

E D E N



Resort & Spa

**EDEN HOTEL LANKA PLC
INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2019**

For the period ended 31 March	GROUP						COMPANY					
	Three Months Ended			Year Ended			Three months ended			Year Ended		
	2019	2018	Variance %	2019	2018	Variance %	2019	2018	Variance %	2019	2018	Variance %
	Rs.'000'	Rs.'000'		Rs.'000'	Rs.'000'		Rs.'000'	Rs.'000'		Rs.'000'	Rs.'000'	
(Un-audited)	(Audited)		(Un-audited)	(Audited)		(Un-audited)	(Audited)		(Un-audited)	(Audited)		
Revenue	533,935	490,034	8.96	1,436,557	1,397,420	2.80	323,936	310,341	4.38	831,654	819,061	1.54
Less: cost of sales	(101,551)	(106,963)	(5.06)	(328,456)	(323,556)	1.51	(53,430)	(47,722)	11.96	(177,485)	(171,540)	3.47
Gross profit	432,384	383,071		1,108,101	1,073,864		270,506	262,619		654,169	647,521	
Other income/(expenses)	(4,605)	2,324	>100	17,527	19,387	(9.60)	(5,109)	865	>100	13,299	9,428	41.06
Profit before operating expenses	427,779	385,395		1,125,628	1,093,251		265,397	263,485		667,468	656,949	
Operating expenses												
Personnel costs	(90,417)	(88,162)	2.56	(349,668)	(315,540)	10.82	(41,954)	(52,474)	(20.05)	(162,589)	(177,417)	(8.36)
Depreciation and amortization	(59,860)	(48,152)	24.31	(232,803)	(224,987)	3.47	(22,872)	(18,437)	24.05	(88,106)	(80,920)	8.88
Other operating expenses	(126,968)	(114,707)	10.69	(504,900)	(494,346)	2.13	(68,256)	(67,809)	0.66	(276,577)	(265,919)	4.01
Transfer of foreign currency translation reserve	-	35,937	(100.00)	-	35,937	(100.00)	-	-		-	-	
Results from operating activities	150,534	170,311		38,257	94,315		132,315	124,765		140,195	132,693	
Net finance income/(cost)	(251,857)	(206,622)	21.89	(1,249,404)	(797,579)	56.65	(199,132)	(172,369)	15.53	(1,001,310)	(584,430)	71.33
Profit/(loss) before income tax expense	(101,322)	(36,310)		(1,211,148)	(703,264)		(66,817)	(47,603)		(861,115)	(451,737)	
Tax expense	(8,869)	(66,970)	(86.76)	(20,153)	(70,689)	(71.49)	(1,070)	(57,620)	(98.14)	(8,344)	(58,532)	(85.74)
Profit/(loss) after tax	(110,191)	(103,280)		(1,231,301)	(773,953)		(67,888)	(105,224)		(869,459)	(510,269)	
Statement of Other Comprehensive Income												
Profit/(loss) after tax	(110,191)	(103,280)		(1,231,301)	(773,953)		(67,888)	(105,224)		(869,459)	(510,269)	
Net change in fair value of AFS	-	(27)	100.00	-	108	(100.00)	-	(27)	(100.00)	-	108	(100.00)
Defined benefit plan actuarial gains (losses) for the year	(1,202)	(881)	36.42	(1,202)	(881)	36.42	(95)	(1,349)	(92.98)	(95)	(1,349)	(92.98)
Revaluation of property, plant and equipment	-	439,005	(100.00)	-	439,005	(100.00)	-	180,049	(100.00)	-	180,049	(100.00)
Exchange gain/(loss) from translation of foreign operations	(167,546)	65,361	>100	546,176	85,705	>100	12,700	-	100.00	12,700	-	100.00
Re-classification of foreign currency translation reserve on step acquisition of subsidiary	-	(35,937)	(100.00)	-	(35,937)	(100.00)	-	-		-	-	
Change in fair value on investments in equity at fair value through other comprehensive income	23	-	100.00	32	-	100.00	23	-	100.00	32	-	100.00
Tax on Other Comprehensive Income	(1,102)	(373,600)	(99.71)	(1,102)	(373,600)	(99.71)	(1,257)	(148,278)	(99.15)	(1,257)	(148,278)	(99.15)
Total Comprehensive Income/(expenses)	(280,017)	(9,359)		(687,396)	(659,553)		(56,516)	(74,829)		(858,078)	(479,739)	
Profit/(loss) attributable to:												
Shareholders of the company	(95,384)	(86,964)	9.68	(1,155,599)	(701,226)	64.80	(67,888)	(105,224)	(35.48)	(869,459)	(510,269)	70.39
Non Controlling Interest	(14,807)	(16,316)	(9.25)	(75,702)	(72,727)	4.09	-	-		-	-	
	(110,191)	(103,280)		(1,231,301)	(773,953)		(67,888)	(105,224)		(869,459)	(510,269)	
Total Comprehensive income/(expenses) attributable to:												
Shareholders of the company	(196,618)	(34,014)	>100	(813,456)	(635,139)	28.08	(56,516)	(74,829)	(24.47)	(858,078)	(479,738)	78.86
Non Controlling Interest	(83,399)	24,654	>100	126,060	(24,414)	>100	-	-		-	-	
	(280,017)	(9,359)		(687,396)	(659,553)		(56,516)	(74,829)		(858,078)	(479,738)	
Earnings/(loss) per share (Rs)	(0.90)	(0.82)		(10.94)	(6.64)		(0.64)	(1.00)		(8.23)	(4.83)	

1) The Statement of Financial Position, the Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the Group and the Company as at and for the year then ended 31st March 2019 are drawn up from unaudited accounts of the company and its' subsidiary companies and provide information as required by Colombo Stock Exchange and LKAS 34, "Interim Financial Reporting". Further, provisions of the Companies Act No 7 of 2007 has been considered in preparing these interim financial statements.

1.1) New standards effective from 01st January 2018

SLFRS 9 - Financial Instruments

Sri Lanka Accounting Standard - SLFRS 9 on "Financial Instruments", which replaces the existing guidance on LKAS 39 on "Financial Instruments, Recognition and Measurement" has become effective for the annual reporting periods beginning on or after January 01,2018. The new standard SLFRS 9 bringing together all three aspects of the accounting for financial instruments, classification and measurement; impairment; and hedge accounting.

Based on the assessment performed, the Group concluded that SLFRS 09 does not have a material impact on the Group's Consolidated Financial Statements

SLFRS 15 - Revenue with Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customer, unless those contracts are in the scope of other standards. The new standard establishes a five step model to account for revenue arising from contracts with customers.

Based on the assessment performed, the Group concluded that SLFRS 15 does not have a material impact on the Group's Consolidated Financial Statements

2) Accounting policies, significant judgment and estimates stated in the financial statements for the year ended 2017/18, are followed in preparation of these Interim Financial Statements.

3) Comparative figures have been reclassified where necessary to conform with current period's presentation.

4) Revenue includes accommodation sales for rooms occupied on daily basis, together with outlet sales and other income from hotel operations.

5) Other income represents other sources of income not shown under revenue.

6) All expenses related to management expenditure are fully provided for in these financial statements.

7) Re-classification

The Company/Group reclassified certain prior period figures in the Statement of Profit or Loss and Other Comprehensive Income as describe below.

	Group			Company		
	Prior Classification In Rs "000"	Re - Classification In Rs "000"	Re - Classified In Rs "000"	Prior Classification In Rs "000"	Re - Classified In Rs "000"	Re - Classified In Rs "000"
Revenue	1,502,287	(104,868)	1,397,420	901,811	(82,750)	819,061
Other Operating Expenses	599,214	(104,868)	494,346	348,669	(82,750)	265,919

8) There are no material events occurring after the reporting date that require adjustment to or disclosure in these Interim Financial Statements.

9) There are no contingent liabilities as at the reporting date that require disclosure in these Interim Financial Statements.

EDEN HOTELS LANKA PLC
STATEMENT OF FINANCIAL POSITION

As at	31.03.2019 Rs.'000' (Un-audited)	31.03.2018 Rs.'000' (Audited)	31.03.2019 Rs.'000' (Un-audited)	31.03.2018 Rs.'000' (Audited)
Assets				
Non Current Assets				
Property, plant and equipment	11,500,081	10,518,552	3,173,343	3,224,209
Investment property	37,632	37,632	37,632	37,632
Prepaid lease rentals on leasehold properties	665,909	602,894	-	-
Intangible assets	173,438	173,438	-	-
Investments in subsidiaries	-	-	5,310,261	4,914,703
Other financial assets	89,149	76,445	89,149	76,445
Total Non Current Assets	12,466,210	11,408,959	8,610,385	8,252,988
Current Assets				
Inventories	38,309	36,628	20,079	17,794
Loan due from related parties	306,693	279,342	507,572	462,696
Trade and other receivables	1,241,061	1,105,515	335,144	237,973
Current tax receivables	122,146	17,036	4,885	12,035
Cash and cash equivalents	312,265	167,889	221,132	100,223
Total Current Assets	2,020,474	1,606,412	1,088,812	830,722
Total Assets	14,486,684	13,015,371	9,699,197	9,083,710
Liabilities and Equity				
Equity				
Stated capital	1,584,000	1,584,000	1,584,000	1,584,000
Capital reserves	2,441,496	2,098,728	2,051,268	2,040,312
Revenue reserves	(2,256,777)	(1,100,553)	(1,527,957)	(658,922)
Equity Attributable to Shareholders	1,768,719	2,582,176	2,107,311	2,965,389
Non controlling interest	1,901,717	1,383,038	-	-
Total Equity	3,670,436	3,965,214	2,107,311	2,965,389
Liabilities				
Non Current Liabilities				
Loans and borrowings	1,115,548	919,405	1,019,671	806,205
Employee benefits	28,159	24,676	17,464	16,807
Deferred tax liabilities	781,917	775,954	355,020	355,175
Total Non Current Liabilities	1,925,624	1,720,035	1,392,154	1,178,187
Current Liabilities				
Trade and other payables	8,163,977	6,690,400	5,783,904	4,647,601
Loans and borrowings	507,986	550,981	234,375	231,000
Current tax payables	51,731	69,628	19,604	42,419
Bank overdrafts	166,930	19,113	161,849	19,113
Total Current Liabilities	8,890,624	7,330,122	6,199,732	4,940,134
Total Liabilities & Equity	14,486,684	13,015,371	9,699,197	9,083,710
Net Assets per Share (Rs)	16.75	24.45	19.96	28.08

These Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act No 07 of 2007.

sgd

Mrs. S.S. Kotakadeniya

Chief Financial Officer- LOLC Group

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

Approved and signed on behalf of the Board,

sgd

Mr. W.D.K. Jayawardena

(Chairman)

30th May 2019

Colombo

sgd

Mrs. K.U. Amarasinghe

(Director)

EDEN HOTELS LANKA PLC
STATEMENT OF CHANGES IN EQUITY

GROUP	Stated capital	Capital reserve	Retained earnings	Non Controlling interest	Total equity
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'
Balance as at 1st April 2017	1,584,000	2,032,099	(392,816)	-	3,223,283
Comprehensive income for the period					
Net profit/(loss) for the period			(701,226)	(72,727)	(773,953)
Other comprehensive income					
Net change in fair value of available-for-sale financial assets (net of tax)		108		-	108
Revaluation of property, plant and equipment		414,432		24,573	439,005
Deferred tax on revaluation		(366,748)		(6,976)	(373,724)
Defined benefit plan actuarial gains (losses) (net of tax)		-	(632)	(250)	(882)
Deferred tax charge/(reversal) on actuarial gains/(losses)			88	35	123
Exchange gain/(loss) from translation of foreign operations		54,774		30,931	85,705
Re-classification of foreign currency translation reserve on step acquisition of subsidiary		(35,937)		-	(35,937)
Total comprehensive income for the year	-	66,629	(701,769)	(24,414)	(659,554)
Other movements in equity					
Increase in NCI on acquisition of subsidiaries				711,124	711,124
Change in percentage holding in subsidiary			(5,968)	5,968	-
Impact on additional capital infusion by NCI				690,360	690,360
Balance as at 31st March 2018	1,584,000	2,098,728	(1,100,553)	1,383,038	3,965,213
Balance as at 01st April 2018	1,584,000	2,098,728	(1,100,553)	1,383,038	3,965,213
Impact of adoption of SLFRS 9					
Impact of reclassifying financial investment from AFS to FVTPL		(506)	506		-
Comprehensive income for the period					
Net profit/(loss) for the period	-	-	(1,155,599)	(75,702)	(1,231,301)
Other comprehensive income					
Fair value gains/(losses) that arose during the year	-	32	-	-	32
Exchange gain/(loss) from translation of foreign operations		344,511		201,665	546,176
Deferred Tax on Exchange gain/(loss) from translation of foreign operations		(1,270)		-	(1,270)
Defined benefit plan actuarial gains (losses) (net of tax)			(1,315)	113	(1,202)
Deferred tax charge/(reversal) on actuarial gains/(losses)			184	(16)	168
Total comprehensive income for the year	-	342,768	(1,156,224)	126,060	(687,396)
Other movements in equity					
Increase in NCI on acquisition of subsidiaries				392,619	392,619
Total Comprehensive Income for the year	-	342,768	(1,156,224)	518,679	(294,777)
Balance as at 31st March 2019	1,584,000	2,441,496	(2,256,777)	1,901,717	3,670,436
COMPANY					
	Stated capital	Capital reserve	Retained earnings	Total equity	
	Rs.'000'	Rs.'000'	Rs.'000'	Rs.'000'	
Balance as at 1st April 2017	1,584,000	2,008,621	(147,493)	3,445,128	
Comprehensive income for the period					
Net profit/(loss) for the period			(510,269)	(510,269)	
Other comprehensive income					
Net change in fair value of available-for-sale financial assets (net of tax)		108		108	
Revaluation of property, plant and equipment		180,049		180,049	
Deferred tax on revaluation		(148,467)		(148,467)	
Defined benefit plan actuarial gains (losses) (net of tax)			(1,349)	(1,349)	
Deferred tax charge/(reversal) on actuarial gains/(losses)			189	189	
Total comprehensive income for the year	-	31,691	(511,429)	(479,739)	
Balance as at 31st March 2018	1,584,000	2,040,312	(658,922)	2,965,389	
Balance as at 01st April 2018	1,584,000	2,040,312	(658,922)	2,965,389	
Impact of adoption of SLFRS 9					
Impact of reclassifying financial investment from AFS to FVTPL		(506)	506	-	
Comprehensive income for the period					
Net profit/(loss) for the period			(869,459)	(869,459)	
Other comprehensive income					
Fair value gains/(losses) that arose during the year		32		32	
Exchange differences on translation of foreign operations		12,700		12,700	
Defined benefit plan actuarial gains (losses) (net of tax)			(95)	(95)	
Deferred tax charge/(reversal) on actuarial gains/(losses)			13	13	
DT charge/(rev) on Foreign currency translation differences for foreign operations		(1,270)		(1,270)	
Total comprehensive income for the year	-	10,956	(869,034)	(858,078)	
Balance as at 31st March 2019	1,584,000	2,051,268	(1,527,957)	2,107,311	

EDEN HOTELS LANKA PLC
STATEMENT OF CASH FLOWS

For the year ended 31March

	GROUP		COMPANY	
	2019 Rs.'000'	2018 Rs.'000'	2019 Rs.'000'	2018 Rs.'000'
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax expense	(1,211,148)	(703,264)	(861,115)	(451,737)
Adjustment for:				
(Profit)/Loss on sale of property, plant and equipment	-	(3,869)	-	(550)
Depreciation and amortization	232,803	224,987	88,106	80,920
Provision for gratuity	6,190	5,702	3,568	3,434
Interest cost	1,333,383	872,250	1,050,002	635,062
Interest income	(83,979)	(74,671)	(48,692)	(50,632)
Reclassification of foreign currency translation reserve on step acquisition of subsidiary	-	(35,937)	-	-
Dividend Income	(73)	(65)	(73)	(65)
Rent Income	(2,422)	(4,437)	(2,422)	(2,888)
Impairment of trade receivable	5,954	2,311	5,954	591
Operating profit before working capital changes	280,708	283,007	235,327	214,134
Working capital changes				
(Increase)/decrease in accounts receivables & others	(257,293)	(54,179)	(95,974)	(53,156)
(Increase)/decrease in inventories	(1,681)	315	(2,285)	195
Increase/(decrease) in accounts payables	332,971	204,078	198,324	147,449
Cash generated from operations	354,705	433,220	335,392	308,623
Interest paid	(95,109)	(103,205)	(75,394)	(77,210)
Tax paid	(9,755)	(16,791)	(9,755)	(4,211)
Gratuity paid	(3,908)	(3,692)	(3,005)	(2,365)
Net cash from /(used in) operating activities	245,933	309,532	247,237	224,837
CASH FLOW FROM INVESTING ACTIVITIES				
Net cash & cash equivalents on acquisition of subsidiary	-	(590,431)	-	-
Acquisition of property, plant and equipment	(680,856)	(1,132,124)	(37,240)	(200,250)
Proceed from the sale of property, plant and equipment	-	4,550	-	550
Acquisition of subsidiaries	-	-	(319,400)	(1,411,485)
Interest received	4,296	4,013	3,816	3,378
Dividend received	73	65	73	65
Rent received	2,422	4,437	2,422	2,888
Net cash flow from investing activities	(674,065)	(1,709,491)	(350,329)	(1,604,855)
CASH FLOW FROM FINANCING ACTIVITIES				
Issue of shares by subsidiaries to non controlling interest	392,619	690,360	-	-
Repayments of long term loans	(313,928)	(1,091,019)	(250,235)	(975,324)
Proceeds of long term loans	300,000	1,228,900	300,000	1,228,901
Funds received from/(to) related parties	46,000	588,769	31,500	1,148,500
Repayment of finance lease obligations	-	(2,801)	-	-
Net cash generated from financing activities	424,691	1,414,209	81,265	1,402,077
Net increase/(decrease) in cash & cash equivalents during the period	(3,441)	14,251	(21,827)	22,060
Cash & cash equivalents at the beginning of the period	148,776	134,526	81,110	59,050
Cash & cash equivalents at the end of the period	145,335	148,776	59,283	81,110
Analysis of cash & cash equivalents at the end of the period				
Cash at bank and in hand	312,265	167,889	221,132	100,223
Unfavourable Bank Balances used for cash management purposes	(166,930)	(19,113)	(161,849)	(19,113)
	145,335	148,776	59,283	81,110

EDEN HOTELS LANKA PLC
SHAREHOLDERS' INFORMATION

A.

Names and the Number of Shares held by the 20 Largest Shareholders and the Percentage (%) as at 31.03.2019

EDEN HOTEL LANKA PLC			
20 MAJOR SHAREHOLDERS OF THE COMPANY AS AT 31ST MARCH 2019			
	NAME	NO . OF SHARES	(%)
1	PALM GARDEN HOTELS PLC	48,796,944	46.21
2	BROWNS HOTELS AND RESORTS LIMITED	44,996,229	42.61
3	EMPLOYEES TRUST FUND BOARD	1,581,943	1.50
4	MERCANTILE INVESTMENTS AND FINANCE PLC	1,049,600	0.99
5	BANK OF CEYLON NO.1 ACCOUNT	775,550	0.73
6	CAPITAL TRUST HOLDINGS LTD	451,411	0.43
7	MR.W C A WIMALADHARMA	296,052	0.28
8	MRS.B WIMALADHARMA	275,000	0.26
9	MR.M I RAJI	274,093	0.26
10	UNION INVESTMENTS PRIVATE LTD	250,000	0.24
11	ASSET LINE LEASING CO.LTD/DON AND DON HOLDINGS (PVT) LIMITED	229,523	0.22
12	ASSET LINE LEASING CO.LTD/R.P. SUGATHADASA	132,900	0.13
13	MERCHANT BANK OF SRI LANKA & FINANCE PLC 01	127,743	0.12
14	ASSOCIATED ELECTRICAL CORPORATION LTD	121,207	0.11
15	MR.S. ABISHEK	115,000	0.11
16	MALSHIP CEYLON LTD	111,637	0.11
17	N.VAITILINGAM & COMPANY LTD	102,324	0.10
18	MR. M I ABDUL HAMEED	101,200	0.10
19	C M HOLDINGS PLC	100,000	0.09
20	MR. K C VIGNARAJAH	95,800	0.09
		99,984,156	94.68
	OTHERS	5,615,844	5.32
	TOTAL	105,600,000	100.00

B. The Public Holding Percentage as at 31.03.2019 : 11.18% comprising of 5,180 shareholders

Float adjusted market capitalization as at 31.03.2019 is Rs 159,392,137

The Company complied with option 02 of rule 7.13.1(b) of the listing rules of the Colombo Stock Exchange of the minimum public holding percentage

C. Directors' Shareholding as at 31.03.2019:

	No of shares	(%)
Mr. W D K Jayawardena	Nil	Nil
Ms. K U Amarasinghe	Nil	Nil
Mr. D S K Amarasekera	Nil	Nil
Mr. M T A Furkhan	1	-
Mr. Stefan Furkhan	1	-
Mr. J M Swaminathan	Nil	Nil

D. Number of Shares representing the Company's Stated Capital 105,600,000 Ordinary Shares.

E. Market price of shares recorded during the quarter ended

	31.03.2019	31.03.2018
	Rs	Rs
Highest Market Price	17.50	18.60
Lowest Market Price	11.30	14.30
Last Traded Price	13.50	15.20