

THE LIGHTHOUSE HOTEL PLC

Company Registration Number - PQ 73

INTERIM REPORT

Third Quarter

NINE MONTHS ENDED 31ST DECEMBER 2017

THE LIGHTHOUSE HOTEL PLC

CORPORATE INFORMATION

NAME OF COMPANY	The Lighthouse Hotel PLC Company Number PQ 73
LEGAL FORM	A Quoted Public Company with Limited Liability incorporated in Sri Lanka in 1994
BOARD OF DIRECTORS	N.J.H.M.Cooray - Chairman R.A.E.Samarasinghe - Managing Director N.T.M.S.Cooray (Ms) N.Wadugodapitiya C.S.R.S.Anthony Ranil de Silva E.P.A.Cooray A.M.Ondaatjie (Ms) C.Pathiraja (Dr) T.Nadesan A.T.P.Edirisinghe
SECRETARIES	Corporate Services (Pvt) Ltd 216, De Saram Place Colombo 10. Phone : 4718200
AUDITORS	Messrs Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10.
HOTEL OPERATION & MARKETING	Jetwing Hotels Ltd "Jetwing House" 46/26, Nawam Mawatha Colombo 2. Phone : 4709400 E-mail : resv.lighthouse@jetwinghotels.com Web : www.jetwinghotels.com
REGISTERED OFFICE	"Jetwing House" 46/26, Nawam Mawatha Colombo 2.

THE LIGHTHOUSE HOTEL PLC
INVESTOR INFORMATION

Market Value of Shares	31.12.2017	31.12.2016
	(Rs.)	(Rs.)
Closing price on	40.70	53.10
Highest price recorded for the nine months ending	58.00	62.30
Lowest price recorded for the nine months ending	37.50	50.00
Highest price recorded for the three months ending	44.80	60.00
Lowest price recorded for the three months ending	37.50	52.10
Market Capitalisation (Rs.Mn.)	1,872	2,443

Ratios

Net assets per share	62.87	62.46
	(Rs 62.01 as at 31.03.2017)	

Share trading for the nine months ended

Number of transactions	394	228
Number of shares traded	94,389	547,381
Value of shares traded (Rs.)	4,236,483	33,519,488

Twenty Largest Shareholders as at 31st December, 2017

Name of Shareholder	No of Shares as at 31.12.2017	%
01. JETWING HOTELS MANAGEMENT SERVICES (PVT) LTD	18,970,440	41.24
02. MERCANTILE INVESTMENTS AND FINANCE PLC	7,736,677	16.82
03. EMPLOYEES PROVIDENT FUND	5,084,800	11.05
04. BANK OF CEYLON- A/C NO - 2	4,474,620	9.73
05. MRS. A.M.J. COORAY	1,211,784	2.63
06. NATIONAL SAVINGS BANK	1,175,667	2.56
07. JETWING TRAVELS (PRIVATE) LIMITED	840,200	1.83
08. MS N.T.M.S. COORAY	789,803	1.72
09. MR. N.J.H.M. COORAY	748,803	1.63
10. DEE INVESTMENTS (PVT) LTD	669,600	1.46
11. JETWING ECO HOLIDAYS (PVT) LTD	595,984	1.30
12. THE NUWARA ELIYA HOTELS COMPANY PLC	520,123	1.13
13. MR. D.J. DE SILVA WIJEYERATNE	347,200	0.75
14. CONFIFI MANAGEMENT SERVICES (PRIVATE) LTD	275,900	0.60
15. CONFIFI INVESTMENTS (PVT) LTD	250,000	0.54
16. FERN HOLDINGS (PRIVATE) LIMITED	220,604	0.48
17. MISS. A.M. WIKRAMANAYAKE	105,754	0.23
18. MR. S. MENDIS	100,000	0.22
18. MR. H.W.M. WOODWARD (DECEASED)	100,000	0.22
18. MR. I.A.R. PERERA	100,000	0.22
TOTAL	44,317,959	96.34

There were no non voting shares as at 31st December, 2017

The percentage of shares held by public as per Colombo Stock Exchange Rules as at 31st December, 2017 was 31.44%

Further the number of public shareholders as at 31st December, 2017 was 1,162.

Directors' shareholding.

Directors	Directors' Direct Share holding as at 31st December, 2017
Ms. N.T.M.S. Cooray	789,803
Mr. N.J.H.M. Cooray	748,803
Mr. R.A.E.Samarasinghe	50,000
Mr. R. de Silva	10,000
Mr. C.S.R.S.Anthony	1,000
Mr. A.T.P. Edirisinghe	1,000

There has been no change in the Directors' shareholding during the 9 months ended 31st December, 2017

THE LIGHTHOUSE HOTEL PLC
STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Unaudited 31.12.2017 Rs.'000	Audited 31.03.2017 Rs.'000	Unaudited 31.12.2017 Rs.'000	Audited 31.03.2017 Rs.'000
<i>As at</i>				
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	3,094,522	2,939,788	2,812,995	2,855,701
Prepaid Lease Rent	2,311	2,333	2,311	2,333
Intangible Assets	304	629	304	629
Investment in Subsidiary	-	-	175,000	100,000
Other Non-Current Financial Assets	87,401	87,402	87,401	87,402
	3,184,538	3,030,152	3,078,011	3,046,065
Current Assets				
Inventories	30,641	32,451	30,641	32,451
Trade and Other Receivables	115,174	135,141	111,347	128,233
Cash at Bank and in Hand	10,804	13,231	10,538	12,856
	156,619	180,823	152,526	173,540
Total Assets	3,341,157	3,210,975	3,230,537	3,219,605
EQUITY AND LIABILITIES				
Equity Attributable to equity holders of the Parent				
Stated Capital	460,001	460,001	460,001	460,001
Reserves	2,084,684	2,084,684	2,081,644	2,081,644
Retained Earnings	347,386	307,654	363,406	321,748
	2,892,071	2,852,339	2,905,051	2,863,393
Non Controlling Interest	-	-	-	-
Total Equity	2,892,071	2,852,339	2,905,051	2,863,393
Non-Current Liabilities				
Post-Employment Benefit Liability	33,954	30,088	33,954	30,088
Interest Bearing Loans & Borrowings	6,787	18,396	6,787	18,396
	40,741	48,484	40,741	48,484
Current Liabilities				
Trade and Other Payables	202,122	137,298	159,571	134,874
Current portion of Interest-bearing Loans & Borrowings	201,903	169,991	120,854	169,991
Income Tax Payable	4,320	2,863	4,320	2,863
	408,345	310,152	284,745	307,728
Total Liabilities	449,086	358,636	325,486	356,212
Total Equity and Liabilities	3,341,157	3,210,975	3,230,537	3,219,605

The Statement of Financial Position as at 31st December 2017, the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the Nine months then ended as well as the Statement of Profit or Loss and the Statement of Comprehensive Income for the three months are drawn up from the unaudited financial statements of the Group/Company and they provide the information required by the Colombo Stock Exchange.

It is certified that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

C.S.R.S. Anthony
Director

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

N.J.H.M. Cooray
Chairman

R.A.E. Samarasinghe
Managing Director

07th February 2018
Colombo

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF PROFIT OR LOSS - GROUP

Audited year ended 31.03.2017 Rs.'000		Unaudited 9 months ended 31st December		Variance Favourable (Unfavourable)	Unaudited 3 months ended 31st December		Variance Favourable (Unfavourable)
		2017 Rs.'000	2016 Rs.'000		2017 Rs.'000	2016 Rs.'000	
799,219	Revenue	536,942	545,369	-2%	201,742	211,627	-5%
(146,879)	Cost of Sales	(107,707)	(106,049)	-2%	(38,021)	(39,997)	5%
652,340	Gross Profit	429,235	439,320	-2%	163,721	171,630	-5%
2,486	Other Income & Gains	646	705	-8%	322	291	11%
(25,424)	Marketing & Promotional Expenses	(19,460)	(15,748)	-24%	(6,527)	(4,693)	-39%
(469,077)	Administrative Expenses	(348,028)	(343,039)	-1%	(119,954)	(121,937)	2%
(8,994)	Finance Cost	(12,664)	(6,607)	-92%	(4,671)	(2,900)	-61%
816	Finance Income	186	731	-75%	70	21	233%
152,147	Profit Before Tax	49,915	75,362	-34%	32,961	42,412	-22%
(14,963)	Income Tax Expenses	(10,183)	(10,495)	3%	(3,796)	(4,063)	7%
137,184	Net Profit for the Period	39,732	64,867	-39%	29,165	38,349	-24%
	Attributable to:						
137,184	Equity holders of the Parent Company	39,732	64,867		29,165	38,349	
-	Non-controlling Interest	-	-		-	-	
137,184		39,732	64,867		29,165	38,349	
2.98	Earnings per share for the period (Basic)-Rs.	0.86	1.41		0.63	0.83	

Notes

- Operating profit/(loss) is after Charging following
 85,726 Depreciation **69,459** 65,230
- Stated Capital
 Issued and fully paid
 460,001 46,000,000 Ordinary Shares **460,001** 460,001
- Figures in brackets indicate deductions

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF PROFIT OR LOSS - COMPANY

Audited year ended 31.03.2017 Rs.'000		Unaudited 9 months ended 31st December		Variance Favourable (Unfavourable)	Unaudited 3 months ended 31st December		Variance Favourable (Unfavourable)
		2017 Rs.'000	2016 Rs.'000		2017 Rs.'000	2016 Rs.'000	
799,219	Revenue	534,893	545,369	-2%	199,693	211,627	-6%
(146,879)	Cost of Sales	(107,233)	(106,049)	-1%	(37,547)	(39,997)	6%
652,340	Gross Profit	427,660	439,320	-3%	162,146	171,630	-6%
13,462	Other Income & Gains	646	11,680	-94%	322	11,266	-97%
(25,424)	Marketing & Promotional Expenses	(19,338)	(15,748)	-23%	(6,405)	(4,693)	-36%
(469,000)	Administrative Expenses	(345,289)	(343,039)	-1%	(117,263)	(121,937)	4%
(8,994)	Finance Cost	(12,024)	(6,607)	-82%	(4,031)	(2,900)	-39%
816	Finance Income	186	731	-75%	70	21	233%
163,201	Profit Before Tax	51,841	86,337	-40%	34,839	53,387	-35%
(14,963)	Income Tax Expenses	(10,183)	(10,495)	3%	(3,796)	(4,063)	7%
148,238	Net Profit for the Period	41,658	75,842	-45%	31,043	49,324	-37%

Notes

1. Operating profit/(loss) is after Charging following
 Depreciation **68,370** 65,230
2. Stated Capital
 Issued and fully paid
 46,000,000 Ordinary Shares **460,001** 460,001
3. Figures in brackets indicate deductions

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

Audited Year ended 31.03.2017 Rs.'000		Unaudited 9 months ended 31 December		Unaudited 3 months ended 31 December	
		2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
137,184	Net Profit for the period	39,732	64,867	29,165	38,349
	Other Comprehensive Income	-	-	-	-
	<i>Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :</i>				
(190)	Loss on Available for Sale-Financial Instruments	-	-	-	-
	<i>Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods :</i>				
(770)	Actuarial Losses on Post-Employment Benefit Liabilities	-	-	-	-
(960)	Other Comprehensive Income/(Loss) for the Period	-	-	-	-
136,224	Total Comprehensive Income for the Period	39,732	64,867	29,165	38,349
	Attributable to:				
136,224	Equity holders of the Parent Company	39,732	64,867	29,165	38,349
-	Non-controlling Interest	-	-	-	-
136,224		39,732	64,867	29,165	38,349

STATEMENT OF COMPREHENSIVE INCOME -COMPANY

Audited Year ended 31.03.2017 Rs.'000		Unaudited 9 months ended 31 December		Unaudited 3 months quarter ended 31 December	
		2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
148,238	Net Profit for the period	41,658	75,842	31,043	49,324
	Other Comprehensive Income	-	-	-	-
	<i>Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :</i>				
(190)	Loss on Available for Sale-Financial Instruments	-	-	-	-
	<i>Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods :</i>				
(770)	Actuarial Losses on Post-Employment Benefit Liabilities	-	-	-	-
(960)	Other Comprehensive Income/(Loss) for the Period	-	-	-	-
147,278	Total Comprehensive Income for the Period	41,658	75,842	31,043	49,324

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF CHANGES IN EQUITY

GROUPAttributable to Equity Holders of parent.....							Total Equity Rs.'000
	Stated Capital	Revaluation Reserve	Available for Sale Reserve	Special Reserve	Retained Earnings	Total	Non Controlling Interest	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance as at 01st April 2016	460,001	758,875	328	1,325,671	378,241	2,923,116	-	2,923,116
Profit for the Period	-	-	-	-	64,867	64,867	-	64,867
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	64,867	64,867	-	64,867
Dividends - Rs. 2.50 per share	-	-	-	-	(115,000)	(115,000)	-	(115,000)
Balance as at 31st December 2016	460,001	758,875	328	1,325,671	328,108	2,872,983	-	2,872,983
Balance as at 01st April 2017	460,001	758,875	138	1,325,671	307,654	2,852,339	-	2,852,339
Profit for the Period	-	-	-	-	39,732	39,732	-	39,732
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	39,732	39,732	-	39,732
Balance as at 31st December 2017	<u>460,001</u>	<u>758,875</u>	<u>138</u>	<u>1,325,671</u>	<u>347,386</u>	<u>2,892,071</u>	<u>-</u>	<u>2,892,071</u>

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF CHANGES IN EQUITY

COMPANY

	Stated Capital	Revaluation Reserve	Available for Sale Reserve	Special Reserve	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2016	460,001	758,875	328	1,325,671	378,241	2,923,116
Profit for the Period	-	-	-	-	75,842	75,842
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	75,842	75,842
Disposal of Land	-	(3,041)	-	-	3,041	-
Dividends - Rs. 2.50 per share	-	-	-	-	(115,000)	(115,000)
Balance as at 31st December 2016	<u>460,001</u>	<u>755,834</u>	<u>328</u>	<u>1,325,671</u>	<u>342,124</u>	<u>2,883,958</u>
Balance as at 01st April 2017	460,001	755,835	138	1,325,671	321,748	2,863,393
Profit for the Period	-	-	-	-	41,658	41,658
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	41,658	41,658
Balance as at 31st December 2017	<u>460,001</u>	<u>755,835</u>	<u>138</u>	<u>1,325,671</u>	<u>363,406</u>	<u>2,905,051</u>

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	Unaudited 9 months ended 31.12.2017 Rs.'000	Unaudited 9 months ended 31.12.2016 Rs.'000	Unaudited 9 months ended 31.12.2017 Rs.'000	Unaudited 9 months ended 31.12.2016 Rs.'000
Cash Flows from Operating Activities				
Profit before Tax	49,915	75,362	51,841	86,337
Adjustments for				
Depreciation	69,459	65,230	68,370	65,230
Amortization of Prepaid Lease Rental	23	23	23	23
(Income) from Investments-Interest Income	(186)	(731)	(186)	(731)
(Profit)/Loss on Disposal of Property Plant & Equipment	(2,029)	(1,026)	(2,029)	(1,026)
Capital Gain on Disposal of Asset	-	-	-	(10,975)
Finance Costs	12,664	6,607	12,024	6,607
Provision for Defined Benefit Plans	4,272	5,568	4,272	5,568
Amortization of Intangible Assets	325	420	325	420
Exchange (Gain)/Loss from conversion of foreign currency loans	495	3,045	495	3,045
Operating Profit before Working Capital Changes	134,938	154,498	135,135	154,498
(Increase)/Decrease in Inventories	1,810	(5,537)	1,810	(5,537)
(Increase)/Decrease in Trade and Other Receivables	19,967	(29,133)	16,886	(6,833)
Increase/(Decrease) in Trade and Other Payables	64,824	14,005	24,697	31,574
Cash Generated from Operations	221,539	133,833	178,528	173,702
Income Tax Paid	(8,726)	(11,046)	(8,726)	(11,046)
Finance Cost Paid	(12,664)	(6,607)	(12,024)	(6,607)
Defined Benefit Plan Costs Paid net of transfers	(405)	(5,748)	(405)	(5,748)
Net Cash from Operating Activities	199,744	110,432	157,373	150,301
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant & Equipment	(224,903)	(53,689)	(26,374)	(38,869)
Proceeds from Sale of Property, Plant & Equipment	2,738	2,177	2,738	2,177
Proceeds from Sale of Property, Plant & Equipment to Subsidiary	-	-	-	44,250
Interest Income	186	731	186	731
Investment in Unawatuna Properties (Pvt) Ltd	-	-	(75,000)	(100,000)
Net Investment in Other Current Financial Asset	-	2,500	-	2,500
Net Cash Flows from/(Used in) Investing Activities	(221,979)	(48,281)	(98,450)	(89,211)
Cash Flows from/(Used in) Financing Activities				
Repayment of Interest Bearing Loans & Borrowings	(58,707)	(34,693)	(58,707)	(34,693)
Dividends Paid	-	(115,000)	-	(115,000)
Net Cash Flows Used in Financing Activities	(58,707)	(149,693)	(58,707)	(149,693)
Net Increase/(Decrease) in Cash & Cash Equivalents	(80,942)	(87,542)	216	(88,603)
Cash and Cash Equivalents at the beginning of the period	(108,495)	14,825	(108,870)	14,825
Cash and Cash Equivalents at the end of the period	(189,437)	(72,717)	(108,654)	(73,778)
Cash and Bank Balance	10,804	7,682	10,538	6,621
Bank Overdraft	(200,241)	(80,399)	(119,192)	(80,399)
	(189,437)	(72,717)	(108,654)	(73,778)

1. Principal Activities and Nature of Operations

The Company owns and operates Jetwing Lighthouse Hotel, which is targeted at the up market leisure travellers.

During the previous financial year, the Company incorporated (in Sri Lanka) a fully owned subsidiary namely Unawatuna Properties (Pvt) Ltd on 16 August 2016 to construct a hotel in Unawatuna. The new Hotel J – Unawatuna commenced commercial operations on 1st December 2017.

2. Basis of Preparation

The interim financial statements have been prepared in accordance with the Sri Lanka Accounting Standard (LKAS) 34- Interim financial reporting.

3. Changes in Accounting Policies

These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.03.2017

4. There are no significant contingent liabilities as at 31st December 2017.
5. Information published for the nine months to 31st December, 2016 has been reclassified to conform with the current presentation where applicable.
6. There are no distinguishable components to be identified as segments for the Company.
7. No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.
8. Four months of the period under review relates to the off-season of the tourism industry in Sri Lanka.
9. The Lighthouse Hotel PLC (LHH) has made a total equity investment in Unawatuna Properties (Pvt) Ltd of Rs 175 million as at 31.12.2017.
10. Company issued a letter of notice to terminate the Operating Lease agreement with Lanciawatta (Private) Limited (to operate Era Beach Hotel) with effect 31st March 2018.