

HUNAS FALLS HOTELS PLC

Company Registration Number PQ 72



**Interim Report - 2nd Quarter
Period Ended 30th September 2018**

HUNAS FALLS HOTELS PLC
STATEMENT OF FINANCIAL POSITION

Audited as at 31.03.2018 Rs'000		Unaudited as at 30.09.2018 Rs'000	Unaudited as at 30.09.2017 Rs'000
ASSETS			
Non-Current Assets			
355,903	Property, Plant & Equipment	345,960	367,072
CURRENT ASSETS			
3,888	Inventories	3,941	3,776
8,401	Trade & Other Receivables	11,149	6,980
2,789	Advance & Prepayment	1,808	1,242
2,052	Tax Recoverable	2,362	2,088
24,509	Investment In Short Term Deposits	26,278	-
10,956	Cash at Bank and in Hand	10,544	32,737
<u>52,595</u>		<u>56,082</u>	<u>46,822</u>
<u>408,498</u>	Total Assets	<u>402,042</u>	<u>413,893</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
82,500	Stated Capital	82,500	82,500
52,096	Reserves	52,096	60,577
206,247	Retained Earnings	205,103	215,846
<u>340,843</u>	Total Equity	<u>339,699</u>	<u>358,923</u>
Non-Current Liabilities			
42,057	Deferred Tax Liability	42,057	30,666
4,038	Employment Benefit Liability	4,471	4,129
-	Grants & Subsidies	-	243
<u>46,095</u>		<u>46,528</u>	<u>35,038</u>
Current Liabilities			
21,127	Trade and Other Payables	15,473	19,652
281	Unclaimed Dividends	281	281
152	Grants & Subsidies	61	-
<u>21,560</u>		<u>15,815</u>	<u>19,933</u>
<u>408,498</u>	Total Equity and Liabilities	<u>402,042</u>	<u>413,893</u>

The Statement of Financial Position as at 30th September 2018 and The Statement of Profit or Loss & Comprehensive Income, Statement of Changes in Equity and Cash flow Statement for the quarter then ended are drawn up from the unaudited Financial Statements of the company, and they provide the information required by the Colombo Stock Exchange.

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No: 07 of 2007



Chief Financial Officer - Amaya Leisure PLC.
(Managing Agent)

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.M. Pandithage
Chairman



L.T. Samarawickrama
Managing Director

25th October 2018
Colombo

HUNAS FALLS HOTELS PLC
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

Audited year ended 31.03.18 Rs'000		Unaudited 03 Months ended 30.09.18 Rs'000	Unaudited 03 Months ended 30.09.17 Rs'000	Variance Favorable/ (Unfavorable)	Unaudited 06 Months ended 30.09.18 Rs'000	Unaudited 06 Months ended 30.09.17 Rs'000	Variance Favorable/ (Unfavorable)
124,749	Revenue	40,671	42,878	-5%	68,739	65,873	4%
(30,181)	Cost of Sales	(9,383)	(8,106)	-16%	(18,020)	(15,126)	-19%
94,568	Gross Profit	31,288	34,772		50,719	50,747	
3,017	Other Income	1,626	1,216	34%	2,351	2,155	9%
(11,213)	Marketing & Promotional Expenses	(2,645)	(3,942)	33%	(4,073)	(7,291)	44%
(97,627)	Administrative Expenses	(26,150)	(26,257)	0%	(51,064)	(49,863)	-2%
(15)	Finance Costs	-	-		-	(5)	100%
1,858	Finance Income	567	787	-28%	923	859	7%
(9,412)	Profit/(Loss) before Tax	4,686	6,576	-29%	(1,144)	(3,398)	66%
(3,464)	Income Tax Expense/Deem Dividend Tax	-	-		-	-	-
(12,876)	Net Profit/(Loss) for the period	4,686	6,576	-29%	(1,144)	(3,398)	66%
Other Comprehensive Income							
(8,481)	Differed Tax Effect on Revaluation of Freehold Land	-	-		-	-	
(141)	Actuarial Gain/(Loss) on Defined Benefits Obligation	-	-		-	-	
20	Income Tax Effect	-	-		-	-	
(8,602)	Total Other Comprehensive Income for the Period, Net of Tax	-	-		-	-	
(21,478)	Total Comprehensive Income for the Period, Net of Tax	4,686	6,576		(1,144)	(3,398)	
(2.29)	Earnings / (Loss) per Share Rs.	0.83	1.17		(0.20)	(0.60)	

HUNAS FALLS HOTELS PLC
STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.'000	Revaluation Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 1st April 2017	82,500	60,577	219,244	362,321
Profit/(Loss) for the period	-	-	(3,398)	(3,398)
Balance as at 30th September 2017	82,500	60,577	215,846	358,923
Balance as at 1st April 2018	82,500	52,096	206,247	340,843
Profit / (Loss) for the period	-	-	(1,144)	(1,144)
Balance as at 30th September 2018	82,500	52,096	205,103	339,699

HUNAS FALLS HOTELS PLC**STATEMENT OF CASH FLOWS**

Audited year ended 31.03.18 Rs'000		Unaudited period ended 30.09.18 Rs'000	Unaudited period ended 30.09.17 Rs'000
Cash Flows From Operating Activities			
(9,412)	Profit /(Loss) before Tax	(1,144)	(3,398)
Adjustments for			
22,665	Depreciation	10,391	11,708
58	(Profit)/Loss on Disposal of Property, Plant & Equipment	-	(391)
15	Finance Costs	-	5
(1,858)	Finance Income	(923)	(859)
900	Provision for Employee Benefit Liability	687	677
58	Transfers in Employee Benefit Liability	-	-
(182)	Amortization of Grants & Subsidies	(91)	(91)
12,244	Operating Profit before Working Capital Changes	8,920	7,650
(48)	(Increase)/Decrease in Inventories	(53)	64
(1,672)	(Increase)/Decrease in Trade & Other Receivables	(2,748)	(250)
88	Decrease in Advances & Prepayment	981	1,635
1,815	Increase/(Decrease) in Trade and other Payables	(5,654)	339
12,427	Cash Generated from Operations	1,447	9,439
(618)	Income Tax / ESC / Deem Dividend Tax Paid	(310)	(119)
(15)	Interest Paid	-	(5)
(512)	Employee Benefit Liability Costs Paid	(254)	-
11,282	Net Cash flows From/ (Used in) Operating Activities	882	9,315
Cash Flows from / (Used in) Investing Activities			
(2,377)	Acquisition of Property, Plant & Equipment	(448)	(1,921)
609	Proceeds from sale of Property, Plant & Equipment	-	391
1,858	Finance Income Received	923	859
(13,066)	Investments in Fixed Deposits	(1,112)	-
(11,442)	Investments in units of Wealth Money Plus	(657)	-
(24,418)	Net Cash Flows (Used in) Investing Activities	(1,294)	(670)
(13,136)	Net Increase/(Decrease) in Cash and Cash Equivalents	(411)	8,645
24,092	Cash and Cash Equivalents at the beginning of the Year	10,956	24,092
10,956	Cash and Cash Equivalents at the end of the period	10,544	32,737
Analysis of Cash and Cash Equivalents at the end of the period			
10,956	Cash & Bank Balances	10,544	32,737
10,956		10,544	32,737

NOTES

- 1 Financial year of the company ends on 31st March .
- 2 Figures for the quarter ended 30th September 2018 are provisional and subject to Audit.
- 3 The Stated Capital as at 30th September 2018 is Rs.82,500,000/- (30th September 2017 - Rs. 82,500,000/-) comprising 5,625,000 fully paid Ordinary shares (30th September 2017 - 5,625,000).
- 4 The Statement of Financial Position of the company as at 30th September 2018 and Statements of Profit or Loss & Comprehensive Income, Changes in Equity and Cash Flow for the period then ended have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKASs) and are in agreement with the books of accounts maintained by the Company and have provided the information required by the Colombo Stock Exchange.
- 5 The company has adopted consistent accounting policies and method of computation as disclosed in the Annual Report for the Year ended 31st March 2018.
- 6 No Circumstances have arisen since the Statement of financial Position date, which would require adjustments to or disclosure in the Financial Statements.
- 7 There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2018.

8 Basis of preparation of Summarized Financial Report

The interim condensed Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2018, including the changes to accounting policies as a result of convergence to Sri Lanka Financial Accounting Standards "LKAS".

Changes in Accounting policies and Disclosures

The accounting policies adopted in the preparation of the Interim Condensed Financial Statements are consistent with those followed in the preparation of the Annual Financial Statements for the year ended 31 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.

Other amendments and interpretations apply for the first time in 2018 do not have an impact on the Interim Condensed 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.

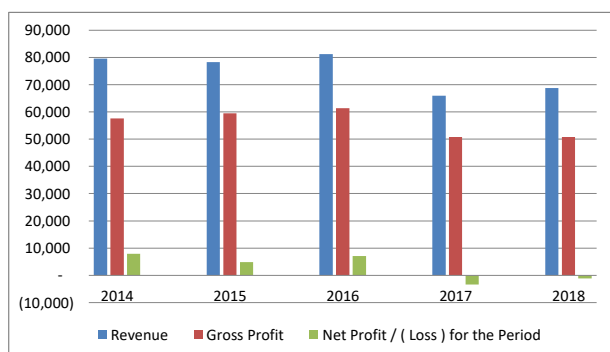
Based on the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures 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.

- 9 The Interim Financial Statements provides information required by the Colombo Stock Exchange."
- 10 Graphical analysis of Seasonality performance

5 Years Performance Evaluation for the Period ended 30 th September

	2014	2015	2016	2017	2018
Revenue	79,506	78,293	81,160	65,873	68,739
Gross Profit	57,588	59,519	61,333	50,747	50,719
Net Profit / (Loss) for the Period	7,961	4,842	7,076	(3,398)	(1,144)



Market Value of Shares 2nd quarter	30.09.2018	30.09.2017
	(Rs)	(Rs)
Highest	91.40	64.00
Lowest	65.00	40.00
Closing	70.90	50.20

Ratio

Net Assets per share (Rs.)	60.39	63.67
	(Rs. 60.59 as at 31st March 2018)	

Share trading for the period ended.

Number of transactions	93	557
Number of Share traded	12,656	212,206
Value of Share traded (Rs)	1,039,279	11,500,916

FIRST TWENTY SHAREHOLDERS AS AT 30.09.2018

No	Name of the Shareholder	No. of Shares as at 30.09.2018	%
1	Carbotels (Pvt) Limited	2,824,820	50.22
2	Amaya Leisure PLC	899,000	15.98
3	Jetwing Hotels Management Services (Pvt) Ltd	281,720	5.01
4	Negombo Hotels Limited	206,636	3.67
5	Mr. S. C. Ganegoda	152,815	2.72
6	Blue Oceanic Beach Hotel (Pvt) Ltd	152,799	2.72
7	Dr. D. Jayanatha	102,840	1.83
8	Bansei Securities Capital (Pvt) Ltd/R.C.J.Goonewardene	78,210	1.39
9	St. Andrews Hotel Limited	76,399	1.36
10	N J Cooray (Builders) (Pvt) Ltd.	46,298	0.82
11	Mr. H. G. Balasuriya	46,114	0.82
12	Jet Travels (Private) Limited	45,839	0.81
13	Mr. K. A. D. A. Perera	34,793	0.62
14	Yala Safari Beach Hotel Ltd	31,018	0.55
15	Mr. K. N. Karunaratne	20,620	0.37
16	Mr. W. V. A. W. Rodrigo	16,826	0.30
17	The Nuwara Eliya Hotels Company PLC	16,000	0.28
18	Mr. B. M. T. Fernando	15,994	0.28
19	Mr. N. J. H. M. Cooray	15,279	0.27
20	Mr. S. A. Obeyesekere	12,131	0.22
		5,076,151	90.24

There were no non voting shares as at 30th September 2018.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at 30th September 2018 was 31.06%

No. of shareholders representing Public Holding 2,193

Float-adjusted market capitalization 123,871,163

The Company complies with option 5 of the Listing Rules 7.13.1 (a) – Less than Rs.2.5Bn Float Adjusted Market Capitalization which requires 20% minimum Public Holding.

Directors Shareholding as at 30.09.2018

Name of Director	No. of Shares as at 30.09.18
Mr.S.C.Ganegoda	152,815
Total	152,815

HUNAS FALLS HOTELS PLC
CORPORATE INFORMATION

NAME OF COMPANY	Hunas Falls Hotels PLC Company Number PQ 72
LEGAL FORM	A Quoted Public Company with Limited Liability incorporated in Sri Lanka in 1989
BOARD OF DIRECTORS	A.M Pandithage L.T Samarawickrama S.C Ganegoda S.J. Wijesinghe C.J.Wickramasinghe D.E.Silva S.B.Rangamuwa J.P.Van Twest B.C.S.A.P.Gooneratne Chairman Managing Director
SECRETARIES	Hayleys Group Services (Private) Limited 400, Deans Road Colombo 10 Phone: +94 11 2627650
AUDITORS	Messrs Ernst & Young Chartered Accountants 201,De Saram Place Colombo 10
HOTEL OPERATION & MARKETING	Amaya Leisure PLC Level 27, East Tower World Trade Centre Echelon Square Colombo 01. Phone: +94 11 4767800
REGISTERED OFFICE	400, Deans Road, Colombo 10.
BANKERS	Commercial Bank of Ceylon PLC Sampath Bank PLC