



WASKADUWA BEACH RESORT PLC

Interim Financial Statements

For the Quarter Ended 30 September 2016

WASKADUWA BEACH RESORT PLC

STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended 30 th September			Six Months Ended 30 September			Year Ended 31 st March
	2016 Unaudited Rs.	2015 Unaudited Rs.	Increase / (Decrease) %	2016 Unaudited Rs.	2015 Unaudited Rs.	Increase / (Decrease) %	2016 Audited Rs.
Revenue	176,838,638	146,222,986	21%	303,214,182	247,109,679	23%	651,242,202
Cost of Sales	(42,310,547)	(40,303,025)	5%	(73,450,085)	(69,255,793)	6%	(159,690,291)
Gross Profit	134,528,091	105,919,961	27%	229,764,097	177,853,886	29%	491,551,911
Other Income	1,305,043	3,284,833	-60%	2,409,038	3,715,858	-35%	5,621,706
Administrative Expenses	(77,777,322)	(74,508,121)	4%	(152,860,689)	(141,924,710)	8%	(295,695,377)
Operating Expenses	(43,250,378)	(40,119,758)	8%	(82,458,340)	(79,832,649)	3%	(165,022,847)
Selling and Marketing Expenses	(3,660,747)	(3,793,667)	-4%	(6,500,887)	(5,423,998)	20%	(14,830,261)
Finance Income	913,579	200,420	356%	1,577,254	397,080	297%	1,537,913
Finance Cost	(68,895,751)	(52,134,614)	32%	(125,058,115)	(102,932,889)	21%	(219,484,383)
Loss Before Tax	(56,837,485)	(61,150,946)	-7%	(133,127,645)	(148,147,422)	-10%	(196,321,337)
Income Tax Expense	(98,939)	(56,118)	76%	(284,154)	(111,182)	156%	(106,350)
Loss for the Period	(56,936,424)	(61,207,064)	-7%	(133,411,799)	(148,258,604)	-10%	(196,427,687)
Other Comprehensive Income	-	-	0%	-	-		189,810
Total Comprehensive Income for the Period, net of tax	(56,936,424)	(61,207,064)	-7%	(133,411,799)	(148,258,604)		(196,237,877)
Loss per share - Basic (Rs.)	(0.28)	(0.39)		(0.86)	(0.95)		(1.18)

WASKADUWA BEACH RESORT PLC

STATEMENT OF FINANCIAL POSITION

	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Audited
	Rs.	Rs.	Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	3,795,955,007	3,932,180,700	3,871,995,765
Intangible Assets	284,224	228,334	365,430
Amounts due from Related Party	23,342,294	9,785,990	12,603,280
	<u>3,819,581,525</u>	<u>3,942,195,024</u>	<u>3,884,964,475</u>
Current Assets			
Inventories	14,262,370	13,589,020	13,051,695
Trade and Other Receivable	66,251,239	56,120,971	89,140,564
Other Non Financial Assets	6,242,315	2,939,400	8,106,566
Income Tax Receivables	4,942,951	3,159,293	3,835,733
Cash & Cash Equivalents	16,824,338	7,518,924	16,404,162
	<u>108,523,213</u>	<u>83,327,608</u>	<u>130,538,720</u>
TOTAL ASSETS	<u>3,928,104,738</u>	<u>4,025,522,632</u>	<u>4,015,503,195</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	2,042,238,316	1,580,769,266	2,042,238,316
Revaluation Reserve	100,923,616	100,923,616	100,923,616
Retained Earnings	(695,016,648)	(513,625,576)	(561,604,849)
Total Equity	<u>1,448,145,284</u>	<u>1,168,067,306</u>	<u>1,581,557,083</u>
Non-Current Liabilities			
Interest Bearing Loans and Borrowings	1,510,339,832	1,552,040,272	1,520,161,651
Amounts due to Related Parties	300,159,844	620,871,458	328,068,614
Deferred Tax Liability	9,594,149	9,741,816	9,594,149
Retirement Benefit Obligation	1,708,842	1,746,810	1,230,558
	<u>1,821,802,667</u>	<u>2,184,400,356</u>	<u>1,859,054,972</u>
Current Liabilities			
Trade & Other Payables	360,539,621	299,112,454	298,327,170
Interest Bearing Loans and Borrowings	297,617,167	373,942,516	276,563,970
	<u>658,156,787</u>	<u>673,054,970</u>	<u>574,891,140</u>
TOTAL EQUITY & LIABILITIES	<u>3,928,104,738</u>	<u>4,025,522,632</u>	<u>4,015,503,195</u>

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Signed
.....
Ravindra Dissanayaka
Group 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 by;

Signed
.....
E. P. A. Cooray
Chairman

Signed
.....
S. A. Ameresekere
Director

November 15, 2016
Colombo

WASKADUWA BEACH RESORT PLC**STATEMENT OF CHANGES IN EQUITY**

	Stated Capital	Revaluation Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 st April 2015	1,580,769,266	100,923,616	(365,366,972)	1,316,325,910
Loss for the period	-	-	(196,427,687)	(196,427,687)
Share Rights Issue	461,469,050	-	-	461,469,050
Other Comprehensive Income	-	-	189,810	189,810
Balance as at 31st March 2016	<u>2,042,238,316</u>	<u>100,923,616</u>	<u>(561,604,849)</u>	<u>1,581,557,083</u>
Balance as at 01st April 2015	1,580,769,266	100,923,616	(365,366,972)	1,316,325,910
Loss for the period	-	-	(148,258,604)	(148,258,604)
Balance as at 30th September 2015	<u>1,580,769,266</u>	<u>100,923,616</u>	<u>(513,625,576)</u>	<u>1,168,067,306</u>
Balance as at 01 st April 2016	2,042,238,316	100,923,616	(561,604,849)	1,581,557,083
Loss for the period	-	-	(133,411,799)	(133,411,799)
Balance as at 30th September 2016	<u>2,042,238,316</u>	<u>100,923,616</u>	<u>(695,016,648)</u>	<u>1,448,145,284</u>

WASKADUWA BEACH RESORT PLC**STATEMENT OF CASH FLOW**

	Period Ended 30.09.2016 Unaudited Rs.	Year Ended 30.09.2015 Unaudited Rs.	Year Ended 31.03.2016 Audited Rs.
CASH FLOWS USED IN OPERATING ACTIVITIES			
Loss before Taxation	(133,127,645)	(148,147,422)	(196,321,337)
ADJUSTMENTS FOR			
Depreciation	95,269,606	92,487,951	188,067,501
Amortisation of Intangible Assets	81,206	-	121,808
Provision for Retirement Benefit Obligation	478,284	1,240,428	939,869
Gain on Fixed Asset Disposal	-	(2,551,371)	(2,318,963)
Finance Income	(1,577,254)	(397,080)	(1,537,913)
Finance Cost	125,058,115	102,932,889	219,484,383
Operating Profit before Working Capital Changes	86,182,312	45,565,395	208,435,348
Decrease in Trade & Other Receivables	5,946,190	45,304,131	12,428,252
Increase in Inventories	(1,210,676)	(2,804,057)	(2,266,732)
Decrease in Other Non-Financial Assets	1,864,251	15,162,945	9,995,779
Increase/(Decrease) in Trade & Other Payables	61,961,767	(24,003,880)	(45,204,497)
Cash Generated from Operations	154,743,844	79,224,534	183,388,149
Tax Paid	(1,391,373)	(702,825)	(1,659,164)
Finance Cost Paid	(107,864,297)	(102,932,889)	(168,086,532)
Net Cash (used in)/from Operating Activities	45,488,174	(24,411,180)	13,642,453
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment	(19,228,848)	(14,807,130)	(48,849,925)
Acquisition of Intangible Asset	-	(228,334)	(487,238)
Proceeds from Sale of Property Plant & Equipment	-	7,250,000	9,241,522
Financed to Related Parties	(10,739,014)	-	(2,223,627)
Finance Income Received	1,577,254	397,080	549,788
Net Cash used in Investing Activities	(28,390,608)	(7,388,384)	(41,769,480)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Right Issue of Shares	-	-	165,222,941
Repayment of Bank Loans	(11,000,000)	(84,450,000)	(274,100,000)
Financed from Related Parties	(27,908,771)	153,005,044	125,576,974
Principal Payments under Finance Lease	(1,263,098)	(4,604,192)	(5,723,709)
Net Cash from/(Used in) Financing Activities	(40,171,869)	63,950,852	10,976,206
Net Increase/(Decrease) in Cash & Cash Equivalents	(23,074,303)	32,151,288	(17,150,820)
Cash & Cash Equivalents at the beginning of the period	(190,569,800)	(173,418,980)	(173,418,980)
Cash & Cash Equivalents at the end of the period	(213,644,103)	(141,267,692)	(190,569,800)
Cash and Cash Equivalents comprise;			
Cash at Bank and in Hand	16,824,339	7,518,924	16,404,162
Bank Overdraft	(230,468,442)	(148,786,616)	(206,973,962)
	(213,644,103)	(141,267,692)	(190,569,800)

WASKADUWA BEACH RESORT PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30TH SEPTEMBER 2016

01 Corporate Information

Waskaduwa Beach Resort PLC, is a public limited liability company incorporated and domiciled in Sri Lanka listed on the Colombo Stock Exchange.

02 Approval of Financial Statements

The interim condensed financial statements of the company for the period ended 30th September 2016 were authorised for issue by the Board of Directors on 15th November 2016.

03 Basis of Preparation

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard (SLAS) LKAS 34 - Interim Financial Reporting and also provide the information required by the Colombo Stock Exchange. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2016.

The company has adopted consistent accounting policies and method of computation as disclosed in the Annual Report for the year ended 31st March 2016.

The Interim condensed Financial Statements are presented in Sri Lankan Rupees and all values are rounded to the nearest Rupee except when otherwise indicated.

	6 months ended 30.09.2016	6 months ended 30.09.2015	Year ended 31.03.2016
04 Share information			
4.1 Basic Earnings/(Loss) Per Share (Rs.)	(0.28)	(0.39)	(1.18)
	As at 30.09.2016	As at 30.09.2015	
4.2 Net Assets Per Share (Rs.)	7.18	7.51	
	2016/17 - 2nd Quarter	2015/16 - 2nd Quarter	
4.3 Market Price Per Share (Rs.)			
Highest	7.30	7.70	
Lowest	4.20	5.20	
Closing	6.00	5.60	

4.4 Per Share information has been calculated for all periods, based on fully paid Ordinary Shares in issue as at 30th September 2016, amounting to 201,746,915.

4.5 Stated Capital

	Ordinary Shares	
	Amount (Rs.)	Number
As at 30.09.2016	2,042,238,316	201,746,915
As at 30.09.2015	1,580,769,266	155,600,010

4.6 The percentage of the shares held by public as at 30th September 2016 was 12.96% (As at 30th September 2015 was 16.79%) comprising 1,240 shareholders (As at 30th September 2015 was 1,201 shareholders) .

WASKADUWA BEACH RESORT PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30TH SEPTEMBER 2016

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

Director Name	As at 30.09.2016	As at 30.09.2015
Mr.E.P.A Cooray	300,001	300,001
Mr. D.S Jayaweera	-	-
Ms.V.S. Fernando	-	-
Mr. R. Seneviratne	500,600	500,600
Mr.J.M.B Pilimatalawwe	-	-
Mr.S.D.De Mel	29,700	29,700
Mr. S. A. Ameresekere	-	-
Chief Executive Officer		
Mr. P.C.B Thalwatte	-	-

4.8 Twenty Largest Ordinary Shareholders of the Company as follows;

No.	Shareholder	As at 30 th September 2016	
1	Citrus Leisure PLC	138,436,501	68.62%
2	Vallibel One PLC	31,460,997	15.59%
3	Mrs K M Goonewardene	4,680,277	2.32%
4	Mr T G Thoradeniya	4,224,722	2.09%
5	Mr C Yatawara	3,890,087	1.93%
6	Mr G R W De Soysa	2,698,987	1.34%
7	Royal Ceramics Lanka PLC	1,400,145	0.69%
8	N P Capital Ltd	1,000,000	0.50%
9	Ms M R H Galappatti	646,000	0.32%
10	Mrs G I Vasunthara	618,364	0.31%
11	Mr R G Seneviratne	500,600	0.25%
12	First Capital Markets Ltd/ Mr. N.A.Sellahewa	475,742	0.24%
13	Mr W A S P De Seram	378,152	0.19%
14	Mr S M A D S Sugathapala	325,143	0.16%
15	People's Leasing & Finance PLC/ Mr. M P P N Jayasinghe	318,000	0.16%
16	Mr E P A Cooray	300,001	0.15%
17	Mr P S Weerasekara	250,200	0.12%
18	E-W Information Systems Limited	243,301	0.12%
19	People's Leasing & Finance PLC/ Mr. J A R Thoradeniya	205,207	0.10%
20	Mr S Srikanth	200,000	0.10%
		192,252,426	95.29%
	Others	9,494,489	4.71%
	Total	201,746,915	100.00%

WASKADUWA BEACH RESORT PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30TH SEPTEMBER 2016

05 Profit/ (Loss) Before Tax Stated after Charging	Quarter Ended 30 th September			Twelve Months Ended 31 March		
	2016	2015	Increase / (Decrease)	2016	2015	Increase / (Decrease)
	Unaudited Rs.	Unaudited Rs.	%	Unaudited Rs.	Audited Rs.	%
<i>Included in Administrative Expenses</i>						
Employee Related Expenses	27,939,545	27,691,639	1%	119,734,510	78,521,782	52%
Depreciation	47,763,395	46,115,531	4%	188,064,141	136,876,166	37%

06 Events Subsequent to the Reporting Date

Under the proposed restructuring plan announced, Hikkaduwa Beach Resort PLC a subsidiary of Citrus Leisure PLC is to make a Voluntary Offer in terms of the Company Take-overs and Mergers Code 1995 to purchase 201,746,915 shares of Waskaduwa Beach Resort PLC constituting the 100% of the shares in issue, at a consideration of 5 shares of Hikkaduwa Beach Resort PLC being issued for every 12 shares of Waskaduwa Beach Resort PLC held by a shareholder of Waskaduwa Beach Resort PLC; consequently new shares not exceeding 84,061,215 of Hikkaduwa Beach Resort PLC would be issued to Waskaduwa Beach Resort PLC shareholders, depending on the level of acceptance of the voluntary offer. The said new shares of Hikkaduwa Beach Resort PLC being issued at an issue price of Rs 24 per share was considered by the board of Hikkaduwa Beach Resort PLC as fair as reasonable to Hikkaduwa Beach Resort PLC and to the shareholders of Hikkaduwa Beach Resort PLC.

Hikkaduwa Beach Resort PLC made an Offer to the Board of Waskaduwa Beach Resort PLC in terms of Rule 3 of the Code and simultaneously, forwarded an Announcement in terms of Rule 9 of the Code to the Securities and Exchange Commission of Sri Lanka for the approval of the SEC as required by Rule 18 of the Code.

07 Contingent Liabilities

There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2016.

08 Comparative Figures

Where necessary, comparative figures have been re-stated to conform with SLFRS/LKAS.

09 Tax Expense

Pursuant to agreement dated 19 March 2012, entered into with Board of Investments of Sri Lanka under Section 17 of the Board of Investment Law No. 04 of 1978, the provision of the Inland Revenue Act No. 10 of 2006 relating to the imposition, payment and recovery of income tax in respect of the profit and income of the Company shall not apply for a period of twelve (12) years reckoned from the year of assessment as may be determined by the Board ("the tax exemption period").

Corporate Information

- Name of Company** : Waskaduwa Beach Resort PLC
- Legal Form** : Public Quoted Company with limited liability Incorporated in Sri Lanka.
- Stock Exchange Listing** : The issued ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange of Sri Lanka.
- Company Registration No.** : PB 4242
- Registered Office** : No: 07/05, Gregory's Road, Colombo 07
Telephone : 0115755055
Fax : 0115 470000
E-mail : direct@citrusleisure.com
Website : www.citrusleisure.com
- Board of Directors** : Mr.E.P.A Cooray (Chairman)
Mr. D.S Jayaweera
Mr. S.A. Ameresekere
Ms.V.S. F Amunugama
Mr. R. Seneviratne
Mr.J.M.B Pilimatalawwe
Mr.S.D.De Mel
- Chief Executive Officer** : Mr. P. C. B. Talwatte
- Company Secretaries** : P W Corporate Secretarial (Pvt) Ltd.
No.3/17, Kynsey Road,
Colombo 08.
- Auditors** : Ernst & Young
Chartered Accountants
201, De Saram Place,
Colombo 10.
- Bankers** : Sampath Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon
Pan Asia Banking Corporation PLC
Nations Trust Bank PLC
Hatton National Bank PLC