

THE KINGSBURY PLC
Company Registration PQ 203
No:48, Janadhipathi Mawatha
Colombo-01

Interim Financial Statements
For the six months ended 30th September 2018

Corporate Information

NAME OF COMPANY

The Kingsbury PLC
(A public limited company, incorporated in Sri Lanka in 1969)

COMPANY NUMBER

PQ 203

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

REGISTERED OFFICE

48, Janadhipathi Mw,
Colombo 01, Sri Lanka

DIRECTORS

Mr.A.M.Pandithage – Executive Chairman
Mr.K.D.D.Perera - Co- Chairman (Non-Executive)
Mr.L.T.Samarawickrama - Managing Director
Mr.S.C.Ganegoda
Mr.S.J.Wijesinghe
Mr.N.J. De Silva Deva-Aditya
Mr.L.N. De Silva Wijeyeratne
Ms.R.N.Ponnambalam
Mr.J.P.Van Twest
Ms.I. Jamaldeen
Mr.D.E.Silva
Mr.Darell Joseph De Cruzz (w.e.f 10.10.2018)
Ms. A.A. K.Amarasinghe (Alternate Director to Mr. K.D.D.Perera)

AUDIT COMMITTEE

Mr.L.N. De Silva Wijeyeratne - Chairman
Ms.R.N.Ponnambalam
Mr.J.P.Van Twest

REMUNERATION COMMITTEE

Mr.L.N. De Silva Wijeyeratne - Chairman
Ms.R.N.Ponnambalam

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: (94-11)2627650
Facsimile: (94-11)2627645
E-mail: info.sec@hayleys.com

Please direct any queries about the administration of shareholdings to the Company Secretaries

THE KINGSBURY PLC
Statement of Profit or Loss

(All amounts in Sri Lanka Rupees thousands)

	Unaudited 6 months ended 30.09.2018	Unaudited 6 months ended 30.09.2017	Change %	Unaudited 3 months to 30.09.2018	Unaudited 3 months to 30.09.2017	Change %	Audited Year ended 31.03.2018
Turnover	1,493,863	1,488,219	0	834,065	835,227	(0)	3,085,143
Turnover tax/ Nation Building Tax	(47,688)	(47,077)	1	(26,612)	(26,232)	(1)	(98,651)
Net turnover	1,446,175	1,441,142	0	807,453	808,995	(0)	2,986,492
Cost of sales	<u>(713,328)</u>	<u>(753,989)</u>	(5)	<u>(382,419)</u>	<u>(401,447)</u>	(5)	<u>(1,532,037)</u>
Gross profit	732,847	687,153	7	425,034	407,548	4	1,454,455
Other income	1,078	5,306	(80)	(945)	1,621	<100	12,541
Administrative expenses	(531,352)	(515,364)	3	(282,714)	(270,180)	5	(1,060,184)
Marketing expenses	<u>(68,722)</u>	<u>(67,760)</u>	1	<u>(36,986)</u>	<u>(36,652)</u>	1	<u>(137,734)</u>
Operating profit	133,851	109,335	22	104,389	102,337	2	269,078
Finance income	3,730	5,293	(30)	2,210	1,952	13	8,765
Finance expenses	<u>(83,145)</u>	<u>(42,135)</u>	97	<u>(53,154)</u>	<u>(16,076)</u>	<100	<u>(89,914)</u>
Profit before tax	54,436	72,493	(25)	53,445	88,213	(39)	187,929
Taxation	(19,890)	(21,396)	(7)	(11,619)	(10,698)	9	(48,775)
Profit for the period	<u>34,546</u>	<u>51,097</u>	(32)	<u>41,826</u>	<u>77,515</u>	(46)	<u>139,154</u>
Basic Earnings per share (Rs.)	0.14	0.21		0.17	0.32		0.58

The notes on page 6 forms an integral part of these Financial Statements.

Figures in brackets indicate deductions or losses.

THE KINGSBURY PLC
Statement of Comprehensive Income

(All amounts in Sri Lanka Rupees thousands)

	Unaudited 6 months ended 30.09.2018	Unaudited 6 months ended 30.09.2017	Change %	Unaudited 3 months to 31.03.2017	Unaudited 3 months to 30.09.2017	Change %	Audited Year ended 31.03.2018
Profit for the period	<u>34,546</u>	<u>51,097</u>	(32)	<u>41,826</u>	<u>77,515</u>	(46)	<u>139,154</u>
Re-measurement gain/(loss) on defined benefit plans	-	-	-	-	-	-	(873)
Income tax effect on defined benefit plans	-	-	-	-	-	-	123
Other Comprehensive Income/(loss) for the year, net of tax	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-	<u>(750)</u>
Total Comprehensive Income/(loss) for the year, net of tax	<u><u>34,546</u></u>	<u><u>51,097</u></u>	(32)	<u><u>41,826</u></u>	<u><u>77,515</u></u>	(46)	<u><u>138,404</u></u>

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THE KINGSBURY PLC
Statement of Financial Position

(All amounts in Sri Lanka Rupees thousands)

	Unaudited As at 30.09.2018	Unaudited As at 30.09.2017	Audited As at 31.03.2018
ASSETS			
Non-current assets			
Property Plant and Equipment	3,830,345	3,806,430	3,771,586
Capital Work in Progress	32,855	53,412	127,025
Intangible assets	18,539	22,955	21,214
	3,881,739	3,882,797	3,919,825
Current assets			
Inventories	78,907	76,736	74,053
Trade and other receivables	158,494	130,173	147,581
Other current assets	94,983	61,412	67,311
Tax recoverable	20,835	42,207	32,713
Cash and bank	266,605	94,485	194,050
Short term deposits	-	183,095	100,934
	619,824	588,108	616,642
Total Assets	4,501,563	4,470,905	4,536,467
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	836,000	836,000	836,000
Revaluation reserves	904,808	940,907	904,808
Retained earnings	827,618	664,743	793,072
	2,568,426	2,441,650	2,533,880
Non- current liabilities			
Interest-bearing borrowings	736,414	749,910	510,618
Post employment benefit obligation	55,492	41,010	50,673
Deferred tax liability	231,743	228,202	231,745
	1,023,649	1,019,122	793,036
Current Liabilities			
Trade and other payables	332,276	301,070	327,423
Interest-bearing borrowings	441,253	576,567	747,354
Other current liabilities	135,959	132,496	134,774
	909,488	1,010,133	1,209,551
Total equity and liabilities	4,501,563	4,470,905	4,536,467

I certify that these financial statements have been prepared in compliance with the requirements of the companies Act No 7 of 2007.

Sgd.
A Wijesiriwardana
Director Finance

Signed for and on behalf of the Board

Sgd.
A M Pandithage
Executive Chairman

Sgd.
L T Samarawickrama
Managing Director

The notes on page 6 forms an integral part of these Financial Statements.
Figures in brackets indicate deductions or losses

30th October 2018
Colombo

THE KINGSBURY PLC
Statement of Changes in Equity

(All amounts in Sri Lanka Rupees thousands)

	Stated Capital	Revaluation and other reserves	Retained Earnings	Total
Balance as at 01.04.2016	836,000	940,907	613,646	2,390,553
Profit for the 6 months ended 30.09.2017			51,097	51,097
Other comprehensive income			-	-
Total comprehensive income			51,097	51,097
Balance as at 30.09.2017	836,000	940,907	664,743	2,441,650
Balance as at 01.04.2017	836,000	904,808	793,072	2,533,880
Profit for the 6 months ended 30.09.2018	-	-	34,546	34,546
Other comprehensive income			-	-
Total comprehensive income			34,546	34,546
Balance as at 30.09.2018	836,000	904,808	827,618	2,568,426

The notes on page 6 forms an integral part of these Financial Statements.

Figures in brackets indicate deductions or losses.

THE KINGSBURY PLC
Statement of Cash Flows

(All amounts in Sri Lanka Rupees thousands)

	Unaudited 6 months ended 30.09.2018	Unaudited 6 months ended 30.09.2017	Audited Year ended 31.03.2018
Operating activities			
Cash generated from operations (Note A)	237,726	247,866	563,076
Interest received	3,730	5,294	8,765
Interest paid	(38,295)	(43,749)	(80,975)
Tax Paid	(8,012)	(7,824)	(17,217)
Retirement benefits paid	(1,587)	(2,171)	(3,293)
Net cash generated from / (used in) operations	193,562	199,416	470,356
Investing activities			
Capital work in progress	(32,855)	(6,662)	(80,275)
Purchase of property plant & equipment	(63,235)	(112,950)	(211,775)
Purchase of property plant & equipment (Intangible)	(154)	(191)	(1,257)
Proceeds from disposal of property plant & equipment	806	6,337	6,706
Investment in Fixed Deposits	100,934	-	(100,934)
Net cash (used in)/ generated from investing activities	5,496	(113,466)	(387,535)
Financing activities			
Proceeds from interest-bearing borrowings	350,000	-	-
Payments on interest-bearing borrowings	(310,391)	(224,002)	(453,630)
Dividends Paid	-	(121,000)	(121,000)
Net cash used in financing activities	39,609	(345,002)	(574,630)
Net increase/decrease in cash and cash equivalents	238,667	(259,052)	(491,809)
Movement in cash and cash equivalents			
At start of the year	(88,774)	403,035	403,035
Net increase / decrease	238,667	(259,052)	(491,809)
At end of the Period	149,893	143,983	(88,774)
Note A			
	Unaudited 6 months ended 30.09.2018	Unaudited 6 months ended 30.09.2017	Audited Year ended 31.03.2018
Cash flows from operating activities			
Profit before tax	54,436	72,493	187,929
Adjustments for:			
Net Finance Expenses	79,415	36,842	81,147
Depreciation on property, plant & equipment	123,916	111,603	237,423
Amortization of intangible assets	2,827	2,752	5,560
Provision for Bad & doubtful debts	(4,374)	(239)	5,360
Loss on disposal of property, plant & equipment	6,754	(1,501)	9,885
Operating profit before working capital changes	262,974	221,951	527,304
(Increase)/Decrease in trade and other receivables	(32,869)	16,124	3,014
(Increase)/Decrease in inventories	(4,855)	(3,732)	(1,048)
Increase/(Decrease) in trade and other payables	6,037	9,861	20,232
Gratuity provision	6,439	3,662	13,574
Cash generated from operations	237,726	247,866	563,076
Note B			
Analysis of cash and cash equivalents			
Cash & cash equivalents	266,605	94,485	194,050
Short term deposits	-	183,095	-
	266,605	277,580	194,050
Short-term interest bearing borrowings	(116,712)	(133,597)	(282,824)
	149,893	143,983	(88,774)

The notes on page 6 forms an integral part of these Financial Statements.
Figures in brackets indicate deductions.

THE KINGSBURY PLC
Notes to the Financial Statements

1 The Interim Financial Statements are unaudited and have been prepared in compliance with Sri Lanka Accounting Standard **LKAS 34**-Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2018.

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended 31st March 2018, except for the adoption of new standards effective as of 1 April 2018.

The Company applies SLFRS 15 Revenue from Contracts with Customers and SLFRS 9 Financial Instruments for the first time that require restatement of previous Financial Statements. As required by LKAS 34, the nature and effect of these changes are disclosed below

And for the other amendments and interpretations apply for the first time in 2018 do not have an impact on the Interim Financial Statements of the Company

(a) SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under SLFRS.

The Company adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed, the Company concluded that SLFRS 15 does not have a material impact on the Company's Financial Statements

(b) SLFRS 9 Financial Instruments

SLFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, paragraph 7.2.16 of SLFRS 9 permits an entity not to apply the requirements of this Standard to interim periods prior to the date of initial application, if it is impracticable. Based on the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied. Accordingly, as permitted by the above SoAT, the Company has prepared the Interim Financial Statements for the quarter ended 30th September 2018 based on LKAS 39

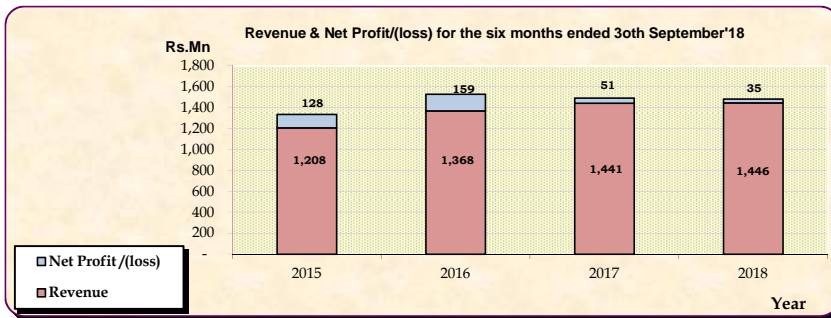
2 The Statement of Financial Position of the Company as at 30th September 2018 & The Statement of Profit or Loss for the six months ended are drawn up from the unaudited accounts of the Company and provides information required as per rule 8 of the Colombo Stock Exchange.

	<u>30.09.2018</u>	<u>30.09.2017</u>	<u>31.03.2018</u>
	(Rs.000)	(Rs.000)	(Rs.000)
3 Other income and expenses			
Profit/(loss) on disposal of property, plant and equipment	(3,150)	1,501	(1,058)
Sundry income	4,228	3,805	13,599
	1,078	5,306	12,541

4 There have been no other events subsequent to the interim period, which require disclosure in the provisional financial statements.

5 We confirm that there are no material contingent liabilities or contingent assets which require disclosure in the interim financial statements for the period of six months ended 30th September 2018.

6 Revenue & net profit/(loss) comparison



	<u>30.09.2018</u>	<u>30.09.2017</u>	<u>31.03.2018</u>
7 Ratios			
Basic Earnings per share	0.14	0.21	0.58
Net assets per share	10.61	10.09	10.47

	<u>No. of Shares</u>	<u>Ordinary Shares</u>
	<u>(thousands)</u>	<u>Rs '000</u>
8 Stated Capital		
As At 31st March'2018	242,000	836,000
As At 30th September'2018	242,000	836,000

THE KINGSBURY PLC
Investor Information as at 30th September 2018

The market value of an Ordinary share recorded during the quarter.

	30.09.2018	30.09.2017
Highest price (Rs.)	17.00	16.00
Lowest price (Rs.)	14.70	13.50
Closing Price (Rs.)	14.80	14.00

Share trading information for the quarter

No: of transactions	349
No: of shares traded	3,827,527
Value of shares traded (Rs.)	61,096,751.10

First 20 Major Shareholders

	Name of the Shareholder	No. of Shares as at 30.09.2018	%
1	Hayleys PLC no 3 Share Investment Account	112,307,057	46.41
2	Carbotels (Pvt) Limited	31,625,000	13.07
3	Employees Provident Fund	25,559,947	10.56
4	Bank of Ceylon A/C Ceybank Unit Trust	8,180,429	3.38
5	Bank of Ceylon-No 2 A/C	7,833,500	3.24
6	Mr. K.D.A.Perera	6,581,352	2.72
7	Mr. Gamini Weerathna	4,904,765	2.03
8	National Savings Bank	3,871,666	1.60
9	Mr.K.D.D.Perera	3,216,146	1.33
10	Renuka Hotels Limited	2,371,300	0.98
11	Renuka City Hotels PLC	2,260,300	0.93
12	Associated Electrical Corporation Ltd	2,133,400	0.88
13	Merchant Bank of Sri Lanka & Finance PLC. 01	1,937,727	0.80
14	Renuka Consultants & Services Limited.	1,835,100	0.76
15	Mr. K.D.H.Perera	1,453,567	0.60
16	People's Leasing & Finance PLC. /Mr. L.P. Hapangama	1,227,700	0.51
17	Mr. A.P.Somasiri	1,100,000	0.45
18	Cargo Boat Development Company PLC	1,010,100	0.42
19	Sampath Bank PLC/Mrs. Priyani Dharshini Ratnagopal	1,000,000	0.41
20	Ellawala Exports (PVT) Ltd	825,000	0.34
		221,234,056	91.42

Percentage of public share holding 30.09.2018	39.17
Total number of Shareholders representing the Public Holding	3,831
Float Adjusted Market Capitalization	1,402,912,720

The Company complies with option 5 of the listing Rules 7.13.1 (a)- which requires a minimum public holding of 20% for a company having a float adjusted market capitalisation of less than Rs.2.5Bn.

Director's Shareholdings as at 30th September 2018

	Name	No. of Shares
1	Mr.A.M.Pandithage	Nil
2	Mr.L.T.Samarawickrama	Nil
3	Mr.S.C.Ganegoda	55,713
4	Mr.S.J.Wijesinghe	Nil
5	Mr.N.J.De Silva Deva - Aditya	Nil
6	Mr.L.N De Silva Wijeratne	Nil
7	Mr.K.D.D Perera	3,216,146
8	Mrs.R.N Ponnambalam	Nil
9	Mr.J.P.Van Twest	Nil
10	Ms.I Jamaldeen	Nil
11	Mr.D.E.Silva	Nil
12	Ms. A.A.K. Amarasinghe (Alternate Director To Mr. K.D.D.Perera)	Nil

* Mr.K.D.D.Perera holds 50.44% directly and indirectly of the total issued shares of Hayleys PLC which holds 112,307,057 shares in The Kingsbury PLC.