

HUNAS FALLS HOTELS PLC

Company Registration Number PQ 72



AMAYA

HUNAS FALLS • KANDY
SRI LANKA

**Interim Financial Statements
For the Quarter Ended 31st March 2019**

HUNAS FALLS HOTELS PLC
STATEMENT OF FINANCIAL POSITION

	Un Audited as at 31.03.2019 Rs'000	Audited as at 31.03.2018 Rs'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	390,066	355,903
CURRENT ASSETS		
Inventories	4,257	3,888
Trade & Other Receivables	20,070	8,401
Advance & Prepayment	1,673	2,789
Tax Recoverable	1,243	2,052
Investment In Short Term Deposits	42,313	24,509
Cash and Bank Balances	6,970	10,956
	<u>76,526</u>	<u>52,595</u>
Total Assets	466,592	408,498
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	82,500	82,500
Revaluation Reserve	95,874	52,096
Retained Earnings	207,367	206,247
Total Equity	385,741	340,843
Non-Current Liabilities		
Deferred Tax Liability	48,643	42,057
Retirement Benefit Obligation	5,225	4,038
	53,868	46,095
Current Liabilities		
Trade and Other Payables	26,983	21,408
Grants & Subsidies	-	152
	26,983	21,560
Total Equity and Liabilities	466,592	408,498

The Statement of Financial Position as at 31st March 2019 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 ;



Director



Director

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

	Un Audited 03 Months ended 31.03.19 Rs'000	Un Audited 03 Months ended 31.03.18 Rs'000	Variance Favorable/ (Unfavorable)	Un Audited year ended 31.03.19 Rs'000	Audited year ended 31.03.18 Rs'000	Variance Favorable/ (Unfavorable)
Revenue from Contract with Customers	36,294	31,061	17%	142,148	124,749	14%
Cost of Sales	(8,686)	(7,774)	-12%	(36,900)	(30,181)	-22%
Gross Profit	27,608	23,287	19%	105,248	94,568	11%
Other Income	1,057	455	>100%	3,017	2,770	9%
Selling and Marketing Expenses	(2,635)	(1,950)	-35%	(8,939)	(11,213)	20%
Administrative Expenses	(24,505)	(24,880)	2%	(100,724)	(97,627)	-3%
Finance Costs	-	-	-	-	(15)	100%
Finance Income	468	590	-21%	3,735	2,105	77%
Profit/(Loss) before Tax	1,993	(2,498)	>100%	2,337	(9,412)	>100%
Income Tax Expense	(1,005)	(3,333)	70%	(1,104)	(3,464)	68%
Net Profit/(Loss) for the period	988	(5,831)	>100%	1,233	(12,876)	>100%
Other Comprehensive Income						
Effect on Revaluation of Land	50,905	-		50,905	-	>100%
Deffered Tax Impact	(7,127)	(8,481)		(7,127)	(8,481)	16%
Actuarial Loss on Defined Benefits Plans	(132)	(141)		(132)	(141)	6%
Deffered Tax Impact	19	20		19	20	-6%
Other Comprehensive Income / (Expense) for the Period, Net of Tax	43,665	(8,602)		43,665	(8,602)	>100%
Total Comprehensive Income for the Period, Net of Tax	44,653	(14,433)		44,898	(21,478)	>100%
Basic Earning / (Loss) per Share	Rs. 0.18	(1.04)		0.22	(2.29)	

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
Loss for the year	-	-	(12,876)	(12,876)
Actuarial Loss on Defined Benefit Plans	-	-	(121)	(121)
Differed Tax Impact on Revaluation of Land	-	(8,481)	-	(8,481)
Balance as at 31st March 2018	82,500	52,096	206,247	340,843
Balance as at 1st April 2018	82,500	52,096	206,247	340,843
Profit for the year	-	-	1,233	1,233
Actuarial Loss	-	-	(113)	(113)
Revaluation of Freehold Land	-	50,905	-	50,905
Defferred Tax Effect	-	(7,127)	-	(7,127)
Balance as at 31st March 2019	82,500	95,874	207,367	385,741

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

	Un Audited year ended 31.03.19 Rs'000	Audited year ended 31.03.18 Rs'000
Cash Flows From Operating Activities		
Profit /(Loss) before Tax	2,337	(9,412)
Adjustments to Reconcile profit Before Tax to Net Cash Flows:		
Depreciation of Property, Plant and Equipment	20,578	22,665
Loss on Disposal of Property, Plant & Equipment	-	58
Finance Costs	-	15
Finance Income	(3,735)	(2,105)
Provision for Employee Benefit Liability	1,070	900
Amortization of Grants & Subsidies	(152)	(182)
Operating Profit before Working Capital Changes	20,098	11,939
Increase in Inventories	(369)	(48)
Increase in Trade & Other Receivables	(11,430)	(1,672)
(Increase)/Decrease in Advances & Prepayment	1,116	88
Increase/(Decrease) in Trade and other Payables	5,575	1,873
Cash Generated from Operations	14,990	12,180
Income Tax	(817)	(618)
Interest Paid	-	(15)
Employee Benefit Liability Costs Paid	(255)	(512)
Net Cash flows From Operating Activities	13,918	11,035
Cash Flows Used in Investing Activities		
Acquisition of Property, Plant & Equipment	(3,835)	(2,377)
Proceeds from sale of Property, Plant & Equipment	-	609
Finance Income Received	3,735	2,105
Investments in Fixed Deposits	(6,304)	(13,066)
Investments in units of Wealth Money Plus	(11,500)	(11,442)
Net Cash Flows/(Used in) Investing Activities	(17,904)	(24,171)
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,986)	(13,136)
Cash and Cash Equivalents at the beginning of the year	10,956	24,092
Cash and Cash Equivalents at the end of the year	6,970	10,956
Analysis of Cash and Cash Equivalents at the end of the year		
Cash & Bank Balances	6,970	10,956
	6,970	10,956

NOTES

- 1 Financial year of the company ends on 31st March .
- 2 Figures for the quarter ended 31st March 2019 are provisional and subject to Audit.
- 3 The Stated Capital as at 31st March 2019 is Rs.82,500,000/- (31st March 2018 - Rs. 82,500,000/-) comprising 5,625,000 fully paid Ordinary shares (31st March 2018 - 5,625,000).
- 4 The Statement of Financial Position of the company as at 31st March 2019 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 On 14th January 2019, Serenity Lake Leisure (Private) Limited Purchased 3,723,820 (66.20%) Ordinary Shares held by Carbotels (Private) Limited and Amaya Leisure PLC in Hunas Falls Hotels PLC at a price of Rs. 187.00 per share through the trading floor of Colombo Stock Exchange. Accordingly, In the opinion of the Directors, the Company's immediate parent is Serenity Lake Leisure (Private) Limited, Whereas the ultimate parent undertaking and controlling party is TAD Holdings (Private) Limited. Both companies are incorporated and domiciled in Sri Lanka.
- 7 **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 Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2018. The Interim Financial Statements have been prepared on a historical cost basis and also provide information required by the Colombo Stock Exchange.

Changes in Accounting policies and Disclosures

The accounting standard SLFRS 15 and SLFRS 9 came in to effect from 1st January 2018 and consequently the Company 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

SLFRS15 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.

SLFRS15 requires entities to exercise judgement, 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 modified 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 Financial Instruments replaces LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied SLFRS 9 retrospectively, with the initial application date of 1 April 2018.

The nature of these adjustments are described below:

Classification and measurement

Under SLFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

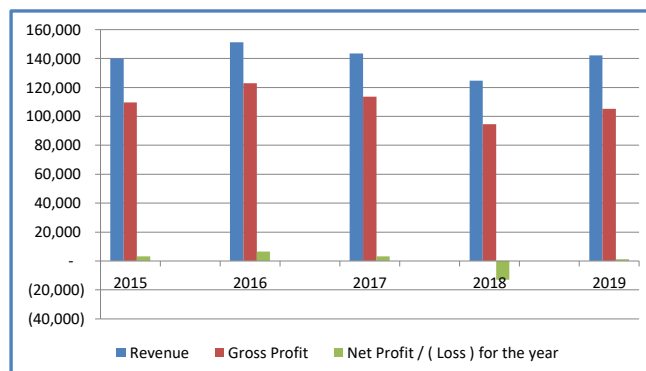
The assessment of the Company's business model was made as of the date of initial application, 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of SLFRS 9 did not have a significant impact on the Company.

- 8 A Graphical analysis of Seasonality performance is given below;

5 Years Performance Evaluation for the year ended 31st March (Rs'000)

	2015	2016	2017	2018	2019
Revenue	139,832	151,264	143,566	124,749	142,148
Gross Profit	109,673	122,953	113,558	94,568	105,248
Net Profit / (Loss) for the year	3,167	6,480	3,218	(12,876)	1,233



Market Value of Shares quarter ended	31.03.2019	31.03.2018
	(Rs)	(Rs)
Highest	207.80	75.00
Lowest	81.80	50.00
Closing	180.00	65.00
Ratio		
Net Assets per share (Rs.)	68.58	60.59
Share trading information for the quarter ended	31.03.2019	31.03.2018
	(Rs)	(Rs)
Number of transactions	1,699	351
Number of Share traded	4,843,185	217,099
Value of Share traded (Rs)	895,407,916	13,727,496

FIRST TWENTY SHAREHOLDERS AS AT 31.03.2019

No	Name of the Shareholder	No. of Shares as at 31.03.2019	%
1	SERENITY LAKE LEISURE (PVT) LTD	4,561,213	81.09
2	MANDATORY OFFER BY SERENITY LAKE LEISURE (PRIVATE) LIMITED	690,259	12.27
3	MR. PERERA	34,793	0.62
4	MR. OBEYESEKERE	12,131	0.22
5	MR. HATHIRAMANI	11,421	0.20
6	MANDATORY OFFER LEDGER (RESERVER ACCOUNT)	6,130	0.11
7	MRS. PANAMALDENIYA	5,000	0.09
8	TANGERINE TOURS (PVT) LIMITED	4,400	0.08
9	MR. KUMARASINGHE	3,695	0.07
10	MR. SIVASUBRAMANIAM	2,900	0.05
11	EST OF MR. RAJAN	2,758	0.05
12	MR. RAMBUKWELLA	2,710	0.05
13	MR. DE SILVA	2,617	0.05
14	MRS. PEIRIS	2,500	0.04
15	MR. MADANAYAKE	2,500	0.04
16	MR. FERNANDO	2,500	0.04
17	MRS. ADAMALLY	2,461	0.04
18	MRS. VEERASINGHAM	2,291	0.04
19	MR. DE FONSEKA	2,000	0.04
20	MRS. SENEVIRATNE	2,000	0.04
		5,356,279	95.23

There were no non voting shares as at 31st March 2019.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at 31st March 2019 was 6.53 %

No. of shareholders representing Public Holding 1,850

Float-adjusted market capitalization (Rs.) 66,116,250

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

Name of Director	No. of Shares as at 31.03.19
Ms. G.S.M.Irugalbandara	Nil
Mr. P.M.De Alwis	Nil
Mr. W.S.L.A.D.R.Samarasinghe	Nil
Mr.M.A.A.Atheeq	Nil

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	Mr. A.M Pandithage (Resigned w.e.f 12.03.2019) Mr. L.T Samarawickrama (Resigned w.e.f 21.02.2019) Mr. S.C Ganegoda (Resigned w.e.f 21.02.2019) Mr. S.J. Wijesinghe (Resigned w.e.f 21.02.2019) Mr. C.J.Wickramasinghe (Resigned w.e.f 12.03.2019) Mr. D.E.Silva (Resigned w.e.f 21.02.2019) Mr. S.B.Rangamuwa (Resigned w.e.f 12.03.2019) Mr. J.P.Van Twest (Resigned w.e.f 12.03.2019) Mr. B.C.S.A.P.Gooneratne (Resigned w.e.f 12.03.2019) Ms. G.S.M.Irugalbandara (Appointed w.e.f 21.02.2019) Mr. P.M.De Alwis (Appointed w.e.f 21.02.2019) Mr. W.S.L.A.D.R.Samarasinghe (Appointed w.e.f 21.02.2019) Mr.M.A.A.Atheeq (Appointed w.e.f 21.02.2019)
SECRETARIES	S S P Corporate Services (Pvt) Ltd No. 101, Inner Flower Road Colombo 03 Phone: +94 11 2573894
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