

# citrus

**WASKADUWA BEACH RESORT PLC**

**Interim Financial Statements**

**For the Year ended 31 March 2019**

WASKADUWA BEACH RESORT PLC

STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended 31st March			Year Ended 31st March		
	2019 Unaudited Rs.	2018 Unaudited Rs.	Increase / (Decrease) %	2019 Unaudited Rs.	2018 Audited Rs.	Increase / (Decrease) %
<b>Revenue</b>	269,002,357	212,180,797	27%	795,681,062	693,579,858	15%
Cost of Sales	<u>(46,623,789)</u>	<u>(45,056,274)</u>	3%	<u>(185,112,210)</u>	<u>(167,955,919)</u>	10%
<b>Gross Profit</b>	<b>222,378,568</b>	<b>167,124,524</b>	33%	<b>610,568,852</b>	<b>525,623,939</b>	16%
Other Income	5,207,759	2,705,033	93%	8,539,157	5,927,328	44%
Administrative Expenses	(83,876,671)	(69,227,972)	21%	(305,908,172)	(301,314,901)	2%
Operating Expenses	(55,172,039)	(47,086,454)	17%	(204,743,147)	(187,756,068)	9%
Selling and Marketing Expenses	<u>(5,997,092)</u>	<u>(4,428,096)</u>	35%	<u>(21,305,993)</u>	<u>(15,291,324)</u>	39%
<b>Operating profit</b>	<b>82,540,526</b>	<b>49,087,035</b>	68%	<b>87,150,698</b>	<b>27,188,974</b>	221%
Finance Income	523,069	1,966,403	-73%	6,749,418	6,589,081	2%
Finance Cost	<u>(82,361,712)</u>	<u>(72,904,793)</u>	13%	<u>(308,875,324)</u>	<u>(288,025,862)</u>	7%
<b>Profit/(loss) before tax</b>	<b>701,882</b>	<b>(21,851,355)</b>	-103%	<b>(214,975,209)</b>	<b>(254,247,807)</b>	-15%
Income Tax Expense	<u>1,842,870</u>	<u>(774,393)</u>	-338%	<u>95,100</u>	<u>(982,090)</u>	-110%
<b>Profit/(loss) for the year</b>	<b><u>2,544,753</u></b>	<b><u>(22,625,749)</u></b>	-111%	<b><u>(214,880,108)</u></b>	<b><u>(255,229,897)</u></b>	-16%
<b>Other Comprehensive Income/ (Loss)</b>						
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>						
Revaluation Gain on Land and Building	-	754,204,338		-	754,204,338	
Deferred Tax effect on Revaluation of Land and Building	-	(109,716,316)		-	(111,339,952)	
Actuarial Gain/ (Loss) on Defined Benefit Plan	188,475	(214,813)		188,475	(214,814)	
Deferred Tax Effect on Actuarial Gain/ (Loss)	-	30,074		-	30,074	
<b>Total Comprehensive income for the year, net of tax</b>	<b><u>2,733,228</u></b>	<b><u>644,303,283</u></b>		<b><u>188,475</u></b>	<b><u>642,679,646</u></b>	
<b>Total Comprehensive Income/ (Loss) for the year, net of tax</b>	<b><u>5,277,980</u></b>	<b><u>621,677,535</u></b>		<b><u>(214,691,633)</u></b>	<b><u>387,449,749</u></b>	
<b>Earnings/(loss) per share - (Rs.)</b>	<b><u>0.01</u></b>	<b><u>(0.11)</u></b>		<b><u>(1.07)</u></b>	<b><u>(1.27)</u></b>	

# WASKADUWA BEACH RESORT PLC

## STATEMENT OF FINANCIAL POSITION

As at	31.03.2019	31.03.2018
	Unaudited	Audited
	Rs.	Rs.
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant & Equipment	4,171,349,284	4,311,907,934
Amounts due from Related Parties	5,820,022	55,330,078
Intangible Assets	683,952	197,491
	<u>4,177,853,258</u>	<u>4,367,435,503</u>
<b>Current Assets</b>		
Inventories	16,205,381	15,069,134
Trade and Other Receivables	92,304,918	98,308,673
Other Non Financial Assets	13,818,050	12,765,124
Income Tax Receivables	9,956,909	4,172,426
Cash & Cash Equivalents	25,306,574	20,873,411
	<u>157,591,831</u>	<u>151,188,768</u>
<b>TOTAL ASSETS</b>	<u>4,335,445,089</u>	<u>4,518,624,271</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Stated Capital	2,042,238,316	2,042,238,316
Revaluation Reserve	743,788,003	743,788,003
Retained Earnings	(1,259,309,647)	(1,044,618,014)
<b>Total Equity</b>	<u>1,526,716,672</u>	<u>1,741,408,305</u>
<b>Non-Current Liabilities</b>		
Interest Bearing Loans and Borrowings	1,378,161,409	1,247,648,810
Amounts due to Related Parties	883,608,721	539,482,631
Deferred Tax Liability	120,553,072	120,648,172
Retirement Benefit Obligation	4,320,490	3,097,109
	<u>2,386,643,692</u>	<u>1,910,876,722</u>
<b>Current Liabilities</b>		
Interest Bearing Loans and Borrowings	170,758,288	461,334,646
Trade & Other Payables	251,326,437	405,004,598
	<u>422,084,725</u>	<u>866,339,244</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>4,335,445,089</u>	<u>4,518,624,271</u>

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

**Signed**

.....

**D. C. A. Sanadanayake**

Group Accountant

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

29 May 2019

Colombo

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

	<b>Stated Capital</b>	<b>Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Balance as at 01 April 2017</b>	2,042,238,316	100,923,616	(789,203,377)	1,353,958,555
Loss for the year	-	-	(255,229,897)	(255,229,897)
Other Comprehensive Income		642,864,387	(184,740)	642,679,647
<b>Balance as at 31 March 2018</b>	<b>2,042,238,316</b>	<b>743,788,003</b>	<b>(1,044,618,014)</b>	<b>1,741,408,305</b>
Balance as at 01 April 2018	2,042,238,316	743,788,003	(1,044,618,014)	1,741,408,305
Loss for the year	-	-	(214,880,108)	(214,880,108)
Other Comprehensive Income	-	-	188,475	188,475
<b>Balance as at 31 March 2019</b>	<b>2,042,238,316</b>	<b>743,788,003</b>	<b>(1,259,309,647)</b>	<b>1,526,716,672</b>

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

	<b>Year Ended 31.03.2019 Unaudited Rs.</b>	<b>Year Ended 31.03.2018 Audited Rs.</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before Taxation	(214,975,209)	(254,247,807)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	172,228,858	175,867,168
Amortisation of Intangible Assets	93,884	165,527
Provision for Retirement Benefit Obligation	1,411,855	1,328,974
Provision for Economic Service Charge Receivable	-	5,117,564
Provision for Doubtful Debtors	1,234,227	-
Gain on Disposal of property, plant and equipment	(3,092,743)	(1,671,920)
Interest in suspense on finance lease	694,221	-
Finance Income	(6,749,418)	(6,589,081)
Finance Cost	308,875,324	288,025,862
<b>Operating Profit before Working Capital Changes</b>	<b>259,721,000</b>	<b>207,996,287</b>
Increase in Inventories	(1,136,247)	(1,943,361)
Decrease/(increase) in Trade & Other Receivables	4,769,528	(14,678,600)
Increase in other non-financial assets	(1,052,926)	(295,357)
Decrease in Trade & Other Payables	(153,191,947)	(14,831,948)
<b>Cash Generated from/ (used in) Operations</b>	<b>109,109,408</b>	<b>176,247,021</b>
Tax Paid	(6,270,697)	(3,955,304)
Finance Cost Paid	(216,407,285)	(255,304,346)
<b>Net Cash (used in)/from Operating Activities</b>	<b>(113,568,574)</b>	<b>(83,012,630)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of property, plant & equipment	(42,044,512)	(23,698,515)
Proceed from Sale of property, plant & equipment	13,467,048	2,127,322
Acquisition of Intangible Asset	(580,345)	(160,000)
Net Finance to Related Parties	-	(30,169,066)
Finance Income Received	1,623,287	1,893,342
<b>Net Cash used in Investing Activities</b>	<b>(27,534,522)</b>	<b>(50,006,917)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Bank Loans	(61,693,673)	(70,806,327)
Net Finance from Related Parties	306,294,238	120,473,241
Principal Payments under Finance Lease	(3,599,492)	(3,106,969)
<b>Net Cash from financing activities</b>	<b>241,001,073</b>	<b>46,559,944</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>99,897,977</b>	<b>(86,459,601)</b>
Cash & Cash Equivalents at the beginning of the period	(231,613,047)	(145,153,446)
<b>Cash and cash equivalents at the end of the period (Note A)</b>	<b>(131,715,070)</b>	<b>(231,613,047)</b>
<b>Note A</b>		
<b>Cash and Cash Equivalents comprise;</b>		
Cash at Bank and in Hand	25,306,574	20,873,411
Bank Overdraft	(157,021,643)	(252,486,458)
	<b>(131,715,070)</b>	<b>(231,613,047)</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

**1 Corporate Information**

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

**2 Approval of Financial Statements**

The interim condensed financial statements of the company for the year ended 31st March 2019 were authorised for issue by the Board of Directors on 29 May 2019.

**3 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 2018.

**Changes in Accounting policies and Disclosures**

The accounting policies adopted in the preparation of the Interim Condensed Financial Statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended 31 March 2018, except for the adoption of new standards effective as of 1 April 2018 and Hedge Accounting.

The company applies SLFRS 15 Revenue from Contracts with Customers and SLFRS 9 Financial Instruments for the first time that may require restatement of previous Financial Statements. As required by LKAS 34, the nature and effect of these changes are disclosed below, and the other amendments and interpretations apply for the first time in 2018 do not have an impact on the Interim Condensed Financial Statements of the Company.

**(a) SLFRS 15 Revenue from**

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under SLFRS.

The Company adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed, the Company concluded that SLFRS 15 does not have a material impact on the company's Financial Statements.

**(b) SLFRS 9 Financial Instruments**

SLFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, paragraph 7.2.16 of SLFRS 9 permits an entity not to apply the requirements of this Standard to interim periods prior to the date of initial application, if it is impracticable.

Based on the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

Accordingly, as permitted by the above SoAT, the Company has prepared the Interim Financial Statements for the quarter ended 31st December 2018 based on LKAS 39.

**(c) Hedge Accounting- Cash flow hedges**

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognized directly in equity in the "Cash flow hedge reserve". The ineffective portion of the gains or losses on the hedge instrument is recognized immediately in the Statement of Profit or Loss.

When the hedge cash flow affect the Profit or Loss, the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit or Loss. When a hedging instrument expires, or is sold, terminated, exercised or when a hedge no longer meet the criteria for hedge accounting, any cumulative gains/losses existing in other comprehensive income at that time remains in other comprehensive income and is recognized when the hedge forecast transaction ultimately recognized in the Statement of Profit or Loss. When a forecast transaction is no longer expected to occur the Cumulative gains/loss was reported in other comprehensive income is immediately transferred to the Statement of Profit or Loss.

**WASKADUWA BEACH RESORT PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

**4 Revaluation Gain on Land and Building**

The land and building belonging to the Company, situated at No. 427, Samanthara Road, Kudawaskaduwa, Kaluthara were revalued as at 31 March 2018. The results of such revaluation were incorporated in these financial statements from its effective date which is 31 March 2018. The surplus arising from the revaluation was transferred to the revaluation reserve.

**5 Events Subsequent to the Reporting Date**

Other than what is mentioned below, no other circumstances have arisen since the reporting date, which would require adjustments to, or disclosure in the condensed Financial Statements.

**Group Debt Restructuring and Rights Issue of Ordinary Voting Shares**

Pursuant to the Rights Issue of Shares approved by the shareholders at the Extraordinary General Meeting held on 8th April 2019, 358,110,181 Ordinary Voting Shares were allotted on 10th May 2019, of which 358,089,334 shares were allotted to Hikkaduwa Beach Resort PLC, thereby converting the restructured debt Rs.859,414,401/60 that was payable to Hikkaduwa Beach Resort PLC by the Company.

The cash subscription received of Rs.50,032.80 in respect of 20,847 shares will be utilized to reduce the debt owed to Commercial Bank of Ceylon PLC.

The new 358,110,181 Ordinary Voting Shares were listed on the Colombo Stock Exchange on 23rd May 2019.

Provisionally Allotted	Allotted /Listed
363,144,447 shares	358,110,181 shares

**6 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 2018.

**7 Comparative Figures**

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

**8 Share information**

**8.1 Basic earnings/(loss) per share**

For the year ended 31 March	2019 Rs.	2018 Rs.
Basic earnings/(loss) per Share (Rs.)	<u>(1.07)</u>	<u>(1.27)</u>

**8.2 Net assets per share**

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31 March 2019.

As at	2019 Rs.	2018 Rs.
Net assets per share	<u>7.57</u>	<u>8.63</u>

**8.3 Market Price Per Share (Rs.)**

For the quarter ended 31 March

	2019	2018
Highest	2.80	3.90
Lowest	1.80	3.00
Last Traded	<u>2.30</u>	<u>3.20</u>

**8.4** Per Share information has been calculated for all periods, based on fully paid Ordinary Shares in issue as at 31st March 2019, amounting to 201,746,915.

**8.5 Stated Capital**

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

As at	31.03.2019		31.03.2018	
	Number	Rs.	Number	Rs.
Ordinary Shares	<u>201,746,915</u>	<u>2,042,238,316</u>	<u>201,746,915</u>	<u>2,042,238,316</u>

**8.6** The percentage of the shares held by public as at 31st March 2019 was 5.570% (As at 31 March 2018 was 5.570%) comprising 1,219 shareholders (As at 31st March 2018 was 1,161 shareholders).

The Float Adjusted Market Capitalisation of the Company as at 31 March 2019 is Rs. 25,846,703.10. The Company does not comply with the minimum public holding requirement under the CSE Listing Rules 7.13.1 (b) with effect from 28th February 2018 consequent to the transfer of shares under the Voluntary Offer. The proposed rectification plan in order to be complied with Listing Rules 7.13.1 (b) will be announced in due course.

# WASKADUWA BEACH RESORT PLC

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

8.7 The number of shares held by the Board of Directors and CEO's are as follows,

Director Name	As at 31.03.2019	As at 31.03.2018
Mr. E.P.A Cooray	-	-
Mr. D.S Jayaweera	-	-
Ms.V.S. F. Amunugama	-	-
Mr. S. A. Ameresekere	-	-
Mr. R. Seneviratne	-	-
Mr. J.M.B Pilimalawwe	-	-
Mr. S.D.De Mel	-	-
<b>Chief Executive Officer</b>		
Mr. P.C.B Thalwatte	-	-

8.8 Twenty Largest Ordinary Shareholders of the Company as follows;

No.	Shareholder	As at 31st March 2019	
1	Hikkaduwa Beach Resort PLC	190,509,218	94.430%
2	Mr G R W De Soysa	2,698,987	1.338%
3	Mr.N.A.Sellahewa (Deceased)	475,742	0.236%
4	Mr.W.A.S.P. De Saram	337,792	0.167%
5	Mr.J.A.D.P.C Jayasinghe	277,548	0.138%
6	Merchant Bank of Sri Lanka & Finance PLC / D.K.M.M.S. COORAY	268,533	0.133%
7	Mr.B.M.G.Rathnasiri	267,556	0.133%
8	Ewis Peripherals (Private) Limited	193,820	0.096%
9	Mr.S.Srikanth	158,248	0.078%
10	Mr.H.R.Peries	155,247	0.077%
11	Mrs.W.P.Wijesekera	150,000	0.074%
12	Mr.J.A.M. Jiffry	150,000	0.074%
13	Mr.C.A. Elankanesan	144,942	0.072%
14	Merchant Bank of Sri Lanka & Finance PLC / W.M.H.G. Gamini	136,011	0.067%
15	Mr.P.L.S. Ariyananda	106,050	0.053%
16	Mr.K.M.S.C.Mudalige	100,100	0.050%
17	Dr.S.Yaddehige	100,000	0.050%
18	Marchant Bank of Sri Lanka PLC Account No.02	100,000	0.050%
19	Mr.L.N.S.K. Samarasinghe	100,000	0.050%
20	Mr.S.A. Ratnam	100,000	0.050%
21	Mr. A.Cader	100,000	0.050%
22	Mr.A.C.M. Muller	100,000	0.050%
		<b>196,729,794</b>	<b>97.513%</b>
	Others	<b>5,017,121</b>	<b>2.487%</b>
	Total	<b>201,746,915</b>	<b>100%</b>



## Corporate Information

<b>Name of Company</b>	: Waskaduwa Beach Resort PLC
<b>Legal Form</b>	: Public Quoted Company with limited liability Incorporated in Sri Lanka.
<b>Stock Exchange Listing</b>	: The issued ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange of Sri Lanka.
<b>Company Registration No.</b>	: PB 4242 PQ
<b>Registered Office</b>	: No: 7/05, Gregory's Road, Colombo 07 Telephone : 0115755055 Fax : 0115 470000 E-mail : direct@citrusleisure.com Website : www.citrusleisure.com
<b>Board of Directors</b>	: 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
<b>Chief Executive Officer</b>	: Mr. P. C. B. Talwatte
<b>Company Secretaries</b>	: P W Corporate Secretarial (Pvt) Ltd. No.3/17, Kynsey Road, Colombo 08.
<b>Auditors</b>	: Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10.
<b>Bankers</b>	: Sampath Bank PLC Commercial Bank of Ceylon PLC Bank of Ceylon Pan Asia Banking Corporation PLC Nations Trust Bank PLC Hatton National Bank PLC Union Bank of Colombo PLC