

ANILANA HOTELS & PROPERTIES PLC

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st MARCH 2019 - UNAUDITED**

ANILANA

HOTELS • RESORTS • RETREATS

ANILANA HOTELS AND PROPERTIES LIMITED
STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(Expressed in Sri Lankan Rupees)

AS AT 31 MARCH	Group		Company	
	2019	2018	2019	2018
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	4,043,300,566	4,194,319,393	1,800,998,060	1,879,296,312
Investment Properties	939,400,000	939,400,000	-	-
Intangible Assets	-	-	-	-
Leasehold Land	26,899,556	28,231,556	-	-
Investment in Subsidiaries	-	-	1,383,773,420	1,383,773,420
Available-for-Sale (AFS) Financial Assets	10,515,303	10,515,303	10,515,303	10,515,303
Total Non-Current Assets	5,020,115,425	5,172,466,252	3,195,286,783	3,273,585,035
Current Assets				
Inventories	4,229,175	6,442,512	1,703,626	1,362,311
Financial Assets at Fair Value through Profit or Loss (FVTPL)	160,000	160,000	-	-
Trade and Other Receivables	27,805,417	6,495,069	17,317,058	3,242,009
Amounts Due from Related Parties	275,333,790	6,412,999	104,740,826	3,650,000
Other Non-Financial Assets	65,882,164	41,117,122	39,915,976	19,353,371
Cash and Cash Equivalents	35,998,216	30,373,812	21,948,408	18,135,278
Total Current Assets	409,408,762	91,001,514	185,625,894	45,742,969
Total Assets	5,429,524,187	5,263,467,766	3,380,912,677	3,319,328,004
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	4,530,738,270	3,863,261,648	4,530,738,270	3,863,261,648
Share Application and Pending Allotment	-	302,456,110	-	302,456,110
Revaluation Reserve	1,066,332,259	1,066,332,259	281,448,020	281,448,020
Retained Earnings (<i>at debit</i>)	(2,705,082,681)	(2,283,138,909)	(3,064,287,799)	(2,783,456,550)
	2,891,987,848	2,948,911,108	1,747,898,491	1,663,709,228
Non - Controlling Interest	1,207	1,203	-	-
Total Equity	2,891,989,055	2,948,912,311	1,747,898,491	1,663,709,228
Non - Current Liabilities				
Borrowings - (Non-Current Portion)	1,246,802,008	1,128,988,354	826,495,228	718,581,354
Retirement Benefits Obligation	4,337,806	3,192,380	2,518,701	1,714,131
Total Non - Current Liabilities	1,251,139,814	1,132,180,734	829,013,929	720,295,485
Current Liabilities				
Trade and Other Payables	407,035,864	276,032,675	320,041,831	189,034,273
Borrowings - (Current Portion)	260,902,376	708,388,728	195,632,118	606,572,278
Amounts Due to Related Parties	312,230,353	46,141,780	37,583,878	38,078,387
Other Non-Financial Liabilities	302,196,203	135,591,976	246,711,908	85,695,160
Bank Overdrafts	4,030,522	16,219,562	4,030,522	15,943,193
Total Current Liabilities	1,286,395,318	1,182,374,721	804,000,257	935,323,291
Total Equity and Liabilities	5,429,524,187	5,263,467,766	3,380,912,677	3,319,328,004
Net Asset Value Per Share (Rs.)	3.48	5.98	2.10	3.37

I Certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

.....
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board,

.....
Director

Date: 30/05/2019
Colombo.

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 5 to 7 form an integral part of these Financial Statements.

.....
Director

ANILANA HOTELS AND PROPERTIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(Expressed in Sri Lankan Rupees)

FOR THE PERIOD ENDED 31 MARCH	Group				Company			
	For The Quarter Ended 2019	For The Quarter Ended 2018	For The Year Ended 2019	For The Year Ended 2018	For The Quarter Ended 2019	For The Quarter Ended 2018	For The Year Ended 2019	For The Year Ended 2018
Revenue	31,390,215	23,186,586	245,319,484	219,661,450	17,980,924	14,671,344	150,414,887	137,862,593
Cost of Sales	(22,373,830)	(13,088,727)	(63,094,507)	(64,898,836)	(9,097,969)	(10,351,769)	(32,114,415)	(50,091,847)
Gross Profit	9,016,385	10,097,860	182,224,977	154,762,615	8,882,954	4,319,574	118,300,473	87,770,746
Other Income	118,926	-	752,557	603,738	24,215	-	657,846	156,600
Administrative Expenses	(105,561,118)	(73,045,194)	(386,517,058)	(511,596,224)	(62,919,628)	(31,147,359)	(243,061,616)	(1,585,037,622)
Business Promotion Expenses	(3,518,756)	1,782,974	(6,063,348)	(814,165)	(3,007,138)	1,810,558	(4,743,444)	(563,532)
Profit / (Loss) from Operation	(99,944,562)	(61,164,360)	(209,602,871)	(357,044,035)	(57,019,597)	(25,017,227)	(128,846,741)	(1,497,673,807)
Net Gain / (Loss) from Financial Assets at Fair Value through Profit or Loss	-	-	-	(13,333)	-	-	-	-
Finance Income	(90,423)	(1,390,615)	177	-	(84,538)	(84,538)	-	-
Finance Cost	(158,919,700)	(41,273,030)	(212,341,075)	(240,968,122)	(26,670,380)	(26,670,380)	(151,984,508)	(173,787,578)
Profit / (Loss) Before Taxation	(258,954,686)	(103,828,005)	(421,943,769)	(598,025,491)	(83,774,515)	(51,772,145)	(280,831,249)	(1,671,461,385)
Income Tax Expense	-	(300,000)	-	-	-	(300,000)	-	-
Profit / (Loss) for the Year / Period	(258,954,686)	(104,128,005)	(421,943,769)	(598,025,491)	(83,774,515)	(52,072,145)	(280,831,249)	(1,671,461,385)
Attributable to :								
Equityholders of the Parent	(258,954,667)	(104,128,028)	(421,943,773)	(598,025,492)	(83,774,515)	(52,072,145)	(280,831,249)	(1,671,461,385)
Non-Controlling Interest	(19)	23	4	1	-	-	-	-
	(258,954,686)	(104,128,005)	(421,943,769)	(598,025,491)	(83,774,515)	(52,072,145)	(280,831,249)	(1,671,461,385)
Basic Earnings / (Loss) Per Share (Rs.)	(0.26)	(0.21)	(0.51)	(1.21)	(0.08)	(0.11)	(0.34)	(3.39)
Profit / (Loss) for the Year / Period	(258,954,686)	(104,128,005)	(421,943,769)	(598,025,491)	(83,774,515)	(52,072,145)	(280,831,249)	(1,671,461,385)
Other Comprehensive Income / (Expense)								
(Other Comprehensive Income not to be Reclassified to Profit or								
Actuarial Gain / (Loss) on Retirement Benefits Obligation	-	-	-	(730,742)	-	-	-	(712,125)
Surplus on Revaluation of Property, Plant and Equipment	-	-	-	275,957,747	-	-	-	49,957,747
Total Comprehensive Income / (Expense) for the Year / Period	(258,954,686)	(104,128,005)	(421,943,769)	(322,798,485)	(83,774,515)	(52,072,145)	(280,831,249)	(1,622,215,763)
Attributable to :								
Equityholders of the Parent	(258,954,667)	(104,128,028)	(421,943,773)	(322,798,500)	(83,774,515)	(52,072,145)	(280,831,249)	(1,622,215,763)
Non-Controlling Interest	(19)	23	4	14	-	-	-	-
	(258,954,686)	(104,128,005)	(421,943,769)	(322,798,485)	(83,774,515)	(52,072,145)	(280,831,249)	(1,622,215,763)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019
(UNAUDITED)

Group	Stated Capital	Share Application and Pending Allotment	Revaluation Reserve	Retained Earnings (at debit)	Non Controlling Interest	Total
Balance as at 01 April 2018	3,863,261,648	302,456,110	1,066,332,259	(2,283,138,909)	1,203	2,948,912,312
Issuances of Shares	667,476,622	(302,456,110)	-	-	-	365,020,512
Loss for the Year	-	-	-	(421,943,773)	4	(421,943,769)
Balance as at 31 March 2019	4,530,738,270	-	1,066,332,259	(2,705,082,681)	1,207	2,891,989,055
Balance as at 01 April 2017	3,863,261,648	-	790,374,525	(1,684,380,938)	(548)	2,969,254,687
Proceed for Share Allotment	-	302,456,110	-	-	-	302,456,110
Profit / (Loss) for the Year	-	-	-	(598,025,491)	1	(598,025,489)
Correction of Prior Year Error	-	-	-	(1,737)	1,737	-
Actuarial Gain on Retirement Benefits Obligation	-	-	-	(730,742)	-	(730,742)
Surplus on Revaluation of Property, Plant and Equipment	-	-	275,957,734	-	13	275,957,747
Balance as at 31 March 2018	3,863,261,648	302,456,110	1,066,332,259	(2,283,138,909)	1,203	2,948,912,312

Company	Stated Capital	Share Application and Pending Allotment	Revaluation Reserve	Retained Earnings (at debit)	Total
Balance as at 01 April 2018	3,863,261,648	302,456,110	281,448,020	(2,783,456,551)	1,663,709,228
Issuances of Shares	667,476,622	(302,456,110)	-	-	365,020,512
Profit / (Loss) for the Year	-	-	-	(280,831,249)	(280,831,249)
Balance as at 31 March 2019	4,530,738,270	-	281,448,020	(3,064,287,799)	1,747,898,491
Balance as at 01 April 2017	3,863,261,648	-	231,490,273	(1,111,283,040)	2,983,468,881
Proceed for Share Allotment	-	302,456,110	-	-	302,456,110
Profit / (Loss) for the Year	-	-	-	(1,671,461,385)	(1,671,461,385)
Actuarial Gain on Retirement Benefits Obligation	-	-	-	(712,125)	(712,125)
Surplus on Revaluation of Property, Plant and Equipment	-	-	49,957,747	-	49,957,747
Balance as at 31 March 2018	3,863,261,648	302,456,110	281,448,020	(2,783,456,551)	1,663,709,228

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 5 to 7 form an integral part of these Financial Statements.

ANILANA HOTELS AND PROPERTIES LIMITED

(Expressed in Sri Lankan Rupees)

	Group		Company	
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH (UNAUDITED)	2019	2018	2019	2018
Cash Flows from Operating Activities				
Loss Before Taxation	(421,943,769)	(598,025,491)	(280,831,249)	(1,671,461,385)
Adjustments for;				
Depreciation	153,027,452	153,151,389	80,149,858	80,149,858
Amortization of Intangible Assets	-	613,777	-	613,779
Amortization of Leasehold land	1,332,000	1,332,000	-	-
Gratuity Charge for the Year	1,145,426	1,162,162	804,570	670,475
Net Gain from Financial Assets at Fair Value	-	13,333	-	-
Written Off of Balances (Net)	-	89,911,045	-	63,571,809
Provision for Impairment	-	55,954,164	-	1,299,153,760
Interest Expenses	212,341,075	240,968,122	151,984,508	173,787,578
Interest Income	(177)	-	-	-
Operating Profit / (Loss) Before Working Capital Changes	(54,097,993)	(54,919,498)	(47,892,313)	(53,514,126)
Changes in Working Capital				
Inventories	2,213,338	30,255,008	(341,315)	18,266,392
Trade and Other Receivables / Amounts Due from Related Parties	(290,231,139)	(21,026,106)	(115,165,875)	(176,555,313)
Other Non-Financial Assets	(24,765,039)	(16,483,495)	(20,562,605)	(8,714,750)
Trade and Other Payables / Amounts Due to Related Parties	397,091,762	20,230,846	130,513,049	1,289,612
Other Non-Financial Liabilities	166,604,226	36,161,382	161,016,748	26,048,703
Cash Generated from / (used in) Operations	196,815,154	(5,781,864)	107,567,688	(193,179,482)
Gratuity Paid	-	(708,125)	-	(708,125)
Interest Paid	(212,341,075)	(122,438,916)	(151,984,508)	(77,837,944)
Net Cash used in Operating Activities	(15,525,920)	(128,928,905)	(44,416,819)	(271,725,550)
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment / Incurred on WIP	(2,008,626)	(55,758)	(1,851,606)	(55,758)
Interest Received	177	-	-	-
Net Cash used in Investing Activities	(2,008,450)	(55,758)	(1,851,606)	(55,758)
Cash Flows from Financing Activities				
Net Proceeds from Bank Borrowings	(329,672,698)	(61,481,143)	(303,026,287)	61,651,477
Net Cash Proceeds from Issuances of Shares	365,020,512	-	365,020,512	-
Consideration Received for the Pending Allotment of Shares	-	302,456,110	-	302,456,110
Net Cash Flow from Financing Activities	35,347,814	240,974,968	61,994,225	364,107,588
Net Changes in Cash and Cash Equivalents During the Year	17,813,444	111,990,304	15,725,801	92,326,280
Cash and Cash Equivalents at Beginning of the Year	14,154,250	(97,836,054)	2,192,085	(90,134,195)
Cash and Cash Equivalents at End of the Year	31,967,694	14,154,250	17,917,886	2,192,085

ANILANA HOTELS AND PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

1. Reporting Entity

Anilana Hotels & Properties Limited is a Company incorporated and domiciled in Sri Lanka. The Registered office of the Company was located at 14, Reid Avenue, Colombo 07.

The consolidated financial statements of the company for the period ended 31 March 2019 comprise the Company and its Subsidiaries. The group has eight (8) subsidiaries including sub-subsidiaries.

2. Nature of Operations and Principal Business Activities

The Company's Principal Activities are Developing Hotels and Properties. Business activities of Eastern Development Enterprises (Pvt) Ltd have been commenced during the period.

3. Basis of Preparation

The condensed interim financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the period ended 31 March 2019.

3.1 New Accounting Standards and Interpretations

SLFRS 9 – Financial Instruments

The final version of SLFRS 9 - Financial Instruments that replaces LKAS 39 - Financial Instruments: Recognition and Measurement and all previous versions of SLFRS 9. SLFRS 9 is effective for financial periods beginning on or after 01 January 2018. Except for hedge accounting where requirements are generally applied prospectively with some limited exceptions SLFRS 9 requires retrospective application of the standard.

However the Institute of Chartered Accountants of Sri Lanka issued a "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" in which the companies were granted with an option to prepare Interim Financial Statements continuing with the application of LKAS 39 with disclosures on impact to the Statement of Comprehensive Income for the period if SLFRS 9 has been applied during financial year commencing on or after 01 January 2018.

The Group having opted to use the exemption granted under the above SoAT, prepared the Interim Financial Statements for the quarter ended 31 March 2019 based on LKAS 39. Based on the high-level impact assessment of all three aspects of SLFRS 9 on the group companies, the Group concluded that the impact of the new standard on its financial statements are not material.

9.2. SLFRS 15 – Revenue from Contracts with Customers

SLFRS 15 became effective for financial periods beginning on or after 01 January 2018. This accounting standard supersedes LKAS 11 Construction Contract, LKAS 18 Revenue and revenue relate IFRICs and SICs and establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted SLFRS 15 with effect from the beginning of the current financial year 01 April 2018 using the full retrospective method and has recognised revenue for the three months ended 31 March 2018 (comparative period) and 2019 based on this standard. Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim consolidated financial statements of the Group.

4. Estimates and Policies

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial period to date.

In preparing the interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent as those applied in the 2017/18 (Latest) Audited Financial Statements.

Notes to the Financial Statements Continued

ANILANA HOTELS AND PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019**5. Capital**

No new shares were issued during the quarter ended 31st March 2019

No of Ordinary Shares as at end of the period were 1,006,752,069

Market Price Movement

	2018/2019- 4 th Quarter		2017/2018- 4 th Quarter	
	Date	Price (Rs.)	Date	Price (Rs.)
Highest	07/01/2019	1.50	07/03/2018	1.60
Lowest	29/03/2019	0.70	19/01/2018	0.90
Last Traded		0.80		1.20

Shareholding

Twenty largest shareholders of the company

	Name of the Shareholders	No. of Shares	% Holding
1	SOMAP INTERNATIONAL PTE LTD.	655,448,437	65.105
2	SSBT- GMO EMERGING MARKET FUNDS	103,983,101	10.329
3	PEOPLES LEASING AND FINANCE A/C SENEVIRATNE MR. A.C.SENEVIRATNE	36,081,857 5,370,166	3.584 0.534
4	MS. M.C. AMERASINGHE	20,000,001	1.987
5	ASIA FORT ASSET MANAGEMENT (PVT) LTD.	17,971,085	1.785
6	NATION LANKA FINANCE	13,907,348	1.381
7	O.E.H.KALVO	9,857,109	0.979
8	SEYLAN BANK PLC/ JANASHAKTHI PLC	9,278,007	0.922
9	NATION LANKA CAPITAL LTD ./JEROME RADLEY JUDE EPHRAUMS	8,369,784	0.831
10	Mr.M.K.De LIVERA & Mrs.M.D.DeLIVERA	8,000,001	0.795
11	PAN ASIA BANKING CORPORATION/ Mr. H.H.ANURA CHANDRASIRI	7,973,193	0.792
12	SANDWAVE LTD	7,894,196	0.784
13	GRAVITY RESORT GROUP KATHIRAVELI LTD.	7,173,530	0.713
14	JANASHAKTHI PLC ACCOUNT No.1	6,000,000	0.596
15	SSBT-MDPIM EMERGING MARKETS EQUITY POOL	4,200,000	0.417
16	CEYQUARTS MBI (PVT) LTD.	3,333,400	0.331
17	MRS.S.M.SENEVIRATNE	2,900,000	0.288
18	A.N.WILLIAM	2,561,667	0.254
19	MR.M.T.RAJABKHAN	2,521,500	0.250
20	MR.H.M.P.S.HERATH	2,258,950	0.224
		935,720,211	92.944
	OTHERS	98,870,391	6.842
		1,006,752,069	100.000

The public share holding as at 31st March 2019 was 26.57%.

No. of Shareholders representing the above percentage 1622

5. The Float adjusted Market Capitalization as at 31st March 2019 was Rs. 214,021,752.00

Notes to the Financial Statements Continued

ANILANA HOTELS AND PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2019

6. The Float Adjusted market capitalization of the Company falls under Option 2 of Rule 7.13.1(b) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum Public holding requirement applicable under the said option.

Directors' Shareholding

Number of shares held by directors as at 31st March 2019

Name of the Shareholders	No. of Shares	% Holding
Mr. P.L. Amerasinghe	966,667	0.096
Mr. A.C. Senevirathne	5,370,166	
Peoples Leasing and Finance/A.C.Seneviratne	36,081,857	4.117
Mr. Pramod Pandey	NIL	NIL
MR.Dinesh Pandey	NIL	NIL
Ms. Sonal Pandey	NIL	NIL
Mr. Arjun Dosaj (Appointed w.e.f.18.02.2019)	NIL	NIL
Mr. Rakesh Sharma (Appointed w.e.f.18.02.2019)	NIL	NIL
Ms. Anamika Sharma (Appointed w.e.f. 15.03.2019)	NIL	NIL

Dividends

No dividends have been declared during the period.

6. **Significant Transactions**

There were no unusual items affecting assets, liabilities, equity(Other than what was Disclosed above), net income or cash flows due to their nature, size or incidence for the financial period ended 31st March 2019.

7. **Events after the Reporting Period**

There are no material events after the reporting date that require adjustments to or disclosure in financial statements.

8. **Capital Commitment and Contingencies**

There were no materials Capital Commitment and Contingent Liabilities as at 31st March 2019