



# **KALPITIYA BEACH RESORT PLC**

**Interim Financial Statements**

**For the Period Ended 30th September 2016**

# KALPITIYA BEACH RESORT PLC

## STATEMENT OF FINANCIAL POSITION

AS AT

	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Audited
	Rs.	Rs.	Rs.
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	216,569,418	215,438,269	216,140,334
Leasehold Land	189,431,944	191,457,954	190,444,949
Investments in Associates	1,776,794,230	1,365,367,521	1,641,297,786
Amount due from Related Parties	159,109,679	119,544,267	161,331,823
	<b>2,341,905,271</b>	<b>1,891,808,011</b>	<b>2,209,214,892</b>
<b>Current Assets</b>			
Other Current Financial Assets	551,080	569,480	439,760
Other Receivables	18,762,318	42,003,973	5,427,237
Advances & Prepayments	185,404	-	459,949
Fixed Deposits	209,566,259	207,383,473	213,131,756
Cash and Cash Equivalents	22,955	22,955	32,805
	<b>229,088,016</b>	<b>249,979,881</b>	<b>219,491,507</b>
<b>TOTAL ASSETS</b>	<b>2,570,993,287</b>	<b>2,141,787,892</b>	<b>2,428,706,399</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	1,718,679,050	1,718,679,050	1,718,679,050
Revaluation Reserve	16,984,690	16,984,690	16,984,690
Retained Earnings	(73,244,426)	(407,230,904)	(163,188,530)
<b>Total Equity</b>	<b>1,662,419,314</b>	<b>1,328,432,836</b>	<b>1,572,475,210</b>
<b>Non Current Liabilities</b>			
Retirement Benefit Obligation	142,666	90,108	121,666
Amounts Due to Related Parties	30,852,614	15,300,000	16,290,541
	<b>30,995,281</b>	<b>15,390,108</b>	<b>16,412,207</b>
<b>Current Liabilities</b>			
Other Payables	31,211,337	18,278,733	20,688,522
Income Tax Payable	8,068,700	3,235,183	3,973,475
Interest Bearing Loans and Borrowings	838,298,655	776,451,034	815,156,985
	<b>877,578,692</b>	<b>797,964,950</b>	<b>839,818,982</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,570,993,287</b>	<b>2,141,787,892</b>	<b>2,428,706,399</b>

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

Signed

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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

**KALPITIYA BEACH RESORT PLC**
**STATEMENT OF COMPREHENSIVE INCOME**

	3 Months Ended			06 Months Ended			Year Ended
	30.09.2016 Rs. Unaudited	30.09.2015 Rs. Unaudited	Variance %	30.09.2016 Rs. Unaudited	30.09.2015 Rs. Unaudited	Variance %	31.03.2016 Rs. Audited
Revenue	-	-	-	-	-	-	-
Cost of Sales	-	-	-	-	-	-	-
Gross Profit/ (Loss)	-	-	-	-	-	-	-
Other Income	75,400	43,960	72%	75,400	87,460	-14%	236,260
Selling & Marketing Expenses	-	-	0%	-	-	0%	-
Administrative Expenses	(1,504,624)	(1,777,044)	-15%	(2,511,599)	(3,733,640)	-33%	(6,779,831)
Finance Income	10,572,370	5,157,370	-105%	18,626,058	11,554,223	61%	29,006,615
Finance Cost	(27,313,624)	(19,423,218)	41%	(53,531,627)	(39,342,323)	36%	(84,390,211)
Share of associate companies profit/ (loss) (net of tax)	134,146,152	(1,746,402)	7781%	135,496,444	(1,767,835)	7765%	274,352,301
<b>Profit/(Loss) Before Tax</b>	<b>115,975,675</b>	<b>(17,745,334)</b>	<b>754%</b>	<b>98,154,677</b>	<b>(33,202,115)</b>	<b>-396%</b>	<b>212,425,134</b>
Income Tax Expense	(7,008,627)	(1,451,277)	100%	(8,210,573)	(3,235,183)	154%	(4,612,173)
<b>Profit/(Loss) for the period</b>	<b>108,967,047</b>	<b>(19,196,611)</b>	<b>668%</b>	<b>89,944,103</b>	<b>(36,437,298)</b>	<b>-347%</b>	<b>207,812,961</b>
Other Comprehensive Loss	-	-	0%	-	-	0%	(207,884)
<b>Total Comprehensive Income/ (Loss) for the period, net of tax</b>	<b>108,967,047</b>	<b>(19,196,611)</b>	<b>668%</b>	<b>89,944,103</b>	<b>(36,437,298)</b>	<b>-347%</b>	<b>207,605,077</b>
<b>Basic Earnings/ (Loss) per Share (Rs)</b>	<b>0.68</b>	<b>(0.12)</b>		<b>0.56</b>	<b>(0.23)</b>		<b>1.29</b>

**KALPITIYA 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 01st April 2015</b>	<b>1,718,679,050</b>	<b>16,984,690</b>	<b>(370,793,607)</b>	<b>1,364,870,133</b>
Net Profit For The Year	-	-	207,812,961	207,812,961
Other Comprehensive Loss	-	-	(207,884)	(207,884)
<b>Balance as at 31st March 2016</b>	<b>1,718,679,050</b>	<b>16,984,690</b>	<b>(163,188,530)</b>	<b>1,572,475,210</b>
<b>Balance as at 01st April 2015</b>	1,718,679,050	16,984,690	(370,793,607)	1,364,870,133
Net Profit Loss for the period	-	-	(36,437,298)	(36,437,298)
<b>Balance as at 30th September 2015</b>	<b>1,718,679,050</b>	<b>16,984,690</b>	<b>(407,230,905)</b>	<b>1,328,432,835</b>
<b>Balance as at 1st April 2016</b>	<b>1,718,679,050</b>	<b>16,984,690</b>	<b>(163,188,530)</b>	<b>1,572,475,210</b>
Net Profit Loss for the period	-	-	89,944,103	89,944,103
<b>Balance as at 30th September 2016</b>	<b>1,718,679,050</b>	<b>16,984,690</b>	<b>(73,244,427)</b>	<b>1,662,419,313</b>

**KALPITIYA BEACH RESORT PLC****CASH FLOW STATEMENT****PERIOD ENDED**

	<b>30.09.2016</b> <b>Unaudited</b> <b>Rs.</b>	<b>30.09.2015</b> <b>Unaudited</b> <b>Rs.</b>	<b>31.03.2016</b> <b>Audited</b> <b>Rs.</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>			
Net Profit/(Loss) before Taxation	98,154,677	(33,202,115)	212,425,134
<b>ADJUSTMENTS FOR</b>			
Amortisation of Leasehold Rights	1,013,006	1,013,005	2,026,011
Depreciation	151,253	1,107,539	1,258,793
Share of associate companies (profit)/ loss (net of tax)	(135,496,444)	1,767,835	(274,352,301)
Fair Value Adjustment on Financial Assets at the fair value through profit or loss	(111,320)	10,120	139,840
Finance Income	(18,264,054)	-	(27,169,464)
Mortgage Fee Income	(250,684)	-	(1,837,151)
Provision for Retirement Benefit Obligations	21,000	18,000	31,544
Finance Charges	53,531,627	39,332,203	84,250,371
<b>Operating Loss before Working Capital Changes</b>	<b>(1,250,940)</b>	<b>10,046,587</b>	<b>(3,227,223)</b>
Increase / (Decrease) in Other Receivables	(4,013,296)	197,126,369	242,008,911
(Decrease) / Increase in Other Payables	9,220,990	(4,102,986)	(4,738,951)
(Decrease) / Increase in Advances and Prepayment	274,549	-	(459,949)
	<b>4,231,303</b>	<b>203,069,970</b>	<b>233,582,788</b>
Income Tax Paid	(4,115,348)	-	(638,698)
Finance Cost Paid	(52,229,803)	(39,332,203)	(81,175,483)
<b>Net Cash used in Operating Activities</b>	<b>(52,113,848)</b>	<b>163,737,767</b>	<b>151,768,607</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Purchase of Property, Plant & Equipment	(580,338)	(1,234,573)	(2,087,890)
Finance to Related Parties	2,222,144	(36,900,000)	(64,373,727)
Finance Income	9,192,953	-	6,386,981
Withdrawal from Fixed Deposits	7,112,827	-	-
Investment in Fixed Deposits	(3,547,330)	(207,383,473)	(213,131,756)
<b>Net Cash used in Investing Activities</b>	<b>14,400,256</b>	<b>(245,518,046)</b>	<b>(273,206,392)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Principal Payment under Finance Lease Liabilities	(732,862)	(1,026,177)	(2,669,035)
Finance from Related Parties	14,562,074	15,300,000	16,261,406
<b>Net Cash from Financing Activities</b>	<b>13,829,212</b>	<b>14,273,823</b>	<b>13,592,371</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(23,884,382)</b>	<b>(67,506,457)</b>	<b>(107,845,417)</b>
Cash & Cash Equivalents at the beginning of the period	(814,135,978)	(706,290,561)	(706,290,561)
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>(838,020,360)</b>	<b>(773,797,018)</b>	<b>(814,135,978)</b>
<b>Cash and Cash Equivalents comprise;</b>			
Cash at Bank and in Hand	22,955	20,286	32,805
Bank Overdraft	(838,043,315)	(773,817,304)	(814,168,783)
	<b>(838,020,360)</b>	<b>(773,797,018)</b>	<b>(814,135,978)</b>

# KALPITIYA BEACH RESORT PLC

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### FOR THE QUARTER ENDED 30TH SEPTEMBER 2016

#### 01 Corporate Information

Kalpitiya 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 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.

<b>04 Share information</b>	<b>06 Months Ended 30.09.2016</b>	<b>06 Months Ended 30.09.2015</b>	<b>Year Ended 31.03.2016</b>
4.1 Basic Earnings/(Loss) Per Share (Rs.)	0.56	(0.23)	1.29
	<b>As at 30.09.2016</b>	<b>As at 30.09.2015</b>	
4.2 Net Assets Per Share (Rs.)	10.31	8.03	
	<b>2016/17 - 2nd Quarter</b>	<b>2015/16 - 2nd Quarter</b>	
4.3 Market Price Per Share (Rs.)			
Highest	5.60	4.30	
Lowest	2.90	2.90	
Closing	5.00	2.90	

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 161,200,010.

4.5 Stated Capital

	<b>Ordinary Shares</b>	
	<b>Number</b>	<b>Amount (Rs.)</b>
As at 30.09.2016	161,200,010	1,718,679,050
As at 30.09.2015	161,200,010	1,718,679,050

## KALPITIYA BEACH RESORT PLC

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2016

4.6 The percentage of the shares held by public as at 30th September 2016 was 27.82% (As at 30th September 2015 was 27.82%) comprising 1,580 shareholders (As at 30th September 2015 was 1,549).

4.7 Twenty Largest Ordinary Shareholders of the Company as follows;

Serial No.	Shareholder	As at 30 September 2016	
		Number of Shares	%
1	Citrus Leisure PLC	111,653,901	69.26%
2	Sampath Bank PLC/Capital Trust Holdings (Pvt) Ltd	8,000,000	4.96%
3	Seylan Bank PLC/Capital Trust Holdings (Pvt) Ltd	7,625,979	4.73%
4	Mrs. K.M. Goonewardene	4,072,655	2.53%
5	Mr G R W De Soysa	3,500,000	2.17%
6	Mr. T.G. Thoradeniya	3,182,346	1.97%
7	Mr H A K N Priyadharshana	1,000,000	0.62%
8	Admiral W K J Karannagoda	1,000,000	0.62%
9	Ms. M.R.H. Galappatti	636,460	0.39%
10	Seylan Bank PLC/Ravindra Erle Rambukwella	538,135	0.33%
11	Mr. E.P.A. Cooray	500,001	0.31%
12	Pan Asia Banking Corporation PLC./Mr.Ravindra Erle Rambukwelle	500,001	0.31%
13	Mr. S. Srikanth	500,000	0.31%
14	MR M R E Rambukwella	444,801	0.28%
15	Seylan Bank PLC/Padmesh Sajjeewa Weerasekera	400,301	0.25%
16	Dr. M. A. M. S. Cooray	350,621	0.22%
17	Mr M R Badurdeen	350,490	0.22%
18	Mr T A Gulamhusein	339,324	0.21%
19	Mr D A Dasantha Primal	300,000	0.19%
20	Mr S M A Farook	296,550	0.18%
		<b>145,191,565</b>	<b>90.07%</b>
	Others	16,008,445	9.93%
	Total	<b>161,200,010</b>	<b>100.00%</b>

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

Director Name	As at 30.09.2016	As at 31.03.2016
Mr. E.P.A Cooray	500,001	500,001
Mr. D.S Jayaweera	-	-
Ms.V.S. Fernando Amunugama	-	-
Mr. S.A. Ameresekere	-	-
Mr. R. Seneviratne	10,000	10,000
Mr. J.M.B Pilimatalawwe	-	-
Mr. S.D.De Mel	23,800	23,800
<b>Chief Executive Officer</b>		
Mr. P. C. B. Talwatte	-	-

#### 05 Development of Ayurveda Resort & Spa Hotel

All preliminary work for the Ayurveda Resort Spa has been concluded and the documentation for a closed bid civil construction tender is being finalized as per the engineer's estimate. The board is also continuing to evaluate the scheduled timelines and Return On Investment in light of the current market conditions and expectations. The board is of the view that the expected growth in the Kalpitiya zone has still not taken place and therefore, would continue to carefully evaluate the region's development as a tourist destination.

#### 06 Events Subsequent to the Reporting Date

Under the proposed restructuring plan announced, Hikkaduwa Beach Resort PLC is to amalgamate with Kalpitiya Beach Resort PLC, the consideration being, that a shareholder of Kalpitiya Beach Resort PLC holding 12 shares shall receive 5 shares of Hikkaduwa Beach Resort PLC; consequently upto 67,166,670 new shares of Hikkaduwa Beach Resort will be issued to Kalpitiya Beach Resort PLC shareholders in place of 161,200,010 shares held by the shareholders of Kalpitiya Beach Resort PLC.

#### 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.

## Corporate Information

<b>Name of Company</b>	: Kalpitiya 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 4367
<b>Registered Office</b>	: No: 7/5, Gregory's Road, Colombo 7
	Telephone : 0115 755055
	Fax : 0115 470000
	E-mail : <a href="mailto:direct@citrusleisure.com">direct@citrusleisure.com</a>
	Website : <a href="http://www.citrusleisure.com">www.citrusleisure.com</a>
<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>	: Pan Asia Bank Corporation PLC Nations Trust Bank PLC Sampath Bank PLC