabilities	5,710,279	4,671,977	1,191,266	1,400,601
Total liabilities	6,519,537	5,454,066	1,804,015	2,018,996
Total equity and liabilities	20,398,819	18,754,052	15,615,525	15,333,659
Net assets per share -LKR	137.55	131.81	136.88	131.96

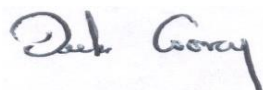
Note:
All amounts are in LKR.'000s, unless otherwise stated.

I certify that these interim financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Thushara Jayasekara
Executive Director - Finance

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



Devaka Cooray
Chairman
30-May-2022
Colombo



Chanaka Yatawara
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Capital Reserve	Other Components of Equity				Retained Earnings	Total Equity
			Development Reserve	Property, Plant & Equipment Replacement Reserve	General Reserves	FVOCI Reserve		
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
Group								
Balance as at 01.04.2020	336,335	5,258,843	785,400	308,900	466,250	(315,323)	5,881,039	12,721,444
Profit for the year							503,675	503,675
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							(23,663)	(23,663)
Deferred tax on re-measurements of post employment benefit obligations							4,301	4,301
Net change in equity investments at fair value through Other Comprehensive Income						123,891	-	123,891
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(4,546)	4,546	-
Revaluation of land		135,210					-	135,210
Deferred tax on revaluation of land		(13,521)					-	(13,521)
Total comprehensive income for the year	-	121,689	-	-	-	119,345	488,859	729,893
Transactions with owners in their capacity as owners :								
Interim dividend paid for 2020 / 2021							(151,351)	(151,351)
Balance as at 31.03.2021	336,335	5,380,532	785,400	308,900	466,250	(195,978)	6,218,547	13,299,986
Profit for the year							315,018	315,018
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							60,128	60,128
Deferred tax on re-measurements of post employment benefit obligations							(13,136)	(13,136)
Net change in equity investments at fair value through Other Comprehensive Income						27,872	-	27,872
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(8,803)	8,803	-
Revaluation of land		490,740					-	490,740
Deferred tax on revaluation of land		(49,074)					-	(49,074)
Total comprehensive income for the year	-	441,666	-	-	-	19,069	370,813	831,548
Transactions with owners in their capacity as owners :								
Final dividend paid for 2020 / 2021							(100,901)	(100,901)
Interim dividend paid 2021 / 2022							(151,351)	(151,351)
Total Dividend	-	-	-	-	-	-	(252,252)	(252,252)
Balance as at 31.03.2022	336,335	5,822,198	785,400	308,900	466,250	(176,909)	6,337,108	13,879,282

Notes:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in the brackets indicate deduction.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital	Capital Reserve	Other Components of Equity				Retained Earnings	Total Equity
	LKR '000	LKR '000	Development Reserve LKR '000	Property, Plant & Equipment Replacement Reserve LKR '000	General Reserves LKR '000	FVOCI Reserve LKR '000	LKR '000	LKR '000
Balance as at 01.04.2020	336,335	4,904,258	785,400	308,900	466,250	(248,338)	5,952,596	12,505,401
Profit for the year							766,639	766,639
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							(20,502)	(20,502)
Deferred tax on re-measurements of post employment benefit obligations							3,662	3,662
Net change in equity investments at fair value through Other Comprehensive Income	-	-	-	-	-	97,414	-	97,414
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(3,774)	3,774	-
Revaluation of land		126,000						126,000
Deferred tax on revaluation of land		(12,600)						(12,600)
Total comprehensive income for the year	-	113,400	-	-	-	93,640	753,573	960,613
Transactions with owners, recognised directly in equity								
Interim dividend paid for 2020 / 2021							(151,351)	(151,351)
Balance as at 31.03.2021	336,335	5,017,658	785,400	308,900	466,250	(154,698)	6,554,818	13,314,663
Profit for the year							272,806	272,806
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							52,175	52,175
Deferred tax on re-measurements of post employment benefit obligations							(11,686)	(11,686)
Net change in equity investments at fair value through Other Comprehensive Income						27,204	-	27,204
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(6,438)	6,438	-
Revaluation of land		454,000						454,000
Deferred tax on revaluation of land		(45,400)						(45,400)
Total comprehensive income for the year	-	408,600	-	-	-	20,766	319,733	749,099
Transactions with owners in their capacity as owners :								
Final dividend paid for 2020 / 2021							(100,901)	(100,901)
Interim dividend paid 2021 / 2022							(151,351)	(151,351)
Total Dividend	-	-	-	-	-	-	(252,252)	(252,252)
Balance as at 31.03.2022	336,335	5,426,258	785,400	308,900	466,250	(133,932)	6,622,299	13,811,510

Notes:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in the brackets indicate deduction.

UNITED MOTORS LANKA PLC

INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Statement of Cash Flows

For the year ended 31 March	Group		Company	
	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000
Cash flows from operating activities				
Profit before income tax expense	449,235	646,392	352,526	905,876
Adjustments for:				
Provision for depreciation / amortisation	221,761	255,808	182,423	210,037
Profit on disposal of property, plant & equipment	(53,125)	(37,897)	(46,485)	(37,772)
Net gains on disposal of financial asset at fair value through profit or loss	(13,559)	(70,183)	(13,559)	(70,183)
Net change in fair value - financial asset at fair value through profit or loss	44,575	(17,725)	44,575	(17,725)
Change in fair value of investment property	-	-	(36,740)	(8,210)
Interest expense	76,729	343,482	32,540	218,790
Interest income	(86,613)	(93,349)	(121,989)	(148,870)
Dividend income	(20,972)	(15,157)	(17,468)	(14,803)
Dividend received from subsidiary	-	-	(75,000)	(150,000)
Impairment of trade receivables and losses on warranty claims	(5,792)	(6,558)	1,137	(1,824)
Provision for employee benefit obligations	18,410	49,599	16,232	44,108
Amortisation of right-of-use assets	146,450	138,815	141,036	145,466
Expected return on plan asset	(3,742)	(6,244)	(3,334)	(5,817)
Write-down of inventory to lower of cost or NRV (Net Realisable Value)	(31,659)	(90,637)	4,490	(75,270)
WIP write offs	723	-	-	-
Fair value adjustment on unit trust and commercial papers	(7,635)	(9,605)	(22,432)	(9,605)
Operating profit before working capital changes	734,786	1,086,741	437,952	984,198
(Increase)/decrease in inventories	(2,812,818)	3,811,701	(536,153)	2,616,988
(Increase)/decrease in trade and other receivables	(1,043,256)	1,409,811	(311,550)	2,029,741
Decrease/(increase) in amounts due from related parties	-	-	314,705	(244,462)
Increase in amounts due to related parties	-	-	8,927	(61,955)
Increase/(decrease) in trade and other payables	1,195,616	1,571,543	287,633	119,100
(Cash out flow)/in flow from operating activities	(1,925,672)	7,879,796	201,514	5,443,610
Interest paid	(70,697)	(361,628)	(32,951)	(225,808)
Income tax paid	(138,215)	(54,018)	(99,619)	(52,547)
Contribution paid and received from investment plan (net)	(401)	(3,888)	(43)	(40)
Net cash (out flow)/in flow from operating activities	(2,134,985)	7,460,262	68,901	5,165,215
Cash flows from investing activities				
Investment in shares, unit trust and commercial papers	(7,382,050)	(5,707,571)	(11,182,050)	(5,707,571)
Proceeds from disposal of investments/unit trust/commercial papers	9,685,233	2,623,513	11,471,413	2,604,610
Acquisitions of property, plant & equipment and intangible assets	(110,360)	(44,240)	(94,816)	(26,167)
Proceeds from disposal of property, plant & equipment	64,073	84,710	51,424	84,406
Interest received	86,613	93,349	121,989	148,870
Dividend received	20,972	15,157	92,468	164,803
Net cash in flow/(out flow) from investing activities	2,364,481	(2,935,082)	460,428	(2,731,049)
Cash flows from financing activities				
Dividend paid	(252,252)	(151,351)	(252,252)	(151,351)
Principal element of lease payments	(158,188)	(120,865)	(152,346)	(137,939)
Loans obtained	7,916,096	41,142,168	1,020,000	28,495,850
Loans paid	(8,172,496)	(44,679,046)	(1,520,000)	(30,085,274)
Net cash (out flow)/in flow from financing activities	(666,840)	(3,809,094)	(904,598)	(1,878,714)
Net (decrease)/increase in cash & cash equivalents	(437,344)	716,086	(375,269)	555,452
Cash & cash equivalents at the beginning of the year	780,062	63,976	595,955	40,503
Cash and cash equivalents at end of the year	342,718	780,062	220,686	595,955
	Group		Company	
	31.03.2022 LKR.'000	31.03.2021 LKR.'000	31.03.2022 LKR.'000	31.03.2021 LKR.'000
Cash and bank balances	502,610	459,605	277,792	252,373
Short term deposits	26,279	392,139	26,279	392,139
	528,889	851,744	304,071	644,512
Bank overdrafts	(186,171)	(71,682)	(83,385)	(48,557)
Total cash & cash equivalents	342,718	780,062	220,686	595,955

Notes:

All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Reporting entity

United Motors Lanka PLC (the "Company"), is a Public Quoted Company incorporated on 9 May 1989 and domiciled in Sri Lanka. The registered office and the principal place of business of the Company are located at No.100, Hyde Park Corner, Colombo 02.

The ultimate parent company - R I L Property PLC holds 51% of the issued shares of the Company.

2. Interim consolidated financial statements

The consolidated interim financial statements of the Group as at and for the year ended 31 March 2022 comprise the Company and its subsidiaries. All the group entities are limited liability companies, incorporated and domiciled in Sri Lanka.

The Company is primarily involved in distribution of brand new Mitsubishi and Fuso vehicles, spare parts, lubricants, 3D printers and filaments, after sales services and related services and other companies in the Group are engaged in distribution of vehicles of other brands, heavy equipment, generators, accessories, tyres and assembling of vehicles.

3. Basis of preparation

The interim financial statements of the Company and the Group have been prepared based on the Sri Lanka Accounting Standards SLFRS/LKAS and consistently applied the accounting policies as stated in the most recent annual report for the year ended 31 March 2021.

These interim financial statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended 31 March 2021.

These financial statements provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

The presentation and classification of the consolidated financial statements of the previous periods have been amended where relevant, for better presentation and to be comparable with those of current period.

4. Impact of the post COVID-19 related events and current economic conditions on the business operations

- 4.1** During the current year, due to continued uncertainties caused by COVID – 19, the Group has considered whether any adjustment and changes in judgement, estimates and risk management are required to be considered and reported in the consolidated financial statements. The Group will continue to closely monitor the impact of COVID - 19 and the current economic condition in the country as the situation progress to manage the potential business disruptions may have on its operations and financial performance.

4.2 Temporary suspension of vehicle imports

The temporary suspension of vehicle imports brought in through the Gazette Extraordinary No 2176/19 and later amended by Gazette Extraordinary No. 2182/10 is still in force.

4.3 Rent concessions

The Company and the Group have received COVID-19 related rent concessions and have applied the practical expedient introduced in May 2020 and amendment to SLFRS 16 – COVID-19 Related Rent Concessions beyond 30 June 2021. As earlier application is permitted Company and the Group have applied the amendment from 01 April 2020. Practical expedient and the amendment has been applied to all qualifying rent concessions. Accordingly, rent concessions received LKR 1,737,098 for the Group and LKR 1,257,098 for the Company were accounted as gains in profit or loss statements for the year ended 31 March 2022 respectively.

5. Fair values Vs. carrying amounts

- 5.1** The following notes show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

Trade receivable includes the contractual amounts for settlement of trade and other obligations due to the Company. Trade and other payables and borrowings represent contract amounts and obligations due from the Company.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining the fair values, the Group has classified its financial instruments into the three levels prescribed in the accounting standard.

UNITED MOTORS LANKA PLC
 INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
 NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

	Group					
	31.03.2022			31.03.2021		
	Carrying amount	Fair value		Carrying amount	Fair value	
		Level 1	Level 2		Level 1	Level 2
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	261,758	261,758	-	300,178	300,178	-
Investments in unit trusts	867,635	-	867,635	3,009,605	-	3,009,605
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	3,014,142	-	-	1,844,614	-	-
Cash & cash equivalents	528,889	-	-	851,744	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	140,562	140,562	-	258,864	258,864	-
	<u>4,812,986</u>	<u>402,320</u>	<u>867,635</u>	<u>6,265,005</u>	<u>559,042</u>	<u>3,009,605</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	1,856,611	-	-	2,106,979	-	-
Bank overdrafts	186,171	-	-	71,682	-	-
	<u>2,042,782</u>	<u>-</u>	<u>-</u>	<u>2,178,661</u>	<u>-</u>	<u>-</u>

	Company					
	31.03.2022			31.03.2021		
	Carrying amount	Fair value		Carrying amount	Fair value	
		Level 1	Level 2		Level 1	Level 2
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	261,758	261,758	-	300,178	300,178	-
Investments in unit trusts	867,635	-	867,635	3,009,605	-	3,009,605
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	1,039,514	-	-	715,908	-	-
Amounts due from related parties	65,501	-	-	380,206	-	-
Other financial assets at amortised cost-investments in commercial papers	2,014,797	-	-	-	-	-
Cash & cash equivalents	304,071	-	-	644,512	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	106,369	106,369	-	211,519	211,519	-
	<u>4,659,645</u>	<u>368,127</u>	<u>867,635</u>	<u>5,261,928</u>	<u>511,697</u>	<u>3,009,605</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	-	-	-	500,411	-	-
Bank overdrafts	83,385	-	-	48,557	-	-
	<u>83,385</u>	<u>-</u>	<u>-</u>	<u>548,968</u>	<u>-</u>	<u>-</u>

The following table shows the valuation technique used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investments in unit trusts	Fair value is based on the published unit prices.	Based on published unit prices.	The estimated fair value will increase/(decrease) if; The published unit prices are higher/(lower).

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

5.2 Fair value hierarchy

Fair value of financial instruments are based on a fair value hierarchy which is defined below.

Level 1

Inputs that are quoted market prices (unadjusted) in active market for identical instruments. The Company measures the fair value of an instrument using active quoted prices or dealer price quotations without any deductions for transaction cost. Market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions at arm's length basis.

Level 2

Inputs other than quoted prices included within level one that are observable either directly or indirectly. This category includes instruments valued using ; quoted market prices in an active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or valuation techniques in which whole significant inputs are directly or indirectly observable from market data.

Level 3

The input that are unobservable. This category includes all the instruments for which valuation techniques includes input not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

6. Approval of financial statements

These consolidated interim financial statements for the year ended 31 March 2022 were authorized for issue by the Board of Directors on 30 May 2022.

7. Operating segments

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components whose operating results are reviewed regularly by the Group Chief Executive Officer/Executive Director to make decisions about resources allocated to each segment and assess its performance and for which discrete financial information is available.

The business segments of the Group are highlighted in the table below:

Reportable segment	Nature of business
Spare parts & workshop	Repair and service of vehicles. Sale of vehicle spare parts, accessories and related componants.
Vehicles	Sale of passenger vehicles, commercial vehicles, special purpose vehicles, pre-owened passenger vehicles and commercial vehicles.
Equipment & machinery	Sale of heavy equipment, generators & machinery
3D Printers & services	Sale of 3D printers, filaments, spare parts and related services
Tyres	Sale of tyres
Lubricant and car care products	Sale of lubricants and car care products

8. Restricted quantities not available for immediate sale at Unimo Enterprises Ltd

A pending investigation by Sri Lanka Customs on compliance to local value addition percentage on a component sourced from a third party supplier had resulted in a suspension of selling 147 units of DFSK vehicles. Compliance of the third party suppliers for value addition is regulated by the Ministry of Industries and cabinet appointed subcommittees. The company has no responsibility or obligation to oversee the value addition or operations of the third party vendor. Further, as at the balance sheet date and the date of the approval of the financial statement the aforementioned investigation remains open and outflow if any cannot be measured reliably.

9. Capital commitments and other Contingent liabilities

The Unimo Enterprises Limited, a fully owned subsidiary of United Motors Lanka PLC is considering taking legal action against a licensed commercial bank regarding certain unsettled letter of credits ("LCs"). The bank had settled LCs amounting to USD 1,880,982 to the principals on due date. However, it has not been debited and charged back to the subsidiary company after settlement to the principal, and thus the amount remained outstanding at the year-end. The exchange rate prevailed at the time of LC settlement was LKR 203 and the subsidiary has considered this exchange rate to account for the above payable balance to the bank. As advised by the lawyers under the terms and conditions applicable to respective LCs, including Trade Financing General Agreement there is no provision for the said bank to delay debiting of the Company's bank account, specially after making settlement to the principal. The bank is obliged to debit the Company concurrently.

Subsequent to the Government's decision to float the Sri Lankan rupee, the exchange rate prevailed at the year-end was LKR 299. Accordingly, as claimed by the aforementioned bank if the Company accounted for the outstanding LC settlement by using year-end exchange rate the Company would have incurred an additional exchange loss amounting to LKR 180 Mn for the year ended 31 March 2022.

Having considered the circumstances and the legal advice obtained, the directors of the Company determined any future cash outflows in lieu of the additional liability to be not probable, and hence have considered this as a contingent liability as at the year-end.

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the Annual Report 2020/21 other than disclosed above,

10. Events after the reporting period and other matters

10.1 Change in Directorate

Mr. Thushara Jayasekara was appointed as an Executive Director to the Board with effect from 1 April 2022.

Mr. Ruwindhu Peiris was appointed as a Non-Independent Non-Executive Director to the Board with effect from 1 April 2022.

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10.2 Foreign currency fluctuation

As at the year-end the Company has a net foreign currency exposure amounting to USD 1.4 Mn and JPY 12.2 Mn (Group USD 5.1 Mn and JPY 12.2 Mn). Due to the Government's decision to float the currency subsequent to the reporting period, there is an adverse movement on the USD and JPY rate which depreciated by 22%(USD) and 17%(JPY) as of 30 May 2022. This resulted in an exchange loss of LKR 341 Mn for the Group and LKR 100 Mn for the Company. Exchange rate fluctuation after the reporting period is not an adjusting event since the condition that gave rise to the exchange loss did not exist as of 31 March 2022. However, the Company has taken all possible actions to minimize the impact of the said losses.

10.3 Dividends on ordinary shares

After satisfying the solvency test, in accordance with Section 57 of the Companies Act, No.07 of 2007, the Board of Directors recommended a final dividend of LKR. 0.50 per share for the year ended 31 March 2022 amounting to LKR. 50,450,313 which is to be approved at the forth coming Annual General Meeting. In accordance with LKAS 10 - "Events after the reporting period" this dividend was not recognised as a liability as at 31 March 2022.

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments or disclosures in the financial statements other than disclosed above.

11. Related party transactions

11.1 Transactions with the parent company

Transaction type	Year ended 31.03.2022 LKR'000s	Year ended 31.03.2021 LKR'000s
United Motors Lanka PLC		
Repairs & services provided	1,402	1,142
Rentals paid for premises occupied	-	770
Reimbursement of expenses	-	14
Subsidiary-Unimo Enterprises Ltd		
Sale of vehicles	18,490	-

11.2 Transactions with subsidiaries

Transaction type	Year ended 31.03.2022 LKR'000s	Year ended 31.03.2021 LKR'000s
Sale of goods	16,143	9,892
Purchase of goods	4,022	8,040
Repairs and services provided	88,854	79,455
Repairs & services obtained	394	1,192
Fees on financial services provided	60,999	-
Expenses incurred	85,230	153,487
Reimbursement of expenses	11,588	14,252
Hiring income received	4,234	4,865
Hiring rentals paid for vehicles	801	801
Interest received	112,733	82,041
Loans granted	2,033,016	6,399,700
Loan settlements	2,301,700	6,131,021
Commission on sales	778	-
Dividend received	75,000	150,000
Investments in commercial papers	3,800,000	-
Commercial papers settlements	1,845,126	-
Rentals paid for premises occupied	98,043	98,043
Rentals received for premises occupied	22,025	23,128

11.3 Transactions with other related entities of the parent company

Company	Transaction type	Year ended 31.03.2022 LKR'000s	Year ended 31.03.2021 LKR'000s
Pap Solar One (Pvt) Ltd	Repairs & services provided	322	-

11.4 Non – recurrent related party transactions

There were no non – recurrent transactions for the year ended 31 March 2022 which requires immediate market disclosure.

12. Share information

12.1 Stated capital

Stated capital is represented by number of shares in issue as given below:

As at	31.03.2022	31.03.2021
Ordinary shares	100,900,626	100,900,626

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

12.2 Public shareholding

As at	31.03.2022	31.03.2021
Number of public shareholders	3,619	3,818
Percentage of shares held by the public	24.47%	24.57%

The float adjusted market capitalisation as at 31 March 2022 - LKR. 1,360,617,856

Public shareholding percentage as at 31 March 2022 is 24.47% and the Company is in compliance with option 5 of Section 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange.

12.3 Directors' shareholding

The number of shares held by the Board of Directors are as follows:

As at	31.03.2022	31.03.2021
Mr. Devaka Cooray	50,000	-
Mr. Chanaka Yatawara	1,696,193	1,696,193
Mr. Ananda Atukorala	3,000	3,000
Ms. Hiroshini Fernando	-	-
Mr. Ramesh Yaseen	10,620	10,620
Prof. Malik Ranasinghe	-	-
Mr. Stuart Chapman	-	-
Ms. Coralie Pietersz	-	-
Mr. Janya Takami	-	-
	<u>1,759,813</u>	<u>1,709,813</u>

12.4 Twenty largest shareholders of the Company are as follows:

As at	31.03.2022		31.03.2021	
	Number of shares	%	Number of shares	%
R I L Property PLC	51,459,320	51.00	51,459,320	51.00
Ms. R. R. Takahashi	11,762,041	11.66	11,762,041	11.66
Mr. M. A. Yaseen	11,178,511	11.08	11,178,511	11.08
Mrs. S. M. Chrysostom	6,945,471	6.88	6,945,471	6.88
Mitsubishi Motors Corporation	4,937,142	4.89	4,937,142	4.89
Mr. Chanaka Yatawara	1,696,193	1.68	1,696,193	1.68
Mr. A. M. Weerasinghe	1,369,743	1.36	1,552,280	1.54
Amana Bank PLC / Mr. Mohamed Nayaz Deen	558,230	0.55	-	-
Amana Bank PLC / Mr. M. Z. Mohamed Ghouse	480,783	0.48	-	-
Mr. S. D. Yaseen	243,300	0.24	243,300	0.24
Mrs. L. E. M. Yaseen	200,000	0.20	200,000	0.20
Mr. P. Rathnayaka	156,000	0.15	156,000	0.15
Mercantile Investments and Finance PLC	150,000	0.15	150,000	0.15
Mr. M. S. Bahaudeen	146,004	0.14	-	-
Akbar Brothers (Pvt) Ltd A/C No. 1	136,648	0.14	136,648	0.14
Hatton National Bank / Mr. Padmesh Sajeewa Weerasekara	125,870	0.12	-	-
Mr. S. A. C. Keerthisinghe & Mrs. D. M. J. S. Dissanayaka	120,000	0.12	86,410	0.09
Mr. M. Andreino Yaseen	119,430	0.12	119,430	0.12
Mr. V. A. Yaseen	119,427	0.12	119,427	0.12
Mr. J. A. Yaseen	119,427	0.12	119,427	0.12

12.5 Earnings per share (EPS)

Earnings per share has been calculated for all the periods based on the number of shares in issue as at the current period end.

12.6 Net assets per share

Net assets per share has been calculated for all the periods based on the number of shares in issue as at the current period end.

12.7 Market price per share

For the quarter ended 31 March	2022	2021
	LKR	LKR
Highest price	106.00	83.00
Lowest price	55.00	55.00
Last traded price	55.10	57.70

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SEGMENT INFORMATION

Group	Spare parts and workshop		Vehicles		Equipment and machinery		3D Printers and services		Tyres		Lubricants and car care products		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
In LKR'000														
Segment revenue	2,300,253	2,025,999	7,802,946	9,455,365	1,079,516	667,815	33,257	23,058	273,767	261,731	1,473,487	1,180,174	12,963,226	13,614,142
Inter segment revenue	(58,348)	(55,670)	-	(8,300)	(394)	(1,192)	-	-	(4,022)	(1,947)	(16,213)	(9,376)	(78,977)	(76,485)
Revenue from external customers	2,241,905	1,970,329	7,802,946	9,447,065	1,079,122	666,623	33,257	23,058	269,745	259,784	1,457,274	1,170,798	12,884,249	13,537,657
Revenue from contracts with customers														
Goods transferred at a point in time	1,778,809	1,559,353	7,783,492	8,956,285	1,079,122	666,623	33,257	23,058	269,745	259,784	1,457,274	1,170,798	12,401,699	12,635,901
Services rendered at a point in time	463,096	410,976	19,454	490,780	-	-	-	-	-	-	-	-	482,550	901,756
Total revenue from contracts with customers	2,241,905	1,970,329	7,802,946	9,447,065	1,079,122	666,623	33,257	23,058	269,745	259,784	1,457,274	1,170,798	12,884,249	13,537,657
Segment profit/(loss)	515,859	519,596	459,978	626,077	39,323	19,990	(6,297)	(8,353)	49,773	43,683	189,488	92,964	1,248,124	1,293,957
Unallocated income													135,469	153,572
Unallocated expenses													(944,242)	(551,004)
Profit from operations before finance cost													439,351	896,525
Finance income													86,613	93,349
Finance cost													(76,729)	(343,482)
Net finance income/(cost)													9,884	(250,133)
Profit before income tax expense													449,235	646,392
Income tax expenses													(134,217)	(142,717)
Profit for the year													315,018	503,675
Segment assets	5,251,468	3,021,565	6,830,558	7,107,352	1,083,876	717,662	31,747	22,860	337,428	380,647	1,982,791	1,257,436	15,517,868	12,507,522
Unallocated assets													4,880,951	6,246,530
Total assets	5,251,468	3,021,565	6,830,558	7,107,352	1,083,876	717,662	31,747	22,860	337,428	380,647	1,982,791	1,257,436	20,398,819	18,754,052
Segment liabilities	194,396	342,403	1,629,254	1,133,831	526,525	88,643	1,061	-	30,062	18,712	249,600	78,038	2,630,898	1,661,627
Unallocated liabilities													3,888,639	3,792,439
Total liabilities	194,396	342,403	1,629,254	1,133,831	526,525	88,643	1,061	-	30,062	18,712	249,600	78,038	6,519,537	5,454,066
Segment capital expenditure-allocated	19,203	6,439	66,837	30,872	9,243	2,178	285	75	2,311	849	12,482	3,827	110,361	44,240
Depreciation and amortisation-allocated	55,990	55,393	250,137	285,463	25,489	19,235	586	1,168	4,749	5,074	31,259	28,290	368,210	394,623
Non cash expenses/(income)	7,776	(60,310)	(33,942)	(27,032)	1,648	391	690	690	(3,118)	(7,360)	(10,505)	(3,574)	(37,452)	(97,195)

Notes:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.