

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

Interim Financial Statements

For the Twelve months ended 31st March 2019

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 Cruz (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 Year ended 31.03.2019	Audited Year ended 31.03.2018	Change %	Unaudited 3 months to 31.03.2019	Unaudited 3 months to 31.03.2018	Change %
Turnover	2,956,632	3,085,143	(4)	690,855	756,520	(9)
Turnover tax/ Nation Building Tax	(95,163)	(98,651)	(4)	(22,198)	(27,042)	(18)
Net turnover	2,861,469	2,986,492	(4)	668,657	729,478	(8)
Cost of sales	<u>(1,431,221)</u>	<u>(1,532,037)</u>	(7)	<u>(333,597)</u>	<u>(352,382)</u>	(5)
Gross profit	1,430,248	1,454,455	(2)	335,060	377,096	(11)
Other income	(28,985)	12,541	<100	(27,567)	3,837	<100
Administrative expenses	(1,020,714)	(1,060,184)	(4)	(210,145)	(257,923)	(19)
Marketing expenses	<u>(150,784)</u>	<u>(137,734)</u>	9	<u>(33,902)</u>	<u>(32,667)</u>	4
Operating profit	229,765	269,078	(15)	63,446	90,343	(30)
Finance income	9,281	8,765	6	2,772	1,688	64
Finance expenses	<u>(66,258)</u>	<u>(89,914)</u>	(26)	<u>(23,025)</u>	<u>(28,085)</u>	<100
Profit before tax	172,788	187,929	(8)	43,193	63,946	(32)
Taxation	(72,012)	(48,775)	48	(39,353)	(24,774)	59
Profit for the period	<u>100,776</u>	<u>139,154</u>	(28)	<u>3,840</u>	<u>39,172</u>	(90)
Basic Earnings per share (Rs.)	0.42	0.58		0.02	0.16	

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 Year ended 31.03.2019	Audited Year ended 31.03.2018	Change %	Unaudited 3 months to 31.03.2019	Unaudited 3 months to 31.03.2018	Change %
Profit for the period	100,776	139,154	(28)	3,840	39,172	(90)
Net loss on cash flow hedges	(59,573)	-	<100	22,055	-	<100
Re-measurement gain/(loss) on defined benefit plans	(5,234)	(873)	<100	(5,234)	(873)	<100
Income tax effect on defined benefit plans	733	123	<100	733	123	<100
Other Comprehensive Income/(loss) for the year, net of tax	(64,074)	(750)	<100	17,554	(750)	<100
Total Comprehensive Income/(loss) for the year, net of tax	36,702	138,404	(73)	21,394	38,422	<100

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THE KINGSBURY PLC

Statement of Financial Position

(All amounts in Sri Lanka Rupees thousands)

	Unaudited As at 31.03.2019	Audited As at 31.03.2018
ASSETS		
Non-current assets		
Property Plant and Equipment	3,684,216	3,771,586
Capital Work in Progress	6,450	127,025
Intangible assets	17,127	21,214
	3,707,793	3,919,825
Current assets		
Inventories	70,108	74,053
Trade and other receivables	136,807	147,581
Other current assets	123,743	67,311
Tax recoverable	20,882	32,713
Cash and bank	253,156	194,050
Short term deposits	-	100,934
	604,696	616,642
Total Assets	4,312,489	4,536,467
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	836,000	836,000
Revaluation reserves	885,666	904,808
Retained earnings	852,032	793,072
	2,573,698	2,533,880
Non- current liabilities		
Interest-bearing borrowings	550,611	510,618
Post employment benefit obligation	65,025	50,673
Deferred tax liability	270,854	231,745
	886,490	793,036
Current Liabilities		
Trade and other payables	283,190	327,423
Interest-bearing borrowings	463,446	747,354
Other current liabilities	105,665	134,774
	852,301	1,209,551
Total equity and liabilities	4,312,489	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.
Choliya De Silva
Group Chief Financial Officer

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

16th May 2019
Colombo

THE KINGSBURY PLC
Statement of Changes in Equity

(All amounts in Sri Lanka Rupees thousands)

	Stated Capital	Other components of Reserves		Retained Earnings	Total
		Revaluation and other Reserves	Cash Flow Hedge Reserve		
Balance as at 01.04.2017	836,000	940,907	-	613,646	2,390,553
Profit for the twelve months ended 31.03.2018				139,154	139,154
Other comprehensive income				(750)	(750)
Total comprehensive income				138,404	138,404
Transfer to retained earnings from Revaluation reserve		(41,022)		41,022	
Deferred tax on transfer		4,923			4,923
Balance as at 31.03.2018	836,000	904,808	-	793,072	2,533,880
Balance as at 01.04.2018	836,000	904,808	-	793,072	2,533,880
Profit for the twelve months ended 31.03.2019	-	-		100,776	100,776
Other comprehensive income				(4,501)	(4,501)
Net loss on cash flow hedges			(59,573)	-	(59,573)
				-	-
Total comprehensive income		-	(59,573)	96,275	36,702
Transfer to retained earnings from Revaluation reserve		(22,258)		22,258	-
Deferred tax on transfer		3,116			3,116
Balance as at 31.03.2019	836,000	885,666	(59,573)	911,605	2,573,698

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 Year ended 31.03.2019	Audited Year ended 31.03.2018
Operating activities		
Cash generated from operations (Note A)	430,011	563,076
Interest received	9,281	8,765
Interest paid	(81,884)	(80,975)
Tax paid	(17,220)	(17,217)
Retirement benefits paid	(5,970)	(3,293)
Net cash generated from /(used in) operations	334,218	470,356
Investing activities		
Capital work in progress	(6,450)	(80,275)
Purchase of property plant & equipment	(96,823)	(211,775)
Purchase of property plant & equipment (Intangible)	(1,692)	(1,257)
Proceeds from disposal of property plant & equipment	19,455	6,706
Investment In Fixed Deposits	100,934	(100,934)
Net cash (used in)/ generated from investing activities	15,424	(387,535)
Financing activities		
Proceeds from interest-bearing borrowings	350,000	-
Payments on interest-bearing borrowings	(429,044)	(453,630)
Dividends Paid	-	(121,000)
Net cash used in financing activities	(79,044)	(574,630)
Net increase/(decrease) in cash and cash equivalents	270,598	(491,809)
Movement in cash and cash equivalents		
At start of the year	(88,774)	403,035
Net increase /(decrease)	270,598	(491,809)
At end of the Period	181,824	(88,774)

Note A

	Unaudited Year ended 31.03.2019	Audited Year ended 31.03.2018
Cash flows from operating activities		
Profit before tax	172,788	187,929
Adjustments for:		
Net Finance Expenses	56,977	81,147
Depreciation on property, plant & equipment	239,676	237,423
Amortization of intangible assets	5,778	5,560
Provision for Bad & doubtful debts	(974)	5,360
Loss on disposal of property, plant & equipment	52,073	9,885
Operating profit before working capital changes	526,319	527,304
(Increase)/Decrease in trade and other receivables	(41,998)	3,014
(Increase)/Decrease in inventories	3,945	(1,048)
Increase/(Decrease) in trade and other payables	(73,342)	20,232
Gratuity provision	15,088	13,574
Cash generated from operations	430,011	563,076

Note B

Analysis of cash and cash equivalents		
Cash & cash equivalents	253,156	194,050
Short term deposits	-	-
	253,156	194,050
Short-term interest bearing borrowings	(71,332)	(282,824)
	181,824	(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 accounting standard SLFRS 15 and SLFRS 9 came in to effect from 1st January 2018 and consequently the Group has adopted these standards for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

(a) SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations. It applies with limited exceptions, to all revenue arising from contracts with its customers. SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised 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.

SLFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

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 year ended 31st March 2019 based on LKAS 39.

Hedge Accounting

The Company applied hedge accounting prospectively. For the purpose of hedge accounting, hedges are classified as cash flow hedges. For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognized directly in equity in the "Cash flow hedge reserve". When the hedge cash flow affect the income statement, the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the income statement.

Therefore, the Impact to the Financial Statement for the year ending 31st March 2019 is Rs.59,572,833/-.

2 The Statement of Financial Position of the Company as at 31st March 2019 & The Statement of Profit or Loss for the twelve 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.

3 Other income and expenses

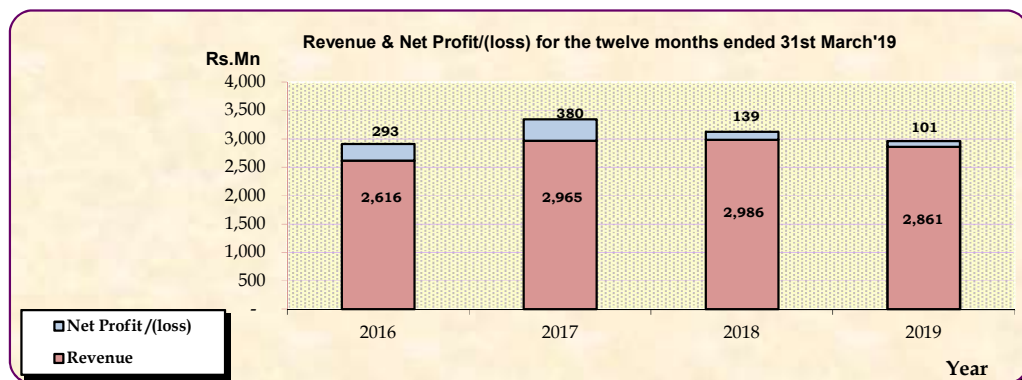
	<u>31.03.2019</u>	<u>31.03.2018</u>
	(Rs.000)	(Rs.000)
Profit/(loss) on disposal of property, plant and equipment	(41,872)	(1,058)
Sundry income	12,887	13,599
	(28,985)	12,541

4 The hotel was attacked by terrorist on 21st April 2019 amongst the other targets in the city hotels, due to which two restaurants were severely damaged. The company has adequately insured the property damaged and will be restored under the insurance policy.

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 twelve months ended 31st March 2019.

6 Revenue & net profit/(loss) comparison



7 Ratios

	<u>31.03.2019</u>	<u>31.03.2018</u>
Basic Earnings per share	0.42	0.58
Net assets per share	10.64	10.47

8 Stated Capital

	<u>No. of Shares</u> <u>(thousands)</u>	<u>Ordinary Shares</u> <u>Rs '000</u>
As At 31st March'2018	242,000	836,000
As At 31st March'2019	242,000	836,000

THE KINGSBURY PLC
Investor Information as at 31st March 2019

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

	31.03.2019	31.03.2018
Highest price (Rs.)	17.00	19.60
Lowest price (Rs.)	12.00	12.90
Closing Price (Rs.)	12.80	18.00

Share trading information for the quarter

No: of transactions	452
No: of shares traded	25,699,704
Value of shares traded (Rs.)	509,676,466.30

First 20 Major Shareholders

	Name of the Shareholder	No. of Shares as at 31.03.2019	%
1	Hayleys PLC no 3 Share Investment Account	87,307,057	36.08
2	Carbotels (Pvt) Limited	56,625,000	23.40
3	Employees Provident Fund	25,559,947	10.56
4	Bank of Ceylon A/C Ceybank Unit Trust	8,256,194	3.41
5	Bank of Ceylon-No. 02 A/C	7,833,500	3.24
6	Mr.Gamini Weeraratna	6,812,257	2.81
7	Mr. K.D.A.Perera	6,581,352	2.72
8	Mr.K.D.D.Perera	3,216,146	1.33
9	National Savings Bank	2,871,666	1.19
10	Renuka Hotels PLC	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
		222,217,313	91.83

Percentage of public share holding 31.03.2019 39.17

Total number of Shareholders representing the Public Holding 3,858

Float Adjusted Market Capitalization 1,213,329,920

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 31st March 2019

	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	Mr.Darell Joseph De Cruz (w.e.f 10.10.2018)	Nil
13	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 87,307,057 shares in The Kingsbury PLC.**