



Colombo Dockyard PLC

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

Interim Financial Report

For the Three Months Period Ended 31 March 2019

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31st March	2019 Rs, '000	2018 Rs, '000	Variance %	Year ended 31.12.2018 Rs, '000
Revenue	3,678,459	2,601,077	41.42	14,946,583
Cost of sales	(3,168,781)	(2,268,362)	(39.69)	(13,602,250)
Gross profit	509,678	332,715	53.19	1,344,333
Other income	(116,648)	67,348	(273.20)	1,024,141
Distribution expenses	(12,087)	(6,531)	(85.07)	(29,429)
Administrative expenses	(578,581)	(541,748)	(6.80)	(2,187,751)
Other operating income / (expenses)	(5)	1,619	(100.31)	1,095
Net finance income / (expenses)	72,688	56,077	29.62	308,500
Profit / (Loss) before tax	(124,955)	(90,520)	(38.04)	460,889
Income tax expense	(57,977)	(28,127)	(106.13)	(123,414)
Profit / (Loss) for the period	(182,932)	(118,647)	(54.18)	337,475
Other comprehensive income				
Cash Flow Hedge - Effective portion of changes in fair value	26,125	-		74,833
Fair value adjustment of available-for-sale financial assets	-	-		1,790
Foreign currency translation differences - foreign operations	(4,849)	5,686		21,967
Defined benefit plan actuarial gains / (losses)	-	-		37,307
Tax on other comprehensive income	-	-		(3,697)
Other comprehensive income for the period - net of taxes	21,276	5,686		132,200
Total comprehensive income for the period	(161,656)	(112,961)		469,675
Profits / (Losses) attributable to :				
Owners of the company	(187,086)	(120,359)		331,600
Non - controlling interest	4,154	1,712		5,875
Profit / Loss for the period	(182,932)	(118,647)		337,475
Total comprehensive income attributable to :				
Owners of the company	(163,942)	(117,217)		453,036
Non - Controlling interest	2,286	4,256		16,639
Total comprehensive income for the period	(161,656)	(112,961)		469,675
Earnings per share (Rs)	(2.60)	(1.67)		4.61

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March	2019	2018	As at 31.12.2018
	Rs, '000	Rs, '000	Rs, '000
ASSETS			
Non-current assets			
Property, plant and equipment	4,331,258	4,004,056	4,246,805
Intangible assets	8,022	21,612	11,233
Investments Classified as Fair Value through OCI	17,981	16,191	17,981
Differed Tax assets	121,013	99,004	125,088
Other financial assets Including Derivatives	540,336	472,954	549,117
Total non-current assets	5,018,610	4,613,817	4,950,224
Current assets			
Inventories	1,094,389	828,224	821,934
Trade and other receivables	7,410,046	9,902,312	5,823,456
Other financial assets including derivatives	290,764	166,222	243,155
Income tax refund	-	-	-
Investments classified as Fair value Through Profit or Loss	182,731	518,483	236,125
Cash and cash equivalents	4,923,715	2,736,058	4,914,690
Total current assets	13,901,645	14,151,299	12,039,360
Total assets	18,920,255	18,765,116	16,989,584
EQUITY AND LIABILITIES			
Stated capital	714,396	714,396	714,396
Exchange equalization Reserve	19,012	13,932	21,993
Fair Value through OCI Reserve	17,872	16,082	17,872
Cash flow Hedge Reserve	100,958	-	74,833
Retained Earnings	9,096,239	8,905,345	9,391,113
Equity attributable to equity holders of the parent	9,948,477	9,649,755	10,220,207
Non-controlling interest	78,798	64,129	76,512
Total equity	10,027,275	9,713,884	10,296,719
Non-current liabilities			
Deferred Taxation	12,562	1,053	12,561
Employee benefits	873,501	903,396	859,965
Total non-current liabilities	886,063	904,449	872,526
Current liabilities			
Interest bearing borrowings	2,822,511	3,409,981	2,712,300
Trade and other payables	4,988,312	4,611,233	3,008,839
Income tax payable	119,563	46,834	83,968
Dividends payable	68,208	34,910	15,152
Bank overdrafts	8,323	43,825	80
Total current liabilities	8,006,917	8,146,783	5,820,339
Total equity and liabilities	18,920,255	18,765,116	16,989,584
Net assets per share (RS)	138.44	134.29	142.23

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.) H Tanaka
Chairman

(Sgd.) D V Abeyasinghe
Managing Director / CEO

May 14, 2019 Colombo

STATEMENT OF CHANGES IN EQUITY - GROUP

For the three months ended 31st March	Stated capital	Retained earnings	Fair Value Through OCI reserves	Exchange equalization reserve	Cash flow hedge reserve	Total	Non controlling interest	Total equity
	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000	Rs,'000
As at 1 January 2019	714,396	9,391,113	17,872	21,993	74,833	10,220,207	76,512	10,296,719
Net Profit / (Loss) for the period	-	(187,086)	-	-	-	(187,086)	4,154	(182,932)
Other comprehensive income	-	-	-	(2,981)	26,125	23,144	(1,868)	21,276
Dividends paid	-	(107,788)	-	-	-	(107,788)	-	(107,788)
As at 31 March 2019	714,396	9,096,239	17,872	19,012	100,958	9,948,477	78,798	10,027,275
Balance as at 01st January 2018	714,396	9,149,286	16,082	10,790	-	9,890,554	59,873	9,950,427
Adjustment for the effect of SLFRS 15 and 09	-	(15,794)	-	-	-	(15,794)	-	(15,794)
Net Profit / (Loss) for the period	-	(120,359)	-	-	-	(120,359)	1,712	(118,647)
Other comprehensive income	-	-	-	3,142	-	3,142	2,544	5,686
Dividends paid	-	(107,788)	-	-	-	(107,788)	-	(107,788)
As at 31 March 2018	714,396	8,905,345	16,082	13,932	-	9,649,755	64,129	9,713,884

CONSOLIDATED CASH FLOW STATEMENT

For the three months ended 31st March	2019 Rs, '000	2018 Rs, '000
Cash flow from operating activities		
Net profit before tax	(124,955)	(90,520)
Adjustment for ;		
Depreciation of property, plant & equipment	109,667	104,460
Amortization of intangible assets	3,311	3,575
Provision for retirement benefit obligations	37,337	35,595
Provision / (reversal) for bad and doubtful debts	(1,827)	(100)
Provision / (reversal) for obsolete stocks	5	(1,618)
Interest income	(72,492)	(75,984)
Interest expense	34,981	46,510
Operating profit before working capital changes	(13,973)	21,918
(Increase) / Decrease in inventories	(272,460)	(81,090)
(Increase) / Decrease in trade and other receivables	(1,545,718)	(2,697,855)
(Increase) / Decrease in other financial assets	(38,828)	(1,521)
Investments classified as Fair value Through Profit or Loss	53,394	-
Increase / (Decrease) in trade and other payables	1,979,473	832,821
Cash generated from / (used in) operating activities	161,888	(1,925,727)
Interest paid	(34,981)	(46,510)
Gratuity paid	(23,801)	(47,302)
Income tax / ESC paid	(25,107)	(19,033)
Net cash generated from / (used in) operating activities	77,999	(2,038,572)
Cash Flow from investing activities		
Purchase of property plant and equipment	(194,220)	(196,176)
Interest received	61,524	51,854
Net cash generated from / (used in) investing activities	(132,696)	(144,322)
Cash flow from financing activities		
Loans obtained / (paid) during the period (Net)	110,211	(84,465)
Dividends paid	(54,732)	(99,030)
Net cash generated from / (used in) financing activities	55,479	(183,495)
Net Increase / (Decrease) in cash and cash equivalents	782	(2,366,389)
Cash and cash equivalent at the beginning of the period	4,914,610	5,058,622
Cash and cash equivalent at the end of the period	4,915,392	2,692,233
Analysis of cash and cash equivalents		
Cash in hand and bank / short term investments	4,923,715	2,736,058
Bank overdrafts	(8,323)	(43,825)
	4,915,392	2,692,233

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31st March	2019 Rs, '000	2018 Rs, '000	Variance %	Year ended 31.12.2018 Rs, '000
Revenue	3,204,326	2,358,403	35.87	13,169,000
Cost of sales	(2,864,908)	(2,125,706)	(34.77)	(12,292,132)
Gross Profit	339,418	232,697	45.86	876,868
Other income	(115,987)	68,016	(270.53)	1,060,224
Distribution expenses	(8,955)	(4,194)	(113.52)	(20,185)
Administrative expenses	(515,176)	(484,532)	(6.32)	(1,967,067)
Other operating Income / (expenses)	(5)	1,619	(100.31)	1,095
Net finance income / (expenses)	44,476	32,648	36.23	220,631
Profit / (Loss) before tax	(256,229)	(153,746)	(66.66)	171,566
Income tax expense	(14,998)	(12,000)	(24.98)	(26,909)
Profit / (Loss) for the period	(271,227)	(165,746)	(63.64)	144,657
Other comprehensive income				
Cash Flow Hedge - Effective portion of changes in fair value	26,125	-		74,833
Fair value change of available-for-sale financial assets	-	-		1,790
Defined benefit plan actuarial gains / (losses)	-	-		33,968
Tax on other comprehensive income	-	-		(2,762)
Other comprehensive income for the period - net of taxes	26,125	-		107,829
Total comprehensive income for the period	(245,102)	(165,746)		252,486
Earnings per share (Rs)	(3.41)	(2.31)		2.01

Note : Figures in brackets indicate deductions

The above figures are subject to audit

STATEMENT OF FINANCIAL POSITION - COMPANY

As at 31st March	2019 Rs, '000	2018 Rs, '000	As at 31.12.2018 Rs, '000
ASSETS			
Non-current assets			
Property, plant and equipment	4,103,898	3,864,710	4,048,756
Investment property	2,865	2,865	2,865
Intangible assets	6,588	19,611	9,677
Investments In subsidiaries	4,746	3,816	4,747
Investments Classified as Fair Value through OCI	17,981	16,191	17,981
Differed taxation	121,013	99,004	125,088
Other financial assets including derivatives	527,524	459,663	534,837
Total non-current assets	4,784,615	4,465,860	4,743,951
Current assets			
Inventories	919,004	700,912	702,603
Trade and other receivables	6,287,802	9,327,797	5,103,343
Other financial assets including derivatives	286,263	161,792	241,473
Amounts due from related parties	78,715	44,781	147,238
Cash and cash equivalents	4,198,818	2,320,878	4,115,043
Total current assets	11,770,602	12,556,160	10,309,700
Total assets	16,555,217	17,022,020	15,053,651
EQUITY AND LIABILITIES			
Stated capital	714,396	714,396	714,396
Fair Value through OCI Reserve	17,872	16,082	17,872
Cash flow Hedge Reserve	100,958	-	74,833
Retained earnings	7,781,316	7,819,227	8,160,331
Total equity	8,614,542	8,549,705	8,967,432
Non-current liabilities			
Employee benefits	854,396	886,260	841,832
Total non-current liabilities	854,396	886,260	841,832
Current liabilities			
Interest bearing borrowings	2,822,511	3,409,981	2,712,300
Trade and other payables	4,036,770	4,042,636	2,351,434
Other financial liabilities including derivatives	930	506	930
Amounts due to related parties	157,860	98,022	164,571
Dividends payable	68,208	34,910	15,152
Bank overdrafts	-	-	-
Total current liabilities	7,086,279	7,586,055	5,244,387
Total equity and liabilities	16,555,217	17,022,020	15,053,651
Net assets per share (RS)	119.88	118.98	124.79

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.) H Tanaka
Chairman

(Sgd.) D V Abeyasinghe
Managing Director / CEO

May 14, 2019 Colombo

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the three months ended 31st March	Stated capital Rs,'000	Retained earnings Rs,'000	Fair Value Through OCI Rs,'000	Cash flow hedge reserve Rs,'000	Total Rs,'000
As at 1 January 2019	714,396	8,160,331	17,872	74,833	8,967,432
Net Profit / (Loss) for the period	-	(271,227)	-	-	(271,227)
Other comprehensive income	-	-	-	26,125	26,125
Dividends paid	-	(107,788)	-	-	(107,788)
As at 31 March 2019	714,396	7,781,316	17,872	100,958	8,614,542
As at 1 January 2018	714,396	8,107,851	16,082	-	8,838,329
Adjustment for the effect of SLFRS 15 and 09	-	(15,090)	-	-	(15,090)
Net Profit / (Loss) for the period	-	(165,746)	-	-	(165,746)
Other comprehensive income	-	-	-	-	-
Dividends paid	-	(107,788)	-	-	(107,788)
As at 31 March 2018	714,396	7,819,227	16,082	-	8,549,705

COMPANY CASH FLOW STATEMENT

For the three months ended 31st March	2019 Rs, '000	2018 Rs, '000
Cash flow from operating activities		
Net profit before tax	(256,229)	(153,746)
Adjustment for ;		
Depreciation of property, plant & equipment	101,658	99,129
Amortization of intangible assets	3,190	3,275
Provision for retirement benefit obligations	36,365	34,500
Provision / (reversal) for obsolete stocks	5	(1,618)
Interest income	(44,279)	(52,549)
Interest expense	34,980	39,549
Operating profit before working capital changes	(124,310)	(31,460)
(Increase) / Decrease in inventories	(216,406)	(51,805)
(Increase) / Decrease in trade and other receivables	(1,148,236)	(2,554,728)
(Increase) / Decrease in amounts due from related parties	68,523	41,271
(Increase) / Decrease in other financial assets	(37,477)	(6,888)
Increase / (Decrease) in trade and other payables	1,685,336	709,480
Increase / (Decrease) in amounts due to related parties	(6,711)	(15,249)
Increase / (Decrease) other financial liabilities	-	(169)
Cash generated from / (used in) operating activities	220,719	(1,909,548)
Interest paid	(34,980)	(39,549)
Gratuity paid	(23,801)	(47,302)
Income tax / ESC paid	(17,745)	(14,864)
Net cash generated from / (used in) operating activities	144,193	(2,011,263)
Cash Flow from investing activities		
Purchase of property plant and equipment	(156,901)	(157,402)
Interest received	41,004	30,743
Net cash generated from / (used in) investing activities	(115,897)	(126,659)
Cash flow from financing activities		
Loans obtained / (paid) during the period (Net)	110,211	(84,465)
Dividends paid	(54,732)	(99,030)
Net cash generated from / (used in) financing activities	55,479	(183,495)
Net Increase / (Decrease) in cash and cash equivalents	83,775	(2,321,417)
Cash and cash equivalent at the beginning of the period	4,115,043	4,642,295
Cash and cash equivalent at the end of the period	4,198,818	2,320,878
Analysis of cash and cash equivalents		
Cash in hand and bank / short term investments	4,198,818	2,320,878
Bank overdrafts	-	-
	4,198,818	2,320,878

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 in 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 three months period ended 31 March 2019 were authorized for issue by the board of directors on May 14, 2019

02. Basis Of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Sri Lanka Accounting Standards - *LKAS 34 Interim Financial reporting*.

Certain comparative figures have been re-classified to conform with the current year's presentation

03. Dividend Announced

A first and final dividend of Rs 1.50 per share was paid on March 19, 2019 for the year of 2018.

04. Contingencies, capital and other commitments

Detailed disclosure will be made in the annual audited Financial Statement, which will be published in due course

05. Post balance sheet events

There have been no events subsequent to the Balance Sheet date, which require disclosures in Financial Statements except note No 03.

NOTES TO THE FINANCIAL STATEMENTS Cont.,

06. Share Information

06.1 MARKET PRICES RECORDED DURING THE QUARTER ENDED 31 MARCH

	2019 RS.	2018 Rs.
Highest market price per share	60.00	93.50
Lowest market price per share	52.20	82.00
Closing market price per share	53.00	83.00

06.2 DERECTORS SHAREHOLDING AS AT 31 MARCH 2019

No	NAME OF DIRECTOR	NO. OF SHARES
1	Mr. H Tanaka	Nil
2	Mr. C Sarath W De Costa	Nil
3	Mr. D V Abeysinghe	733
4	Mr. T Nakabe	Nil
5	Mr. K Kanaya	Nil
6	Mr. G A D L H Ganlath	578
7	Mr. H A R K Wickramathilake	1,103
8	Mr. M S A Wadood	231
9	Mr H A Karunaratne	Nil

06.3 TOTAL NUMBER OF SHARES

As at 31.03.2018	71,858,924
As at 31.03.2019	71,858,924

06.4 PUBLIC SHAREHOLDING PRECENTAGE AS AT 31.03.2019 48.94%

06.5 NUMBER OF PUBLIC SHAREHOLDERS AS AT 31.03.2019 4,995

06.6 TWENTY (20) MAJOR SHAREHOLDERS AS AT 31.03.2019

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	3,536,548	4.922
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	897,625	1.249
9	Mellon Bank N.A-Florida Retirement Systems	473,300	0.659
10	Bank of Ceylon No.2 A/C	335,900	0.467
11	Star Packaging (pvt) Ltd	235,000	0.327
12	Lanka Milk Foods (CWE) Limited	219,948	0.306
13	Mr S M B Obeysekera and Mrs C N Obeysekera	200,000	0.278
14	Associated Electrical Corporation Ltd	175,210	0.244
15	Mercantile Investments and Finance PLC	169,050	0.235
16	E W Balasuriya & Co. (pvt) Ltd	165,123	0.230
17	DFCC Bank A/C 1	160,000	0.223
18	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	151,402	0.211
19	Harnam Holdings SDN BHD	150,026	0.209
20	Askold (Private) Limited	150,000	0.209

NOTES TO THE FINANCIAL STATEMENTS Cont.,

07. SEGMENTAL INFORMATION

07.1 Segment revenue

For the three months ended 31st March	2019		2018	
	Group	Company	Group	Company
Shipbuilding	1,742,524	1,742,524	891,471	891,471
Ship repairing	1,441,911	1,441,911	1,401,768	1,401,768
Heavy engineering	402,087	19,891	232,096	65,164
Material sales and other services	91,937	-	75,742	-
Total	3,678,459	3,204,326	2,601,077	2,358,403

07.2 Segment results

For the three months ended 31st March	2019		2018	
	Group	Company	Group	Company
Shipbuilding	82,226	82,226	8,712	8,712
Ship repairing	256,056	256,056	214,983	214,983
Heavy engineering	114,528	1,136	61,219	9,002
Material sales and other services	56,868	-	47,801	-
Total	509,678	339,418	332,715	232,697

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