



HIKKADUWA BEACH RESORT PLC

**Interim Financial Statements
Period Ended 30 September 2018**

HIKKADUWA BEACH RESORT PLC AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME

	Group						
	Quarter Ended 30th September			06 Months Ended 30th September			Year Ended 31st March
	2018 Unaudited Rs.	2017 Unaudited Rs.	Increase / (Decrease) %	2018 Unaudited Rs.	2017 Unaudited Rs.	Increase / (Decrease) %	2018 Audited Rs.
Revenue	253,607,246	67,745,429	274%	443,082,051	128,868,711	244%	403,867,155
Cost of Sales	(71,183,417)	(18,297,570)	289%	(124,191,405)	(34,318,657)	262%	(90,207,904)
Gross Profit	182,423,829	49,447,859	269%	318,890,646	94,550,054	237%	313,659,251
Other Income	2,013,196	234,695	758%	3,396,046	1,328,251	156%	8,131,179
Administrative Expenses	(124,153,546)	(23,860,929)	420%	(219,096,650)	(50,160,462)	337%	(148,262,436)
Operating Expenses	(66,591,853)	(16,435,200)	305%	(133,565,297)	(32,234,740)	314%	(84,248,956)
Selling and Marketing Expenses	(10,112,577)	(4,612,011)	119%	(18,694,336)	(8,594,554)	118%	(18,603,262)
Operating Profit/ (Loss)	(16,420,951)	4,774,414	-444%	(49,069,591)	4,888,549	-1104%	70,675,776
Finance Income	7,326,892	24,830,888	-70%	21,033,319	46,767,293	-55%	95,013,349
Finance Cost	(114,538,833)	(20,870,348)	449%	(230,618,858)	(37,623,395)	513%	(122,515,999)
Share of Profit of Investment in Associate	2,486,503	-	-100%	5,486,949	-	100%	3,082,135
Impairment of Investment in Associate	-	-		-	-		(176,491,910)
Profit/ (Loss) Before Tax	(121,146,389)	8,734,954	-1487%	(253,168,182)	14,032,446	-1904%	(130,236,649)
Income Tax Expense	(1,233,799)	(6,711,422)	-82%	(1,233,799)	(12,635,113)	-90%	(65,303,544)
Profit/ (Loss) for the period	(122,380,188)	2,023,532	-6148%	(254,401,981)	1,397,333	-18306%	(195,540,192)
Other Comprehensive Income/ (Loss)							
Revaluation Gain on Land and Building (Note 05)	-	-		-	-		895,964,136
Deferred Tax effect on Revaluation of Land and Building	-	-		-	-		(134,400,027)
Actuarial Gain/ (Loss) on Defined Benefit Plan	-	-		-	-		(1,639,321)
Deferred Tax effect on Actuarial Gain/ (Loss) on Defined Benefit Plan	-	-		-	-		229,505
Total Other Comprehensive Income	-	-		-	-		760,154,293
Total Comprehensive Income/ (Loss) for the Period, net of tax	(122,380,188)	2,023,532		(254,401,981)	1,397,333		564,614,100
Total Comprehensive Income/ (Loss) Attributable to;							
Equity Holders of the Parent	(118,435,655)	2,023,532		(244,937,090)	1,397,333		530,212,856
Non-Controlling Interest	(3,944,533)	-		(9,464,891)	-		34,401,244
	(122,380,188)	2,023,532		(254,401,981)	1,397,333		564,614,100
Loss per share - Basic (Rs.)	(0.60)	0.04		(1.24)	0.02		(2.59)

HIKKADUWA BEACH RESORT PLC AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME

	Company						
	Quarter Ended			06 Months Ended			Year Ended
	30th September			30th September			31st March
	2018 Unaudited Rs.	2017 Unaudited Rs.	Increase / (Decrease) %	2018 Unaudited Rs.	2017 Unaudited Rs.	Increase / (Decrease) %	2018 Audited Rs.
Revenue	74,860,281	67,745,429	11%	133,389,956	128,868,711	4%	340,666,741
Cost of Sales	(21,001,217)	(18,297,570)	15%	(37,210,654)	(34,318,657)	8%	(74,615,701)
Gross Profit	53,859,064	49,447,859	9%	96,179,302	94,550,054	2%	266,051,040
Other Income	857,421	234,695	265%	1,218,176	1,328,251	-8%	5,349,599
Administrative Expenses	(51,399,366)	(23,860,929)	115%	(77,087,047)	(50,160,462)	54%	(119,212,493)
Operating Expenses	(16,879,418)	(16,435,200)	3%	(35,364,407)	(32,234,740)	10%	(66,149,928)
Selling and Marketing Expenses	(5,421,392)	(4,612,011)	18%	(9,208,728)	(8,594,554)	7%	(16,772,950)
Operating Profit/ (Loss)	(18,983,691)	4,774,414	-498%	(24,262,704)	4,888,549	-596%	69,265,268
Finance Income	18,965,860	24,830,888	-24%	41,428,032	46,767,293	-11%	98,243,379
Finance Cost	(54,033,872)	(20,870,348)	159%	(107,133,982)	(37,623,395)	185%	(99,772,985)
Share of profit of Investment in Associate	2,486,502.94	-	-100%	5,486,948.74	-	100%	3,082,135
Impairment of Investment in Associate	-	-		-	-		(176,491,910)
Profit/ (Loss) Before Tax	(48,944,179)	8,734,954	-660%	(84,481,706)	14,032,446	-702%	(105,674,113)
Income Tax Expense	3,673,374	(6,711,422)	-155%	-	(12,635,113)	-100%	(64,780,152)
Profit/ (Loss) for the period	(45,270,805)	2,023,532	-2337%	(84,481,706)	1,397,333	-6146%	(170,454,265)
Other Comprehensive Income/ (Loss)							
Revaluation Gain on Land and Building (Note 05)	-	-		-	-		141,759,798
Deferred Tax effect on Revaluation of Land and Building	-	-		-	-		(23,060,075)
Actuarial Gain/ (Loss) on Defined Benefit Plan	-	-		-	-		(1,424,508)
Deferred Tax effect on Actuarial Gain/ (Loss) on Defined Benefit Plan	-	-		-	-		199,431
Total Other Comprehensive Income	-	-		-	-		117,474,646
Total Comprehensive Income/ (Loss) for the Period, net of tax	(45,270,805)	2,023,532		(84,481,706)	1,397,333		(52,979,619)

HIKKADUWA BEACH RESORT PLC AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30.09.2018	31.03.2018	30.09.2018	31.03.2018
		Unaudited	Audited	Unaudited	Audited
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non Current Assets					
Property, Plant & Equipment		5,614,231,562	5,937,267,905	1,371,034,197	1,625,359,973
Intangible Assets		214,246	318,081	84,048	120,591
Lease Rentals Paid in Advance		185,379,927	186,392,931	185,379,927	186,392,931
Investment In Associate		2,090,808,068	2,085,321,120	2,090,808,068	2,085,321,120
Investment in Subsidiaries		-	-	1,905,090,720	1,905,090,720
Amounts due from Related Parties		253,537,891	289,203,131	690,261,763	607,375,415
		<u>8,144,171,695</u>	<u>8,498,503,168</u>	<u>6,242,658,723</u>	<u>6,409,660,750</u>
Current Assets					
Inventories		25,167,225	22,993,758	8,984,427	7,924,623
Investments in Quoted Shares		364,320	461,840	364,320	461,840
Non Current Assets Held for Sale	06	221,991,266	-	221,991,266	-
Trade and Other Receivables		119,932,260	188,994,518	109,235,963	155,755,461
Other Non Financial Assets		8,127,375	18,506,454	4,063,799	5,741,330
Income Tax Receivable		7,898,134	4,172,426	2,803,774	-
Fixed Deposits		-	253,999,594	-	253,999,594
Cash and Bank Balances		28,192,339	23,719,322	6,342,942	2,845,911
		<u>411,672,919</u>	<u>512,847,912</u>	<u>353,786,490</u>	<u>426,728,759</u>
TOTAL ASSETS		<u>8,555,844,614</u>	<u>9,011,351,080</u>	<u>6,596,445,214</u>	<u>6,836,389,509</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital		4,311,571,166	4,311,571,166	4,311,571,166	4,311,571,166
Revaluation Reserve		849,934,030	849,934,030	242,878,466	242,878,465
Merger Reserve		332,134,791	332,134,791	332,134,791	332,134,791
Retained Earnings		(936,141,734)	(691,204,644)	92,051,494	176,533,200
		<u>4,557,498,253</u>	<u>4,802,435,343</u>	<u>4,978,635,917</u>	<u>5,063,117,623</u>
Non Controlling Interest		87,534,951	96,999,842	-	-
Total Equity		<u>4,645,033,204</u>	<u>4,899,435,185</u>	<u>4,978,635,917</u>	<u>5,063,117,623</u>
Non-Current Liabilities					
Interest Bearing Loans and Borrowings		2,100,527,882	1,454,048,810	711,705,000	206,400,000
Retirement Benefit obligation		15,687,419	14,433,848	12,011,802	11,336,739
Amounts Due to Related Parties		280,724,405	165,980,269	-	-
Deferred Tax Liability		193,110,122	193,110,122	72,461,949	72,461,949
		<u>2,590,049,827</u>	<u>1,827,573,049</u>	<u>796,178,751</u>	<u>290,198,688</u>
Current Liabilities					
Trade and Other Payables		519,776,198	675,211,179	288,973,841	335,276,177
Income Tax Payable		-	24,889,836	-	24,889,836
Interest Bearing Loans and Borrowings		800,985,385	1,584,241,831	532,656,705	1,122,907,185
		<u>1,320,761,582</u>	<u>2,284,342,846</u>	<u>821,630,546</u>	<u>1,483,073,198</u>
TOTAL EQUITY & LIABILITIES		<u>8,555,844,614</u>	<u>9,011,351,080</u>	<u>6,596,445,214</u>	<u>6,836,389,509</u>

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

Signed
.....
D. C. A. Sandanayake
Group Accountant

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by,

Signed
.....
E. P. A. Cooray
Director

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

14th November 2018
Colombo

HIKKADUWA BEACH RESORT PLC AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Equityholders of the Parent				Non-Controlling Interest Rs	Total Equity Rs
	Stated Capital	Revaluation Reserve	Retained Earnings	Merger Reserve		
	Rs	Rs	Rs	Rs		
Balance as at 01st April 2017	778,568,197	124,178,742	353,394,193	-	-	1,256,141,132
Dividend Paid - 2016/17	-	-	(5,181,651)	-	-	(5,181,651)
Profit for the Period	-	-	1,397,333	-	-	1,397,333
Balance as at 30th September 2017	778,568,197	124,178,742	349,609,875	-	-	1,252,356,814
Balance as at 01st April 2018	4,311,571,166	849,934,030	(691,204,644)	332,134,791	96,999,842	4,899,435,185
Loss for the Period	-	-	(244,937,090)	-	(9,464,891)	(254,401,981)
Balance as at 30th September 2018	4,311,571,166	849,934,030	(936,141,734)	332,134,791	87,534,951	4,645,033,204
COMPANY	Stated Capital	Revaluation Reserves	Merger Reserve	Retained Earnings	Total	
	Rs.	Rs.	Rs.	Rs.		
Balance as at 01 April 2017	778,568,197	124,178,742	-	353,394,193	1,256,141,132	
Dividend Paid - 2016/17	-	-	-	(5,181,651)	(5,181,651)	
Profit for the period	-	-	-	1,397,333	1,397,333	
Balance as at 30th September 2017	778,568,197	124,178,742	-	349,609,875	1,252,356,814	
Balance as at 01st April 2018	4,311,571,166	242,878,465	332,134,791	176,533,200	5,063,117,623	
Loss for the period	-	-	-	(84,481,706)	(84,481,706)	
Balance as at 30th September 2018	4,311,571,166	242,878,465	332,134,791	92,051,494	4,978,635,917	

HIKKADUWA BEACH RESORT PLC AND ITS SUBSIDIARY
STATEMENT OF CASH FLOW

	Group		Company	
	Period Ended	Period Ended	Period Ended	Period Ended
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	Unaudited	Unaudited	Unaudited	Unaudited
	Rs.	Rs.	Rs.	Rs.
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Profit/ (Loss) before Taxation	(253,168,182)	14,032,446	(84,481,706)	14,032,446
ADJUSTMENTS FOR				
Depreciation	101,536,210	17,526,497	15,399,466	17,526,497
Amortisation of Intangible Assets	103,836	36,543	36,543	36,543
Amortisation of Leasehold Rights	1,013,004	-	1,013,004	-
Provision for Retirement Benefit Obligation	1,678,508	900,000	1,100,000	900,000
Fair value adjustment on Financial assets at the fair value through profit or loss	97,520	-	97,520	-
Share of Profit of Associate	(5,486,949)	-	(5,486,949)	-
Impairment of Work In Progress	22,996,149	-	22,996,149	-
Unrealised Exchange Gain	395,058	-	395,058	-
Mortgage Fee Income	(1,111,618)	-	(1,111,618)	-
Finance Income	(21,033,319)	(46,767,293)	(40,413,934)	(46,767,293)
Finance Cost	230,618,858	37,623,395	107,133,982	37,623,395
Operating Profit before Working Capital Changes	77,639,075	23,351,589	16,677,516	23,351,589
(Increase)/ Decrease in Inventories	(2,173,467)	(1,675,960)	(1,059,804)	(1,675,960)
Decrease in Trade and Other Receivables	68,512,013	22,669,854	46,519,506	22,669,854
Decrease in Advances and Prepayments	10,379,079	1,732,749	1,677,531	1,732,749
Increase/ (Decrease) in Trade and Other Payables	(193,108,215)	98,189,005	(70,556,250)	98,189,005
Cash Generated from/ (used in) Operations	(38,751,516)	144,267,237	(6,741,500)	144,267,237
Finance Costs Paid	(175,900,632)	(32,008,232)	(80,921,801)	(32,008,232)
Taxes Paid	(30,414,192)	(24,758,594)	(28,258,460)	(24,758,594)
Gratuity Paid	(424,937)	(91,096)	(424,937)	(91,096)
Net Cash from/ (used in) Operating Activities	(245,491,278)	87,409,314	(116,346,698)	87,409,314
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Acquisition of Property, Plant and Equipment	(23,484,143)	(7,902,307)	(6,057,968)	(7,902,307)
Investment in Fixed Deposits	(410,282)	-	(410,282)	-
Withdrawal of Fixed Deposit	230,367,498	-	230,367,498	-
Net Finance to Related Parties	35,665,240	(142,462,183)	(48,129,927)	(142,462,183)
Finance Income Received	6,496,844	2,003,921	5,657,513	2,003,921
Net Cash from (used in) Investing Activities	248,635,156	(148,360,569)	181,426,833	(148,360,569)
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES				
Proceeds From Interest Bearing Loans and Borrowings	645,000,000	34,912,500	645,000,000	34,912,500
Repayment of Bank Loans	(107,173,673)	(31,160,000)	(52,480,000)	(31,160,000)
Principal Payment under Finance Lease Liabilities	(968,994)	-	-	-
Net Finance from Related Parties	114,744,136	-	-	-
Dividend Paid	-	(5,181,651)	-	(5,181,651)
Net Cash from (used in) Financing Activities	651,601,469	(1,429,151)	592,520,000	(1,429,151)
Net Increase/ (Decrease) in Cash & Cash Equivalents	654,745,347	(62,380,406)	657,600,135	(62,380,406)
Cash & Cash Equivalents at the beginning of the period	(1,207,351,943)	(101,141,499)	(975,738,898)	(101,141,499)
Cash & Cash Equivalents at the end of the period	(552,606,596)	(163,521,905)	(318,138,763)	(163,521,905)

01 Corporate Information

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

02 Interim Condensed Financial Statements

The financial statements for the period ended 30th September 2018, includes "the Company" referring to Hikkaduwa Beach Resort PLC as the holding company and "the Group" referring to the companies whose accounts have been consolidated therein.

03 Approval of Financial Statements

The interim condensed financial statements of the Group and the Company for the period ended 30th September 2018 were authorised for issue by the Board of Directors on 14th November 2018.

04 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 2018.

The company has adopted consistent accounting policies and method of computation as disclosed in the Annual Report for the year ended 31st March 2018.

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

05 Revaluation Gain on Land and Building

The land and buildings belonging to Hikkaduwa Beach Resort PLC and Waskaduwa Beach Resorts PLC were revalued as at 31st 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.

06 Non Current Assets Held for Sale

Non Current Assets Held for Sale includes the land located at Kalpitiya belonging to the Company.

07 Events Subsequent to the Reporting Date

No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to or disclosure in the Financial Statements.

08 Contingencies

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.

09 Comparative Figures

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

10 Share information	Six Months Ended	Six Months Ended	Year Ended
	30.09.2018	30.09.2017	31.03.2018
10.1 Basic Earnings/(Loss) Per Share (Rs.)			
Group	(1.24)	0.02	(2.59)
10.2 Net Assets Per Share (Rs.)			
Company	24.31	21.75	24.72
Group	22.26	21.75	23.45
10.3 Market Price Per Share (Rs.)			
Highest	6.50	17.00	
Lowest	4.40	11.80	
Last Traded	4.60	14.00	

HIKKADUWA BEACH RESORT PLC AND ITS SUBSIDIARY

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2018

- 10.4** Per Share information has been calculated, based on fully paid Ordinary Shares in issue as at 30th September 2018, amounting to 204,782,354.

10.5 Stated Capital

	Ordinary Shares	
	Number	Amount (Rs.)
As at 30.09.2018	204,782,354	4,311,571,166
As at 30.09.2017	57,573,897	778,568,197

- 10.6** The percentage of the shares held by public as at 30 September 2018 was 21.763% (As at 30 September 2017 was 11.15%) and the number of public shareholders was 1,963 (As at 30 September 2017 was 715).

The Float Adjusted Market Capitalisation of the Company as at 30 September 2018 is Rs. 205,005,789.60 and the Company complies with the minimum public holding requirement under Option 5 of the Listing Rules 7.13.1 (a).

- 10.7** The number of shares held by the Board of Directors are as follows,

Director Name	As at 30.09.2018	As at 30.09.2017
Mr.E.P.A Cooray	333,334	1
Mr. R. Seneviratne	212,749	-
Mr. D.S Jayaweera	-	-
Mr.P.V.S. Premawardhana	-	-
Mr. S. A. Ameresekere	-	-
Chief Executive Officer		
Mr. P.C.B Talwatte	5,000	5,000

- 10.8** Twenty Largest Ordinary Shareholders of the Company as follows;

No.	Shareholder	As at 30th Sep 2018	
1	Citrus Leisure PLC	155,995,247	76.18%
2	Mr K D D Perera	13,108,748	6.40%
3	Pan Asia Banking Corporation PLC/C N Samarathunga	5,200,000	2.54%
4	Mrs K M.Goonewardene	3,647,054	1.78%
5	Mr T G Thoordeniya	3,192,570	1.56%
6	Hatton National Bank PLC/Capital Trust Holdings (Pvt) Ltd	2,995,906	1.46%
7	Capital Trust Holdings Ltd	2,751,399	1.34%
8	Mr C Yatawara	1,626,702	0.79%
9	Mr.G R W De Soysa	1,458,333	0.71%
10	Mr H A K N Priyadharshana	624,000	0.30%
11	Royal Ceramics Lanka Plc	583,393	0.28%
12	Ms M R H Galappatti	534,357	0.26%
13	Mr R E Rambukwelle	468,480	0.23%
14	Admiral W K J Karannagoda	416,666	0.20%
15	Mr E P A Cooray	333,334	0.16%
16	Mrs G I Vasunthara	320,000	0.16%
17	Mr. T A D C C Shantha	280,000	0.14%
18	Seylan Bank PLC/Ravindra Erle Rambukwella	249,855	0.12%
19	Seylan Bank PLC/ Padmesh Sajjeewa Weerasekara	240,083	0.12%
20	People's Merchant Finance Plc/ P S Weerasekara	216,748	0.11%
	Sub Total	194,242,875	94.85%
	Others	10,539,479	5.15%
	Total	204,782,354	100.00%

Corporate Information

Name of Company	: Hikkaduwa 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 Colombo Stock Exchange of Sri Lanka.
Company Registration No.	: PB 4520 PQ
Registered Office	: No: 7/5, Gregory's Road, Colombo 07 Telephone : 0115 755055 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 Mr. P.V.S Premawardhana Mr. R. Seneviratne
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 People's Bank National Development Bank PLC
Subsidiary :	Waskaduwa Beach Resort PLC (PB 4242 PQ)