

Hotel *Sigiriya*

HOTEL SIGIRIYA PLC.

INTERIM CONDENSED FINANCIAL STATEMENTS

SECOND QUARTER 2016/17

Hotel Sigiriya PLC

Quarter ended 30th September 2016

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Hotel Sigiriya PLC

STATEMENT OF FINANCIAL POSITION

As at	30.09.2016	30.09.2015	31.03.2016
	Rs.		Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	344,236,831	296,183,049	350,508,085
Leasehold Property	2,133,347	2,262,637	2,197,994
Intangible assets	564,499	678,365	845,558
Other non current financial assets	4,000,000	4,000,000	4,000,000
	350,934,677	303,124,051	357,551,637
Current assets			
Inventories	5,086,660	4,386,105	4,657,297
Trade and other receivables	33,399,111	27,007,406	44,745,574
Taxation recoverable	-	2,358,608	-
Other current financial assets	30,920,010	4,224,769	-
Cash and cash equivalents	42,922,518	38,499,364	90,456,632
	112,328,299	76,476,252	139,859,503
Total Assets	463,262,976	379,600,303	497,411,140
EQUITY AND LIABILITIES			
Equity			
Stated capital	97,650,000	97,650,000	97,650,000
Revaluation Reserve	149,223,769	99,938,434	149,223,769
Retained earnings	126,600,457	124,110,820	159,847,557
Total equity	373,474,226	321,699,254	406,721,326
Non-current liabilities			
Deferred tax liabilities	23,438,069	10,444,991	23,316,709
Employee benefit obligation	8,908,142	8,814,056	8,576,460
	32,346,211	19,259,047	31,893,169
Current liabilities			
Trade and other payables	45,578,732	37,587,657	48,014,542
Income tax liability	2,494,639	-	6,434,245
Dividends payable	1,272,456	1,054,345	1,281,233
Bank Over Draft	8,096,712	-	3,066,625
	57,442,539	38,642,002	58,796,645
Total Equity and Liabilities	463,262,976	379,600,303	497,411,140
Net Assets Per Share (Rs.)	63.74	54.91	69.42

The above figures are provisional & subject to audit

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



K.D.D. Gunasekera - Director Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the board by.



A.N. Esufally - Chairman

Colombo

03 November 2016



W.D.U. Perera - Director

Hotel Sigiriya PLC

STATEMENT OF PROFIT OR LOSS

	03 Months Ended 30.09.2016 Rs.	03 Months Ended 30.09.2015 Rs.	Variance %	06 Months Ended 30.09.2016 Rs.	06 Months Ended 30.09.2015 Rs.	Variance %
Revenue	98,942,811	88,585,327	12%	155,620,685	142,159,331	9%
Cost of sales	(24,758,634)	(24,245,637)	2%	(41,133,730)	(38,614,000)	7%
Gross profit	74,184,177	64,339,690	15%	114,486,955	103,545,331	11%
Other operating income	1,801,457	289,309	523%	2,111,547	494,170	327%
Sales and Marketing costs	(1,946,036)	(1,332,732)	46%	(3,687,716)	(2,539,269)	45%
Administrative expenses	(48,474,531)	(37,936,711)	28%	(85,989,548)	(72,463,500)	19%
Operating profit	25,565,067	25,359,556	1%	26,921,238	29,036,732	-7%
Finance costs	(10,180)	-	100%	(33,723)	-	100%
Finance income	1,372,892	426,207	222%	2,532,420	883,596	187%
Exchange(Loss)/Gain	(731,453)	(1,341,147)	-45%	-	-	0%
Profit before tax	26,196,326	24,444,616	7%	29,419,935	29,920,328	-2%
Income tax expense	(3,944,238)	(3,078,401)	28%	(4,077,035)	(3,816,288)	7%
Profit for the period	22,252,088	21,366,215	4%	25,342,900	26,104,040	-3%
Earnings per share	3.80	3.65		4.33	4.46	

The above figures are provisional & subject to audit.

Hotel Sigiriya PLC

STATEMENT OF COMPREHENSIVE INCOME

	03 Months Ended 30.09.2016 Rs.	03 Months Ended 30.09.2015 Rs.	06 Months Ended 30.09.2016 Rs.	06 Months Ended 30.09.2015 Rs.
Profit for the Period	22,252,088	21,366,215	25,342,900	26,104,040
Other Comprehensive Income				
Deferred Tax Attributable to Revaluation Surplus	-	-	-	-
Other Comprehensive Income for the Period, Net of Tax	-	-	-	-
Total Comprehensive Income for the Period, Net of Tax	<u>22,252,088</u>	<u>21,366,215</u>	<u>25,342,900</u>	<u>26,104,040</u>

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Hotel Sigiriya PLC

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Revaluation Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at April 01, 2015	97,650,000	72,987,357	154,252,845	324,890,202
Effect of Changes in Accounting Policies - Prior Year		27,822,245	(27,822,245)	
Balance as at April 01, 2015 (Restated)	97,650,000	100,809,602	126,430,600	324,890,202
Net profit/(loss) for the period	-		26,104,040	26,104,040
Total comprehensive income for the period	-	-	26,104,040	26,104,040
Depreciation transfer on revaluation	-	(871,180)	871,180	-
Deferred Tax on Revaluation Surplus		12	-	12
Dividend			(29,295,000)	(29,295,000)
Balance as at September 30, 2015	97,650,000	99,938,434	124,110,820	321,699,254
Balance as at April 01, 2016	97,650,000	149,223,769	159,847,557	406,721,326
Net profit/(loss) for the period	-		25,342,900	25,342,900
Total comprehensive income for the period	-	-	25,342,900	25,342,900
Dividend	-	-	(58,590,000)	(58,590,000)
Balance as at September 30, 2016	97,650,000	149,223,769	126,600,457	373,474,226

Hotel Sigiriya PLC

STATEMENT OF CASH FLOWS

	06 Months Ended 30.09.2016 Rs.	06 Months Ended 30.09.2015 Rs.
Cash Flows generated from Operating Activities		
Net Profit before Income Tax	29,419,935	29,920,328
Adjustments for		
Depreciation	9,734,837	9,461,857
Amortization of intangible assets	281,059	231,547
Amortization of leasehold property	64,647	64,647
Finance income	(2,532,420)	(1,559,582)
(Gain)/loss on disposal of property, plant & equipment's	(16,200)	(50,250)
Finance costs	33,723	-
Exchange Gain/(Loss) on FC Loans	-	99,000
Provision for defined benefit plans	720,000	720,000
	37,705,581	38,887,547
Working capital adjustments		
(Increase) / decrease in inventories	(429,363)	(667,068)
(Increase) / decrease in trade and other receivables	11,347,076	18,572,962
Increase / (decrease) in trade and other payables	(2,436,422)	(2,625,266)
Cash generated from operations	46,186,872	54,168,175
Interest paid	(33,723)	-
Defined benefit obligation paid	(388,318)	-
Income tax paid	(6,188,975)	(9,453,139)
Net cash generated from operating activities	39,575,856	44,715,036
Cash Flows From / (Used in) Investing Activities		
Purchase of property, plant & equipment	(3,463,588)	(2,245,608)
Proceeds from sale of property, plant & equipment	16,200	50,250
Loans settlements from Related Parties	(30,920,010)	-
Interest received	2,532,420	1,559,582
Net cash flows used in investing activities	(31,834,978)	(635,776)
Net Cash Flows From / (Used in) Financing Activities		
Dividend paid	(58,598,775)	(29,286,000)
Net cash flows used in financing activities	(58,598,775)	(29,286,000)
Net increase / (decrease) in cash and cash equivalents	(50,857,897)	14,793,260
Cash and cash equivalents at the beginning of the period	87,390,007	23,706,104
Cash and cash equivalents at the end of the period	36,532,110	38,499,364
Analysis of Cash & Cash Equivalents		
Cash at Bank and on hand	42,922,518	38,499,364
Bank Overdraft	(8,096,712)	-
	34,825,806	38,499,364

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Hotel Sigiriya PLC

NOTES TO THE FINANCIAL STATEMENTS

- 1 The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2016. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.
- 2 The accounting policies have been consistently applied by the Company and unaudited previous quarter's figures have been restated wherever necessary for better presentation and to be comparable with those of the current period.
- 3 There has been no significant change in the nature of the contingent liabilities as disclosed in the Annual Report of 2015/16
- 4 No circumstances have arisen after the reporting date, which would require adjustments to or disclosure in the Financial Statements.
- 5 Exchange gains/losses arising from operations have been classified under Other Operating Income / Administration Expenses and Exchange Gains / Losses arising from financing activities have been classified under Finance Income / Cost. The effect of this change on the current interim financial statements are as follows; (Refer Note 6 for reclassification of comparative information.)

	6 Months Ended 30.09.2016
Exchange gains/(losses)	(1,706,304)
Other operating income and gain	786,294
Finance income	920,010

6 Reconciliation of Comparative Information

The following expenses including exchange gains/losses have been reclassified for better representation in line with current year figures.

	As previously reported 30.09.2015	Reclassification	Reclassified 30.09.2015
Statement of Comprehensive Income			
Revenue	143,953,046	(1,793,715)	142,159,331
Cost of Sales	(28,592,572)	(10,021,428)	(38,614,000)
Sales and Marketing Expenses	(9,952,782)	7,413,513	(2,539,269)
Administrative Expenses	(76,673,171)	4,209,671	(72,463,500)
Other operating income	302,211	191,959	494,170

Hotel Sigiriya PLC

INVESTOR INFORMATION

	30.09.2016	30.09.2015	31.03.2016
Earnings / (Loss) per Share (Rs.)	4.33	4.46	11.36
Debt/Equity Ratio (Times)	0.02	-	0.01
Interest Cover (Times)	873.4	N/A	N/A
Quick Asset Ratio (Times)	1.87	1.87	2.30
No. of shares representing Stated Capital	5,859,000	5,859,000	5,859,000
Market Price - Highest (Rs.)	122.00	110.00	113.90
- Lowest (Rs.)	95.50	82.00	77.00
- Last Traded (Rs.)	99.90	96.00	96.00

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Hotel Sigiriya PLC

DIRECTORS' SHAREHOLDING

	30.09.2016
	No. of Shares
B S M De Silva	19,500
L P Fernando	13,548
A R Gamage (Ms)	2,100
A N Esufally	NIL
W D U Perera	NIL

LIST OF 20 MAJOR SHAREHOLDERS

	30.09.2016	
Name	No. of Shares	%
Serendib Hotels PLC	3,630,911	61.97
Bansei Securities Finance (Pvt) Ltd./ R C J Goonewardene	331,033	5.65
Freudenberg Shipping Agencies Ltd.	248,511	4.24
Mr. J. R. De Silva	205,791	3.51
Rosewood (Pvt) Ltd	125,400	2.14
Bansei Securities Finance (Pvt) Ltd./ Dawi Investment Trust	80,178	1.37
Mr. E.J. De Soysa	70,000	1.19
Mr. J.C.L. De Mel	65,000	1.11
Merchant Bank of Sri Lanka PLC/ Mr. P S M Fernando	60,085	1.03
Mr. D S D De Lanerolle	54,020	0.92
Mr. N. Balasingam	52,100	0.89
Mercantile Investments & Finance PLC	38,900	0.66
Alliance Finance Company PLC	35,000	0.60
Dr. S Yaddehige	33,888	0.58
Mr. B V Selvanayagam	27,719	0.47
Mr. A.M.E. Fernando	25,000	0.43
Mr. K C Vignarajah	23,326	0.40
Dawi Investment Trust (Pvt) Ltd	20,000	0.34
Dr. H S M Singh	20,000	0.34
Seylan Bank Ltd. / Mr. B S M De Silva	19,500	0.33
	5,166,362	88.18
Shares held by the balance shareholders	692,638	11.82
	5,859,000	100.00

PUBLIC HOLDING

	%	No. of Shareholders
Shares by the Public as at 30th September 2016	37.36%	781

Hotel Sigiriya PLC

CORPORATE INFORMATION

LEGAL FORM

A quoted public company with limited Liability
Incorporated in Sri Lanka in 1971
Company Registration No. PQ 81

Directors

Mr. A N Esufally – Chairman
Mr. B S M De Silva
Mrs. A R Gamage
Mr. L P Fernando
Mr. D T R De Silva (Resigned w.e.f. 31.08.2016)
Mr. W D U Perera

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Managing Agent

Serendib Leisure Management Ltd.