

THE LIGHTHOUSE HOTEL PLC

Company Registration Number - PQ 73

INTERIM REPORT

Second Quarter

SIX MONTHS ENDED 30TH SEPTEMBER 2018

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	30.09.2018 (Rs.)	30.09.2017 (Rs.)
Closing price on	29.80	39.50
Highest price recorded for the six months ending	42.00	58.00
Lowest price recorded for the six months ending	28.00	39.50
Highest price recorded for the three months ending	41.20	48.30
Lowest price recorded for the three months ending	28.00	39.50
Market Capitalisation (Rs.Mn.)	1,371	1,817

Ratios

Net assets per share	61.50	62.24
	(Rs 62.29 as at 31.03.2018)	

Share trading for the six months ended

Number of transactions	161	303
Number of shares traded	20,811	85,089
Value of shares traded (Rs.)	704,294	3,866,018

Twenty Largest Shareholders as at 30th September, 2018

Name of Shareholder	No of Shares as at 30.09.2018	%
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	668,600	1.45
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	238,119	0.52
17. MISS. A.M. WIKRAMANAYAKE	105,754	0.23
18. MR. S. MENDIS	100,000	0.22
18. MRS. C.A.D.S. WOODWARD	100,000	0.22
18. MR. I.A.R. PERERA	100,000	0.22
TOTAL	44,334,474	96.38

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

31.44% of the issued capital of the Company was held by the public, comprising of 1,167 shareholders and a float adjusted market capitalisation of LKR 430,979,520/- as at 30th September 2018. In terms of Rule 7.13.1.(b) of the Listing Rules of the Colombo Stock Exchange, the Company qualifies under option 2 of the minimum public holding requirement.

Directors' shareholding.

Directors	Directors' Direct Share holding as at 30th September, 2018
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 6 months ended 30th September, 2018

THE LIGHTHOUSE HOTEL PLC
STATEMENT OF FINANCIAL POSITION

<i>As at</i>	Group		Company	
	Unaudited 30.09.2018 Rs.'000	Audited 31.03.2018 Rs.'000	Unaudited 30.09.2018 Rs.'000	Audited 31.03.2018 Rs.'000
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	3,148,234	3,185,405	2,863,039	2,896,395
Prepaid Lease Rent	2,288	2,303	2,288	2,303
Intangible Assets	1,494	1,304	88	219
Investment in Subsidiary	-	-	175,000	175,000
Other Non-Current Financial Assets	87,287	87,287	87,287	87,287
	3,239,303	3,276,299	3,127,702	3,161,204
Current Assets				
Inventories	29,177	28,964	28,430	28,435
Trade and Other Receivables	75,696	139,488	70,989	130,443
Cash at Bank and in Hand	15,257	12,903	14,421	12,469
	120,130	181,355	113,840	171,347
Total Assets	3,359,433	3,457,654	3,241,542	3,332,551
EQUITY AND LIABILITIES				
Equity Attributable to equity holders of the Parent				
Stated Capital	460,001	460,001	460,001	460,001
Reserves	2,076,460	2,076,460	2,066,755	2,066,755
Retained Earnings	292,350	328,702	332,421	347,346
	2,828,811	2,865,163	2,859,177	2,874,102
Non Controlling Interest	-	-	-	-
Total Equity	2,828,811	2,865,163	2,859,177	2,874,102
Non-Current Liabilities				
Post-Employment Benefit Liability	32,250	31,618	32,049	31,499
Interest Bearing Loans & Borrowings	107,085	99,955	5,541	6,372
Deferred Tax Liabilities	122,704	122,704	122,248	122,248
	262,039	254,277	159,838	160,119
Current Liabilities				
Trade and Other Payables	122,212	142,147	108,698	127,468
Current portion of Interest-bearing Loans & Borrowings	144,820	192,034	112,278	166,829
Income Tax Payable	1,551	4,033	1,551	4,033
	268,583	338,214	222,527	298,330
Total Liabilities	530,622	592,491	382,365	458,449
Total Equity and Liabilities	3,359,433	3,457,654	3,241,542	3,332,551

The Statement of Financial Position as at 30th September 2018, the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the six 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

01st November 2018
Colombo

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF PROFIT OR LOSS - GROUP

Audited year ended 31.03.2018 Rs.'000		Unaudited 6 months ended 30th September		Variance Favourable (Unfavourable)	Unaudited 3 months ended 30th September		Variance Favourable (Unfavourable)
		2018 Rs.'000	2017 Rs.'000		2018 Rs.'000	2017 Rs.'000	
836,005	Revenue	307,648	335,200	-8%	176,672	172,571	2%
(154,961)	Cost of Sales	(66,195)	(69,686)	5%	(36,596)	(36,070)	-1%
681,044	Gross Profit	241,453	265,514	-9%	140,076	136,501	3%
1,059	Other Income & Gains	1,165	324	260%	729	194	276%
(30,437)	Marketing & Promotional Expenses	(10,536)	(12,933)	19%	(5,418)	(5,956)	9%
(486,308)	Administrative Expenses	(242,482)	(227,672)	-7%	(120,081)	(114,534)	-5%
(16,864)	Finance Cost	(12,518)	(7,993)	-57%	(6,605)	(3,917)	-69%
600	Finance Income	374	116	222%	151	91	66%
(495)	Exchange Gain/(Loss) from Conversion of Foreign Currency Loan	(7,961)	(402)	-1880%	(6,589)	98	-6823%
148,599	Profit/(Loss) Before Tax	(30,505)	16,954	-280%	2,263	12,477	-82%
(15,881)	Income Tax Expenses	(5,847)	(6,387)	8%	(3,334)	(3,280)	-2%
132,718	Net Profit/(Loss) for the Period	(36,352)	10,567	-444%	(1,071)	9,197	-112%
132,718	Attributable to:	(36,352)	10,567		(1,071)	9,197	
-	Equity holders of the Parent Company	-	-		-	-	
132,718	Non-controlling Interest	(36,352)	10,567		(1,071)	9,197	
2.89	Earnings per share for the period (Basic)-Rs.	(0.79)	0.23		(0.02)	0.20	

Notes

- Operating profit/(loss) is after Charging following Depreciation 94,650 47,517 45,177
- Stated Capital Issued and fully paid 460,001 460,000 Ordinary Shares 460,001 460,001
- Figures in brackets indicate deductions

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF PROFIT OR LOSS - COMPANY

Audited year ended 31.03.2018 Rs.'000		Unaudited 6 months ended 30th September		Variance Favourable (Unfavourable)	Unaudited 3 months ended 30th September		Variance Favourable (Unfavourable)
		2018 Rs.'000	2017 Rs.'000		2018 Rs.'000	2017 Rs.'000	
821,239	Revenue	294,456	335,200	-12%	168,287	172,571	-2%
(152,622)	Cost of Sales	(63,368)	(69,686)	9%	(34,737)	(36,070)	4%
668,617	Gross Profit	231,088	265,514	-13%	133,550	136,501	-2%
1,044	Other Income & Gains	1,165	324	260%	729	194	276%
(29,180)	Marketing & Promotional Expenses	(9,265)	(12,933)	28%	(4,778)	(5,956)	20%
(472,725)	Administrative Expenses	(224,809)	(227,624)	1%	(111,356)	(114,516)	3%
(14,083)	Finance Cost	(7,631)	(7,993)	5%	(4,008)	(3,917)	-2%
600	Finance Income	374	116	222%	151	91	66%
(495)	Exchange Gain/(Loss) from Conversion of Foreign Currency Loan	-	(402)	100%	-	98	-100%
153,778	Profit/(Loss) Before Tax	(9,078)	17,002	-153%	14,288	12,495	14%
(16,510)	Income Tax Expenses	(5,847)	(6,387)	8%	(3,334)	(3,280)	-2%
137,268	Net Profit/(Loss) for the Period	(14,925)	10,615	-241%	10,954	9,215	19%
2.98	Earnings per share for the period (Basic)-Rs.	(0.32)	0.23		0.24	0.20	

Notes

- Operating profit/(loss) is after Charging following
Depreciation **41,889** 45,177
- 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 COMPREHENSIVE INCOME -GROUP

Audited Year ended 31.03.2018 Rs.'000		Unaudited 6 months ended 30th September		Unaudited 3 months ended 30th September	
		2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
132,718	Net Profit/(Loss) for the period	(36,352)	10,567	(1,071)	9,197
	Other Comprehensive Income	-	-	-	-
	<i>Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :</i>				
(115)	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>				
3,784	Actuarial Losses on Post-Employment Benefit Liabilities	-	-	-	-
(454)	Deferred Tax attributable to Post Employment Benefit Liability	-	-	-	-
113,614	Revaluation Surplus of Freehold Land	-	-	-	-
(121,723)	Deferred Tax attributable to Revaluation Surplus	-	-	-	-
(4,894)	Other Comprehensive Income/(Loss) for the Period	-	-	-	-
127,824	Total Comprehensive Income/(Loss) for the Period	(36,352)	10,567	(1,071)	9,197
	Attributable to:				
127,824	Equity holders of the Parent Company	(36,352)	10,567	(1,071)	9,197
-	Non-controlling Interest	-	-	-	-
127,824		(36,352)	10,567	(1,071)	9,197

STATEMENT OF COMPREHENSIVE INCOME -COMPANY

Audited Year ended 31.03.2018 Rs.'000		Unaudited 6 months ended 30th September		Unaudited 3 months ended 30th September	
		2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
137,268	Net Profit/(Loss) for the period	(14,925)	10,615	10,954	9,215
	Other Comprehensive Income	-	-	-	-
	<i>Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :</i>				
(115)	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>				
3,784	Actuarial Losses on Post-Employment Benefit Liabilities	-	-	-	-
(454)	Deferred Tax attributable to Post Employment Benefit Liability	-	-	-	-
105,865	Revaluation Surplus of Freehold Land	-	-	-	-
(120,638)	Deferred Tax attributable to Revaluation Surplus	-	-	-	-
(11,558)	Other Comprehensive Income/(Loss) for the Period	-	-	-	-
125,710	Total Comprehensive Income/(Loss) for the Period	(14,925)	10,615	10,954	9,215

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF CHANGES IN EQUITY

GROUP

Attributable to Equity Holders of parent.....						Non Controlling Interest Rs.'000	Total Equity Rs.'000
	Stated Capital	Revaluation Reserve	Available for Sale Reserve	Special Reserve	Retained Earnings	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
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	-	-	-	-	10,567	10,567	-	10,567
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	10,567	10,567	-	10,567
Balance as at 30th September 2017	<u>460,001</u>	<u>758,875</u>	<u>138</u>	<u>1,325,671</u>	<u>318,221</u>	<u>2,862,906</u>	<u>-</u>	<u>2,862,906</u>
Balance as at 01st April 2018	460,001	750,766	23	1,325,671	328,702	2,865,163	-	2,865,163
Profit/(Loss) for the Period	-	-	-	-	(36,352)	(36,352)	-	(36,352)
Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Comprehensive Income/(Loss)	-	-	-	-	(36,352)	(36,352)	-	(36,352)
Balance as at 30th September, 2018	<u>460,001</u>	<u>750,766</u>	<u>23</u>	<u>1,325,671</u>	<u>292,350</u>	<u>2,828,811</u>	<u>-</u>	<u>2,828,811</u>

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF CHANGES IN EQUITY

COMPANY

	Stated Capital	Revaluation Reserve	Available for Sale Reserve	Special Reserve	Retained Earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2017	460,001	755,835	138	1,325,671	321,748	2,863,393
Profit for the Period	-	-	-	-	10,615	10,615
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	10,615	10,615
Balance as at 30th September, 2017	<u>460,001</u>	<u>755,835</u>	<u>138</u>	<u>1,325,671</u>	<u>332,363</u>	<u>2,874,008</u>
Balance as at 01st April 2018	460,001	741,061	23	1,325,671	347,346	2,874,102
Profit/(Loss) for the Period	-	-	-	-	(14,925)	(14,925)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income/(Loss)	-	-	-	-	(14,925)	(14,925)
Balance as at 30th September, 2018	<u>460,001</u>	<u>741,061</u>	<u>23</u>	<u>1,325,671</u>	<u>332,421</u>	<u>2,859,177</u>

THE LIGHTHOUSE HOTEL PLC

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	Unaudited		Unaudited	
	6 months		6 months	
	ended 30th September		ended 30th September	
	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit/(Loss) before Tax	(30,505)	16,954	(9,078)	17,002
Adjustments for				
Depreciation	47,517	45,177	41,889	45,177
Amortization of Prepaid Lease Rental	15	15	15	15
(Income) from Investments-Interest Income	(374)	(116)	(374)	(116)
(Profit)/Loss on Disposal of Property Plant & Equipment	648	595	664	595
Finance Costs	12,518	7,993	7,631	7,993
Provision for Defined Benefit Plans	2,257	2,848	2,175	2,848
Amortization of Intangible Assets	287	241	131	241
Exchange (Gain)/Loss from conversion of foreign currency loans	7,961	402	-	402
Operating Profit before Working Capital Changes	40,324	74,109	43,053	74,157
(Increase)/Decrease in Inventories	(213)	(5,230)	5	(5,230)
(Increase)/Decrease in Trade and Other Receivables	63,792	38,222	59,454	54,596
Increase/(Decrease) in Trade and Other Payables	(20,035)	(16,759)	(18,770)	(19,219)
Cash Generated from Operations	83,868	90,342	83,742	104,304
Income Tax Paid	(8,329)	(4,701)	(8,329)	(4,701)
Finance Cost Paid	(12,518)	(7,993)	(7,631)	(7,993)
Defined Benefit Plan Costs Paid net of transfers	(1,625)	(405)	(1,625)	(405)
Net Cash from Operating Activities	61,396	77,243	66,157	91,205
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant & Equipment	(10,950)	(75,108)	(9,205)	(15,296)
Proceeds from Sale of Property, Plant & Equipment	56	34	8	34
Interest Income	374	116	374	116
Acquisition Of Intangible Assets	(477)	-	-	-
Net Cash Flows from/(Used in) Investing Activities	(10,997)	(74,958)	(8,823)	(15,146)
Cash Flows from/(Used in) Financing Activities				
Repayment of Interest Bearing Loans & Borrowings	(831)	(38,815)	(831)	(38,815)
Net Cash Flows Used in Financing Activities	(831)	(38,815)	(831)	(38,815)
Net Increase/(Decrease) in Cash & Cash Equivalents	49,568	(36,530)	56,503	37,244
Cash and Cash Equivalents at the beginning of the period	(177,469)	(108,495)	(152,698)	(108,870)
Cash and Cash Equivalents at the end of the period	(127,901)	(145,025)	(96,195)	(71,626)
Cash and Bank Balance	15,257	32,823	14,421	31,833
Bank Overdraft	(143,158)	(177,848)	(110,616)	(103,459)
	(127,901)	(145,025)	(96,195)	(71,626)

1. Principal Activities and Nature of Operations

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

The fully owned subsidiary of the Company, Unawatuna Properties (Private) Limited which operates Hotel J Unawatuna commenced commercial operation during the month of 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 31.03.2018, except for the new standards adopted.

SLFRS 09-Financial instruments

Sri Lanka Accounting standard SLFRS 9- "Financial instruments" is effective for annual reporting periods beginning on or after 01st January 2018. Accordingly In reporting interim results, companies are required to comply with the SLFRS 09.

However according to "statement of alternative treatment (SoAT) on the figures in the interim financial statements " issued by the Institute of Chartered Accountants of sri lanka companies are granted an option to prepare interim financial statements with LKAS 39.

Accordingly we have prepared the Interim financial statements for the period ended 30th September 2018 based on LKAS 39.

Based on the assessments done, the impact on application of SLFRS 09 for the comprehensive income & net assets of the Group is expected to be immaterial for the period ended 30th September 2018.

SLFRS 15 -Revenue from Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under SLFRS 15, revenue is recognised at an amount that reflects

THE LIGHTHOUSE HOTEL PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

According to SLFRS 15 it is required to identify the terms of the contract, all facts & circumstances related to the contracts with the customers. Further Standard has established a 5 step model to recognize the revenue from the contracts with the customers. Accordingly Standard requires to identify the performance obligations of the contracts & recognition of revenue should be done based on the completion of the performance obligations.

Based on the initial assessment performed the Group noted that SLFRS 15 does not have a material impact on Group's consolidated financial statements for the period ended 30th September 2018

4. Information published for the Six months to 30th September, 2017 has been reclassified to conform with the current presentation where applicable.
5. There are no distinguishable components to be identified as segments for the Company.
6. No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.
7. Four months of the period under review relates to the off-season of the tourism industry in Sri Lanka.
8. There are no significant contingencies as at the reporting date that require adjustments or disclosure in the Financials Statements other than followings.

– A local authority has claimed a fee amounting to 1% of turnover for the issuance of trade license for the year 2018 from the Company in March 2018. The Company does not agree with such claim as it has paid only 0.5% of turnover for the issuance of trade license for the year 2017. The estimated contingent liability as at 30 September 2018 is LKR 6.4 Mn.

– Contingencies of the Company as at the reporting date on account of guarantees issued on behalf of subsidiary company amounted to USD 600,000/- and LKR 190 Mn.