

# **GALADARI HOTELS (LANKA) PLC**

## **INTERIM FINANCIAL STATEMENTS**

**For the 9 months ended 30th September 2018**

**GALADARI HOTELS (LANKA) PLC**  
**STATEMENT OF FINANCIAL POSITION**

As at 30th September	2018 Rs.	2017 Rs.	31.12.2017 Rs. (Audited)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	7,249,875,500	6,843,044,803	7,337,252,209
Leasehold property	1,416,266,233	1,439,772,727	1,433,896,105
	<u>8,666,141,733</u>	<u>8,282,817,530</u>	<u>8,771,148,314</u>
<b>CURRENT ASSETS</b>			
Inventories	59,174,791	50,662,092	54,714,352
Trade and other receivables	226,219,077	189,813,133	219,166,899
Investments	2,422,673,346	2,214,098,607	2,147,684,841
Cash and cash equivalents	107,841,360	69,960,902	45,752,655
	<u>2,815,908,574</u>	<u>2,524,534,734</u>	<u>2,467,318,747</u>
<b>TOTAL ASSETS</b>	<u><b>11,482,050,307</b></u>	<u><b>10,807,352,264</b></u>	<u><b>11,238,467,061</b></u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>CAPITAL &amp; RESERVES</b>			
Stated capital	8,988,239,455	8,988,239,455	8,988,239,455
Revaluation reserve	9,232,681,812	9,093,491,419	9,232,681,812
AFS Reserve	-	-	-
Reserve for replacement of furniture, fittings and equipments	576,804,289	498,531,782	512,970,280
Accumulated losses	(8,235,502,679)	(8,575,729,901)	(8,430,580,293)
<b>Total Equity</b>	<u><b>10,562,222,877</b></u>	<u><b>10,004,532,755</b></u>	<u><b>10,303,311,254</b></u>
<b>NON - CURRENT LIABILITIES</b>			
Deferred tax liabilities	283,679,153	201,546,868	283,679,153
Retirement benefit obligations	77,517,900	65,995,752	82,284,397
	<u>361,197,053</u>	<u>267,542,620</u>	<u>365,963,550</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	317,488,642	282,979,033	315,853,344
Provisions	231,742,343	223,041,657	224,832,522
Current tax payables	9,399,392	29,256,199	28,506,391
	<u>558,630,377</u>	<u>535,276,889</u>	<u>569,192,257</u>
<b>TOTAL LIABILITIES</b>	<u><b>919,827,430</b></u>	<u><b>802,819,509</b></u>	<u><b>935,155,807</b></u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u><b>11,482,050,307</b></u>	<u><b>10,807,352,264</b></u>	<u><b>11,238,467,061</b></u>
<b>Net assets per share</b>	<b>21.09</b>	<b>19.98</b>	<b>20.57</b>

The above figures are provisional and subject to audit.

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

  
M.G.U. Perera

Financial Controller

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

  
Dr. J. A. S. Felix

Director

29th October 2018

  
L. R. De. Silva

Director

GALADARI HOTELS (LANKA) PLC  
STATEMENT OF COMPREHENSIVE INCOME

	3 months ended 30.09.18	3 months ended 30.09.17	9 months ended 30.09.18	9 months ended 30.09.17	12 months ended 31.12.17 (Audited)
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	458,550,176	401,716,028	1,167,978,699	1,065,443,920	1,443,352,530
Cost of Sales	(204,965,429)	(171,674,041)	(538,650,366)	(494,899,436)	(685,860,696)
<b>Gross Profit</b>	<b>253,584,747</b>	<b>230,041,987</b>	<b>629,328,333</b>	<b>570,544,484</b>	<b>757,491,834</b>
Other Income	1,504,979	309,842	2,327,862	1,313,432	3,214,817
Marketing Expenses	(6,462,561)	(7,944,656)	(21,764,350)	(20,174,252)	(27,659,220)
Administrative Expenses	(107,233,232)	(100,920,526)	(311,912,639)	(305,982,891)	(402,546,061)
Other Operating Expenses	(78,379,718)	(71,433,396)	(228,394,031)	(225,098,257)	(311,916,829)
<b>Results From Operating Activities</b>	<b>63,014,215</b>	<b>50,053,251</b>	<b>69,585,175</b>	<b>20,602,516</b>	<b>18,584,541</b>
Finance Income	67,684,388	50,895,235	189,326,448	145,416,137	231,764,274
<b>Profit Before Income Tax</b>	<b>130,698,603</b>	<b>100,948,486</b>	<b>258,911,623</b>	<b>166,018,653</b>	<b>250,348,815</b>
Income Tax Reversal/(Expense)	21,000,000	(11,000,000)	-	(23,500,000)	59,312,255
<b>Profit For The Period</b>	<b>151,698,603</b>	<b>89,948,486</b>	<b>258,911,623</b>	<b>142,518,653</b>	<b>309,661,070</b>
<b>Other Comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Change in revaluation surplus of Property, Plant & Equipment	-	-	-	-	353,213,110
Remeasurements of Retirement benefit obligations	-	-	-	-	(8,784,083)
Related taxes	-	-	-	-	(48,220,064)
Impact of change in tax rate on deferred tax	-	-	-	-	(164,572,881)
	-	-	-	-	<b>131,636,082</b>
<b>Items that may be subsequently reclassified to profit or loss</b>					
Release of Available For Sale Financial Assets	-	799,995	-	1,639,919	1,639,919
Related taxes	-	-	-	-	-
	-	<b>799,995</b>	-	<b>1,639,919</b>	<b>1,639,919</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>799,995</b>	<b>-</b>	<b>1,639,919</b>	<b>133,276,001</b>
<b>Total Comprehensive Income for the period</b>	<b>151,698,603</b>	<b>90,748,481</b>	<b>258,911,623</b>	<b>144,158,572</b>	<b>442,937,071</b>
<b>Basic Earnings Per Share</b>	<b>0.30</b>	<b>0.18</b>	<b>0.52</b>	<b>0.28</b>	<b>0.62</b>

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.



**GALADARI HOTELS (LANKA) PLC**  
**CASH FLOW STATEMENT**

For the 9 months ended	30.09.2018	30.09.2017	31.12.2017
	Rs.	Rs.	Rs. (Audited)
<b>Cash Flows From Operating Activities</b>			
Profit before tax	258,911,623	166,018,653	250,348,815
Adjustments for			
Allowance for impairment of Bad and doubtful receivables	1,350,000	(9,180,161)	(11,880,161)
Reversal of Provision for Slow Moving Inventory	-	-	(23,262)
Depreciation and amortisation	177,072,536	183,050,000	234,525,870
Provision for Retirement benefit obligations	2,835,079	3,253,061	15,057,626
Interest for provision for litigation settlement	6,909,822	5,372,622	7,163,487
Interest Income	(185,336,828)	(145,416,137)	(229,302,121)
<b>Operating profit before working capital changes</b>	<b>261,742,232</b>	<b>203,098,038</b>	<b>265,890,254</b>
(Increase) /Decrease in inventories	(4,460,439)	4,249,401	220,402
(Increase) /Decrease in Trade & Other Receivables	(8,402,178)	58,059,427	20,634,025
Increase /(Decrease) in Trade & Other Payables	1,635,299	(37,950,766)	(17,019,360)
<b>Cash Generated from operations</b>	<b>250,514,914</b>	<b>227,456,100</b>	<b>269,725,321</b>
Gratuity paid	(7,601,576)	(12,860,873)	(17,160,878)
Current taxes paid	(19,107,000)	(22,600,420)	(48,484,090)
<b>Net Cash generated from operating activities</b>	<b>223,806,338</b>	<b>191,994,807</b>	<b>204,080,353</b>
<b>Cash flows from Investing Activities</b>			
Acquisition of Property, Plant & Equipment	(72,065,955)	(72,104,076)	(258,697,619)
Net investment of Fixed deposits	(274,988,505)	(382,430,755)	(1,979,910,436)
Net Withdrawal of and Government securities	-	-	1,663,893,447
Interest Received	185,336,828	145,416,137	229,302,121
<b>Net Cash flows Used in Investing Activities</b>	<b>(161,717,632)</b>	<b>(309,118,694)</b>	<b>(345,412,487)</b>
<b>Net Decrease in Cash &amp; Cash Equivalents</b>	<b>62,088,705</b>	<b>(117,123,887)</b>	<b>(141,332,134)</b>
Cash & cash equivalents at the beginning of the period	45,752,655	187,084,789	187,084,789
<b>Cash &amp; cash equivalents at the end of the period ( Note 1)</b>	<b>107,841,360</b>	<b>69,960,902</b>	<b>45,752,655</b>
<b>Note 1</b>			
Cash in Hand	1,520,000	1,240,000	3,373,503
Cash at Bank	106,321,360	68,720,902	42,379,152
	<b>107,841,360</b>	<b>69,960,902</b>	<b>45,752,655</b>

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

ARI HOTELS ( LANKA ) PLC  
STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Revaluation Reserve Rs.	Reserve for Replacements Rs.	Available for sale Reserve Rs.	Accumulated Losses Rs.	Total Rs.
Balance as at 1st January 2017	8,988,239,455	9,093,491,419	443,794,657	(1,639,919)	(8,663,511,429)	9,860,374,183
Profit for the period	-	-	-	-	142,518,653	142,518,653
<b>Other comprehensive income</b>						
Net change in fair value of available for sale financial assets	-	-	-	1,639,919	-	1,639,919
<b>Total comprehensive income for the year</b>	-	-	-	<b>1,639,919</b>	<b>142,518,653</b>	<b>144,158,572</b>
<b>Transactions with owners of the company, recognized directly in equity</b>						
Provision for Reserve of Replacement of Furniture Fittings & Equipment	-	-	37,961,655	-	(37,961,655)	-
Replacement of Furniture, Fittings & Equipment	-	-	(8,349,211)	-	8,349,211	-
<b>Total transactions with owners of the company</b>	-	-	<b>29,612,444</b>	-	<b>(29,612,444)</b>	-
<b>Balance as at 30th September 2017</b>	<b>8,988,239,455</b>	<b>9,093,491,419</b>	<b>473,407,101</b>	-	<b>(8,550,605,220)</b>	<b>10,004,532,755</b>
<b>Balance as at 1st January 2017 (Audited)</b>	<b>8,988,239,455</b>	<b>9,093,491,419</b>	<b>443,794,657</b>	<b>(1,639,919)</b>	<b>(8,663,511,429)</b>	<b>9,860,374,183</b>
Profit for the year	-	-	-	-	309,661,070	309,661,070
<b>Other comprehensive income</b>						
Surplus on Revaluation of Property, Plant & Equipment	-	353,213,110	-	-	-	353,213,110
Deferred tax adjustment on revaluation	-	(49,449,836)	-	-	1,229,772	(48,220,064)
Net change in fair value of available for sale financial assets	-	-	-	1,639,919	-	1,639,919
Impact of tax rate change on deferred tax	-	(164,572,881)	-	-	-	(164,572,881)
Net Acturial loss from gratuity actuarial valuation	-	-	-	-	(8,784,083)	(8,784,083)
<b>Total comprehensive income for the year</b>	-	<b>139,190,393</b>	-	<b>1,639,919</b>	<b>302,106,759</b>	<b>442,937,071</b>
<b>Transactions with owners of the company, recognized directly in equity</b>						
Provision for Reserve of Replacement of Furniture Fittings & Equipment	-	-	83,570,355	-	(83,570,355)	-
Replacement of Furniture, Fittings & Equipment	-	-	(14,394,732)	-	14,394,732	-
<b>Total transactions with owners of the company</b>	-	-	<b>69,175,623</b>	-	<b>(69,175,623)</b>	-
<b>Balance as at 31st December 2017 (Audited)</b>	<b>8,988,239,455</b>	<b>9,232,681,812</b>	<b>512,970,280</b>	-	<b>(8,430,580,293)</b>	<b>10,303,311,254</b>
<b>Balance as at 1st January 2018</b>	<b>8,988,239,455</b>	<b>9,232,681,812</b>	<b>512,970,280</b>	-	<b>(8,430,580,293)</b>	<b>10,303,311,254</b>
Profit for the period	-	-	-	-	258,911,623	258,911,623
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>258,911,623</b>	<b>258,911,623</b>
Provision for Replacement of Furniture Fittings & Equipment	-	-	67,981,650	-	(67,981,650)	-
Replacement of Furniture, Fittings & Equipment	-	-	(4,147,641)	-	4,147,641	-
<b>Balance as at 30th September 2018</b>	<b>8,988,239,455</b>	<b>9,232,681,812</b>	<b>576,804,289</b>	-	<b>(8,235,502,679)</b>	<b>10,562,222,877</b>

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

