



**Colombo Dockyard PLC**

"...An Odyssey of Excellence..."

# **Interim Financial Report**

For the Nine Months Period Ended 30 September 2016

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 September			Nine months ended 30 September		
	2016	2015	Change %	2016	2015	Change %
	Rs,'000	Rs,'000		Rs,'000	Rs,'000	
Revenue	3,224,091	4,048,102	-20.36%	8,471,803	11,326,019	-25.20%
Cost of Sales	(2,928,000)	(3,470,967)	-15.64%	(7,328,941)	(9,631,055)	-23.90%
<b>Gross Profit</b>	<b>296,091</b>	577,135	-48.70%	<b>1,142,862</b>	1,694,964	-32.57%
Other Income	24,129	135,834	-82.24%	131,860	259,629	-49.21%
Distribution Expenses	(5,626)	(4,801)	17.18%	(16,440)	(14,298)	14.98%
Administrative Expenses	(500,051)	(497,161)	0.58%	(1,472,235)	(1,432,303)	2.79%
Other Operating Expenses	1,118	(3,328)	133.59%	(1,326)	1,022	229.75%
Net Finance Income / (Expenses)	22,647	(2,302)	1083.81%	64,004	37,588	70.28%
<b>Profit before Tax</b>	<b>(161,692)</b>	205,377	-178.73%	<b>(151,275)</b>	546,602	-127.68%
Income Tax Expense	(27,785)	(20,439)	35.94%	(60,044)	(44,237)	35.73%
<b>Profit for the period</b>	<b>(189,477)</b>	184,938	-202.45%	<b>(211,319)</b>	502,365	-142.06%
<b>Other Comprehensive Income</b>						
Foreign Currency Translation Differences - Foreign Operations	(617)	124		8,256	3,569	
Other Comprehensive Income For The Period - Net of Taxes	(617)	124		8,256	3,569	
<b>Total Comprehensive Income for The Period</b>	<b>(190,094)</b>	185,062		<b>(203,063)</b>	505,934	
<b>Profits Attributable to :</b>						
Owners of The Company	(189,180)	183,422		(211,003)	500,033	
Non - Controlling Interest	(297)	1,516		(316)	2,332	
<b>Profit for the period</b>	<b>(189,477)</b>	184,938		<b>(211,319)</b>	502,365	
<b>Total Comprehensive Income Attributable to :</b>						
Equity holders of the parent	(189,063)	183,616		(206,260)	501,477	
Non - Controlling Interest	(1,031)	1,446		3,197	4,457	
<b>Total Comprehensive Income for The Period</b>	<b>(190,094)</b>	185,062		<b>(203,063)</b>	505,934	
<b>Earnings per share (Rs)</b>	<b>(2.63)</b>	2.55		<b>(2.94)</b>	6.96	

Note : Figures in brackets indicate deductions

The above figures are subject to audit

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September	2016	2015	As at 31.12.2015
	Rs,'000	Rs,'000	Rs,'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4,166,360	4,445,991	4,399,500
Intangible Assets	3,332	5,512	4,364
Other Investments	15,266	15,304	15,266
Differed Tax Assets	98,791	100,902	101,069
Other Financial Assets Including Derivatives	424,952	430,830	550,641
<b>Total Non-Current Assets</b>	<b>4,708,701</b>	<b>4,998,539</b>	<b>5,070,840</b>
<b>Current Assets</b>			
Inventories	1,466,185	1,149,972	1,057,930
Trade and Other Receivables	10,275,369	10,105,849	9,614,689
Other Financial Assets Including Derivatives	152,650	155,043	153,634
Short Term Investments	339,284	119,745	-
Cash and Cash Equivalents	2,959,559	2,129,424	2,366,055
<b>Total Current Assets</b>	<b>15,193,047</b>	<b>13,660,033</b>	<b>13,192,308</b>
<b>Total Assets</b>	<b>19,901,748</b>	<b>18,658,572</b>	<b>18,263,148</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	714,396	714,396	714,396
Foreign Exchange Equalisation Reserve	8,380	1,893	3,637
Available-for-sale Reserve	15,156	15,194	15,156
Retained Earnings	9,226,411	10,524,872	9,437,414
Equity Attributable to Equity Holders of the Parent	9,964,343	11,256,355	10,170,603
Non Controlling Interest	57,741	55,560	54,544
<b>Total Equity</b>	<b>10,022,084</b>	<b>11,311,915</b>	<b>10,225,147</b>
<b>Non-Current Liabilities</b>			
Differed Tax Liability	1,274	9,941	1,272
Employee Benefits	913,263	895,615	882,093
<b>Total Non-Current Liabilities</b>	<b>914,537</b>	<b>905,556</b>	<b>883,365</b>
<b>Current Liabilities</b>			
Interest Bearing Borrowings	6,137,618	4,894,729	4,506,916
Trade and Other Payables	2,740,639	1,382,193	2,504,799
Other Financial Liabilities Including Derivatives	-	-	27,701
Income Tax Payable	59,294	49,795	66,354
Dividends Payable	26,465	40,338	39,588
Bank Overdrafts	1,111	74,046	9,278
<b>Total current Liabilities</b>	<b>8,965,127</b>	<b>6,441,101</b>	<b>7,154,636</b>
<b>Total Equity and Liabilities</b>	<b>19,901,748</b>	<b>18,658,572</b>	<b>18,263,148</b>
Net Assets per share (Rs)	138.67	156.65	141.54

Note :The above figures are subject to audit

These Financial Statements have been prepared in compliance with the Companies Act No. 7 of 2007

(Sgd.) P D Gihan Ravinatha  
Chief Financial Officer

(Sgd.) Toru Takehara  
Chairman

(Sgd.) D V Abeyasinghe  
Managing Director / CEO

November 10, 2016 Colombo

**STATEMENT OF CHANGES IN EQUITY - GROUP**

For the nine months ended 30th September	Stated Capital	Retained earnings	Available - for - sale	Exchange fluctuation	Total	Non Controlling	Total Equity
	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000
As at 1 January 2016	714,396	9,437,414	15,156	3,637	10,170,603	54,544	10,225,147
Net Profit for the Period	-	(211,003)	-	-	(211,003)	(316)	(211,319)
Other Comprehensive Income	-	-	-	4,743	4,743	3,513	8,256
Dividend Paid	-	-	-	-	-	-	-
<b>As at 30 September 2016</b>	<b>714,396</b>	<b>9,226,411</b>	<b>15,156</b>	<b>8,380</b>	<b>9,964,343</b>	<b>57,741</b>	<b>10,022,084</b>
As at 1 January 2015	714,396	10,240,417	15,194	449	10,970,456	51,103	11,021,559
Net Profit for the Period	-	500,033	-	-	500,033	2,332	502,365
Other Comprehensive Income	-	-	-	1,444	1,444	2,125	3,569
Dividend Paid	-	(215,578)	-	-	(215,578)	-	(215,578)
<b>As at 30 September 2015</b>	<b>714,396</b>	<b>10,524,872</b>	<b>15,194</b>	<b>1,893</b>	<b>11,256,355</b>	<b>55,560</b>	<b>11,311,915</b>

## CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September	2016 Rs, '000	2015 Rs, '000
<b>Cash Flow from Operating Activities</b>		
Net Profit Before Tax	(151,275)	546,602
<b>Adjustment for ;</b>		
Depreciation of Property, Plant & Equipment	344,545	328,958
Amortisation of Intangible Assets	1,775	4,514
Provision for Retirement Benefit Obligations	126,372	100,800
Provision / (reversal) for Bad and Doubtful Debts	-	2,876
Provision / (reversal) for Obsolete Stocks	(914)	(1,022)
(Profit) / Loss on Disposal of Property, Plant and Equipment	(204)	(2,508)
Foreign Exchange (Gain) / Loss (Unrealised)	(3,520)	4,840
Net Change in Fair Value of Financial Instruments	(27,701)	44,453
Interest Income	(126,023)	(76,103)
Dividend Income	-	(266)
Interest Expense	173,892	77,102
<b>Operating Profit Before Working Capital Changes</b>	<b>336,947</b>	<b>1,030,246</b>
(Increase) / Decrease in Inventories	(407,341)	(79,344)
(Increase) / Decrease in Trade and Other Receivables	(631,144)	(1,797,629)
(Increase) / Decrease in Other Financial Assets	126,673	3,841
Increase / (Decrease) in Trade and Other Payables	235,840	(888,205)
<b>Cash Generated from / (used in) Operating Activities</b>	<b>(339,025)</b>	<b>(1,731,091)</b>
Interest Paid	(173,892)	(77,102)
Gratuity Paid	(95,202)	(72,569)
Income Tax Paid / Set off	(51,274)	(14,468)
<b>Net Cash Generated from / (used in) Operating Activities</b>	<b>(659,393)</b>	<b>(1,895,230)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property Plant and Equipment	(120,666)	(432,378)
Proceeds From Disposal of Property Plant and Equipment	8,722	4,329
Interest Received	94,713	64,760
Short Term Investments	(339,284)	(119,745)
Dividends Received	-	266
<b>Net Cash Generated from / (used in) Investing Activities</b>	<b>(356,515)</b>	<b>(482,768)</b>
<b>Cash Flow from Financing Activities</b>		
Loans Obtained / (Paid) During The Period	1,630,702	1,673,288
Dividends Paid	(13,123)	(201,604)
<b>Net Cash Generated from / (used in) Financing Activities</b>	<b>1,617,579</b>	<b>1,471,684</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	601,671	(906,314)
Cash and Cash Equivalent at the Beginning of the period	2,356,777	2,961,692
<b>Cash and Cash Equivalent at the end of the period</b>	<b>2,958,448</b>	<b>2,055,378</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash in Hand and Bank / Short Term Investments	2,959,559	2,129,424
Bank Overdrafts	(1,111)	(74,046)
	<b>2,958,448</b>	<b>2,055,378</b>

Note : Figures in brackets indicate deductions  
The above figures are subject to audit

**STATEMENT OF COMPREHENSIVE INCOME - COMPANY**

	Quarter ended 30 September			Nine months ended 30 September		
	2016	2015	Change %	2016	2015	Change %
	Rs,'000	Rs,'000		Rs,'000	Rs,'000	
Revenue	2,979,711	3,880,746	-23.22%	7,937,169	10,512,176	-24.50%
Cost of Sales	(2,780,682)	(3,392,480)	-18.03%	(7,036,003)	(9,054,893)	-22.30%
<b>Gross Profit</b>	<b>199,029</b>	488,266	-59.24%	<b>901,166</b>	1,457,283	-38.16%
Other Income	24,570	142,977	-82.82%	130,676	266,820	-51.02%
Distribution Expenses	(3,964)	(3,023)	31.13%	(11,820)	(8,426)	40.28%
Administrative Expenses	(464,072)	(467,004)	-0.63%	(1,356,046)	(1,326,095)	2.26%
Other Operating Expenses	297	(3,328)	-108.92%	(2,146)	1,022	309.98%
Net Finance Income / (Expenses)	5,251	(9,862)	153.25%	26,638	25,713	3.60%
<b>Profit before Tax</b>	<b>(238,889)</b>	148,026	-261.38%	<b>(311,532)</b>	416,317	-174.83%
Income Tax (Expense) / Reversal	(5,999)	(5,247)	14.33%	(14,991)	(9,090)	64.92%
<b>Profit for the period</b>	<b>(244,888)</b>	142,779	-271.52%	<b>(326,523)</b>	407,227	-180.18%
<b>Other Comprehensive Income</b>						
Other Comprehensive Income For the Period - Net of Taxes	-	-		-	-	
<b>Total Comprehensive Income for The Period</b>	<b>(244,888)</b>	142,779		<b>(326,523)</b>	407,227	
<b>Earnings per share (Rs)</b>	<b>(3.41)</b>	1.99		<b>(4.54)</b>	5.67	

Note : Figures in brackets indicate deductions

The above figures are subject to audit

**STATEMENT OF FINANCIAL POSITION - COMPANY**

As at 30th September	2016 Rs,'000	2015 Rs,'000	As at 31.12.2015 Rs,'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4,084,937	4,345,740	4,305,397
Investment Property	2,865	2,865	2,865
Intangible Assets	1,348	3,405	2,005
Investments In Subsidiaries	2,503	2,083	2,503
Other Investments	15,266	15,304	15,266
Differed Tax Assets	98,791	100,902	101,069
Other Financial Assets Including Derivatives	417,970	425,795	421,809
<b>Total Non-Current Assets</b>	<b>4,623,680</b>	<b>4,896,094</b>	<b>4,850,914</b>
<b>Current Assets</b>			
Inventories	1,372,948	970,618	984,551
Trade and Other Receivables	9,925,429	9,895,073	9,321,818
Other Financial Assets Including Derivatives	150,141	152,392	151,573
Amounts Due from Related Parties	-	-	30,856
Cash and Cash Equivalents	2,547,764	1,704,650	1,869,698
<b>Total Current Assets</b>	<b>13,996,282</b>	<b>12,722,733</b>	<b>12,358,496</b>
<b>Total Assets</b>	<b>18,619,962</b>	<b>17,618,827</b>	<b>17,209,410</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	714,396	714,396	714,396
Available-for-sale Reserves	15,156	15,194	15,156
Retained Earnings	8,395,570	9,837,519	8,722,093
<b>Total Equity</b>	<b>9,125,122</b>	<b>10,567,109</b>	<b>9,451,645</b>
<b>Non-Current Liabilities</b>			
Employee Benefits	900,285	883,502	870,402
<b>Total Non-Current Liabilities</b>	<b>900,285</b>	<b>883,502</b>	<b>870,402</b>
<b>Current Liabilities</b>			
Interest Bearing Borrowings	6,137,618	4,894,729	4,506,916
Trade and Other Payables	2,293,036	1,049,171	2,217,217
Other Financial Liabilities Including Derivatives	-	-	28,120
Amounts due to Related Parties	136,325	109,932	86,244
Dividends Payable	26,465	40,338	39,588
Bank Overdrafts	1,111	74,046	9,278
<b>Total current Liabilities</b>	<b>8,594,555</b>	<b>6,168,216</b>	<b>6,887,363</b>
<b>Total Equity and Liabilities</b>	<b>18,619,962</b>	<b>17,618,827</b>	<b>17,209,410</b>
Net Assets per share (RS)	126.99	147.05	131.53

Note :The above figures are subject to audit

These Financial Statements have been prepared in compliance with the Companies Act No. 7 of 2007

**(Sgd.) P D Gihan Ravinatha**  
Chief Financial Officer

**(Sgd.) Toru Takehara**  
Chairman

**(Sgd.) D. V Abeysinghe**  
Managing Director / CEO

November 10, 2016 Colombo



**STATEMENT OF CHANGES IN EQUITY - COMPANY**

For the nine months ended 30th September	Stated Capital Rs,'000	Retained earnings Rs,'000	Available - for - sale Reserves Rs,'001	Total Rs,'000
As at 1 January 2016	714,396	8,722,093	15,156	9,451,645
Net Profit for the Period	-	(326,523)	-	(326,523)
Dividends Paid	-	-	-	-
<b>As at 30 September 2016</b>	<b>714,396</b>	<b>8,395,570</b>	<b>15,156</b>	<b>9,125,122</b>
As at 1 January 2015	714,396	9,645,870	15,194	10,375,460
Net Profit for the Period	-	407,227	-	407,227
Dividends Paid	-	(215,578)	-	(215,578)
<b>As at 30 September 2015</b>	<b>714,396</b>	<b>9,837,519</b>	<b>15,194</b>	<b>10,567,109</b>

## COMPANY CASH FLOW STATEMENT

For the nine months ended 30th September	2016 Rs,'000	2015 Rs,'000
<b>Cash Flow from Operating Activities</b>		
Net Profit Before Tax	(311,532)	416,317
<b>Adjustment for ;</b>		
Depreciation of Property, Plant & Equipment	325,304	309,458
Amortisation of Intangible Assets	1,375	4,514
Provision for Retirement Benefit Obligations	124,530	99,000
Provision / (reversal) for Obsolete Stocks	(93)	(1,022)
(Profit) / Loss on Disposal of Property, Plant and Equipment	2,061	(1,167)
Foreign Exchange (Gain) / Loss (Unrealised)	(3,520)	4,840
Net Change in Fair Value of Financial Instruments	(27,701)	43,962
Interest Income	(96,981)	(68,051)
Dividend Income	(9,858)	(8,263)
Interest Expense	173,884	77,012
<b>Operating Profit Before Working Capital Changes</b>	<b>177,469</b>	<b>876,600</b>
(Increase) / Decrease in Inventories	(388,304)	(14,125)
(Increase) / Decrease in Trade and Other Receivables	(581,494)	(2,020,784)
(Increase) / Decrease in Amounts Due From Related Parties	30,856	12,160
(Increase) / Decrease in Other Financial Assets	5,271	3,288
Increase / (Decrease) in Trade and Other Payables	75,819	(861,526)
Increase / (Decrease) in Amounts Due to Related Parties	50,081	19,267
Increase / (Decrease) Other Financial Liabilities	(419)	(491)
<b>Cash Generated from / (used in) Operating Activities</b>	<b>(630,721)</b>	<b>(1,985,611)</b>
Interest Paid	(173,884)	(77,012)
Gratuity Paid	(94,647)	(72,569)
Income Tax Paid / Set off	-	-
<b>Net Cash Generated from / (used in) Operating Activities</b>	<b>(899,252)</b>	<b>(2,135,192)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property Plant and Equipment	(111,563)	(402,951)
Proceeds From Disposal of Property Plant and Equipment	3,940	1,980
Interest Received	65,671	56,708
Dividends Received	9,858	8,263
<b>Net Cash Generated from / (used in) Investing Activities</b>	<b>(32,094)</b>	<b>(336,000)</b>
<b>Cash Flow from Financing Activities</b>		
Loans Obtained / (Paid) During The Period	1,630,702	1,673,288
Dividends Paid	(13,123)	(201,604)
<b>Net Cash Generated from / (used in) Financing Activities</b>	<b>1,617,579</b>	<b>1,471,684</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	686,233	(999,508)
Cash and Cash Equivalent at the Beginning of the period	1,860,420	2,630,112
<b>Cash and Cash Equivalent at the end of the period</b>	<b>2,546,653</b>	<b>1,630,604</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash in Hand and Bank / Short Term Investments	2,547,764	1,704,650
Bank Overdrafts	(1,111)	(74,046)
	<b>2,546,653</b>	<b>1,630,604</b>

Note : All values in Rupees '000s, unless otherwise stated

Figures in brackets indicate deductions

The above figures are subject to audit

## **NOTES TO THE FINANCIAL STATEMENTS**

### **01. Corporate Information**

Colombo Dockyard PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock exchange.

Company Subsidiaries are :

Dockyard General Engineering Services (Pvt) Ltd - Sri Lanka

Ceylon Shipping Agency (Pte) Ltd - Singapore

The interim financial statements of the Group and the company for the nine months ended 30 September 2016 were authorised for issue by the board of directors on November 10, 2016

### **02. Basis Of Preparation**

The Interim Financial Statements of the Company and Group have been prepared on the basis of the same accounting policies and methods applied for the year ended December 31, 2015, are in compliance with Sri Lanka Accounting Standard 34, *LKAS 34 - Interim Financial Reporting*

Comparative figures have been re-classified, where necessary, to confirm to the current period recognition, measurement and presentation.

### **03. Dividend Paid and Bonus Issue**

No dividends have been paid for the financial year ended December 31, 2015

### **04. Contingencies, capital and other commitments**

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual Financial Statements for the year ended December 31, 2015

### **05. Post balance sheet events**

There have been no events subsequent to the Balance Sheet date, which require disclosures in Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS Cont.,

06. Share Information

06.1 MARKET PRICES RECORDED DURING THE QUARTER ENDED 30 SEPTEMBER

	2016	2015
	RS.	RS.
Highest Market Price Per Share	110.00	185.00
Lowest Market Price Per Share	89.00	160.00
Closing Market Price Per Share	89.00	165.00

06.2 DERECTORS SHAREHOLDING AS AT 30 SEPTEMBER 2016

NO	NAME OF DIRECTOR	NO. OF SHARES
1	Dr. T. Takehara	Nil
2	Mr. C. Sarath. W. De Costa	Nil
3	Mr. Ranil Wijegunawardane	Nil
4	Mr. T. Nakabe	Nil
5	Mr. M. Koshi	Nil
6	Mr. G. A. D. L. H. Ganlath	578
7	Mr. H. A. R. K. Wickramathilake	1,103
8	Mr T H B Sarathchandra	Nil
9	Mr. T . M. R . Bangsa Jayah	Nil

06.3 TOTAL NUMBER OF SHARES

As at 30.09.2016	71,858,924
As at 30.09.2015	71,858,924

06.4 PUBLIC SHAREHOLDING PRECENTAGE AS AT 30 SEPTEMBER 2016 ( 4,822 Share holders )

48.94%

06.5 TWENTY (20) MAJOR SHAREHOLDERS AS AT 30 SEPTEMBER 2016

NO	NAME	NO. OF SHARES	%
1	Onomichi Dockyard Company Limited	36,648,051	51.000
2	Employees Provident Fund	11,744,009	16.343
3	Sri Lanka Insurance Corporation Ltd-General Fund	3,592,998	5.000
4	Sri Lanka Insurance Corporation Ltd-Life Fund	3,592,548	4.999
5	Sri Lanka Ports Authority	2,186,191	3.042
6	Employees Trust Fund Board	1,736,660	2.417
7	National Savings Bank	1,234,706	1.718
8	Bank of Ceylon No.1 Account	897,622	1.249
9	Mellon Bank N.A-Florida Retirement Systems	480,580	0.669
10	Bank of Ceylon No.2 A/C	336,000	0.468
11	HSBC intl Nom Ltd - Russell Institutional fund	316,984	0.441
12	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	277,827	0.387
13	Peoples Bank	249,362	0.347
14	Union Assurance PLC/No-01 A/C	238,350	0.332
15	Star Packageing (pvt) Ltd	235,000	0.327
16	Lanka Milk Foods	219,948	0.306
17	HSBC intl Nom Ltd - State Street Munic	194,119	0.027
18	David Pieris Motor Co Ltd	175,787	0.245
19	Mercantile Investments and Finance PLC	169,050	0.235
20	DFCC Bank A/C 1	160,000	0.223

NOTES TO THE FINANCIAL STATEMENTS Cont.,

07. Segment Information

07.1 Segment Revenue

For the nine months ended 30th September	2016		2015	
	Group	Company	Group	Company
Shipbuilding	4,515,167	4,515,167	7,466,047	7,466,047
Ship Repairing	3,392,209	3,392,209	3,038,253	3,038,253
Heavy Engineering	394,144	29,793	682,983	7,876
Material and Other Sales	170,283	-	138,736	-
<b>Total</b>	<b>8,471,803</b>	<b>7,937,169</b>	<b>11,326,019</b>	<b>10,512,176</b>

07.2 Segment Results

For the nine months ended 30th September	2016		2015	
	Group	Company	Group	Company
Shipbuilding	135,931	135,931	968,721	968,721
Ship Repairing	753,373	753,373	485,067	485,067
Heavy Engineering	197,307	11,862	194,877	3,495
Material and Other Sales	56,251	-	46,299	-
<b>Total</b>	<b>1,142,862</b>	<b>901,166</b>	<b>1,694,964</b>	<b>1,457,283</b>

\* Segment results have been stated up to the Gross Profit Level