

**THE LIGHTHOUSE HOTEL PLC**

Company Registration Number - PQ 73

**INTERIM REPORT**

**Third Quarter**

**NINE MONTHS ENDED 31ST DECEMBER 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 : <a href="mailto:resv.lighthouse@jetwinghotels.com">resv.lighthouse@jetwinghotels.com</a> Web : <a href="http://www.jetwinghotels.com">www.jetwinghotels.com</a>
REGISTERED OFFICE	"Jetwing House" 46/26, Nawam Mawatha Colombo 2.

# THE LIGHTHOUSE HOTEL PLC

## INVESTOR INFORMATION

Market Value of Shares	31.12.2018 (Rs.)	31.12.2017 (Rs.)
Closing price on	29.20	40.70
Highest price recorded for the nine months ending	42.00	58.00
Lowest price recorded for the nine months ending	27.10	37.50
Highest price recorded for the three months ending	38.90	44.80
Lowest price recorded for the three months ending	27.10	37.50
Market Capitalisation (Rs.Mn.)	1,343	1,872

### Ratios

Net assets per share	62.28	62.87
	(Rs 62.29 as at 31.03.2018)	

### Share trading for the nine months ended

Number of transactions	367	394
Number of shares traded	46,873	94,389
Value of shares traded (Rs.)	1,515,248	4,236,483

### Twenty Largest Shareholders as at 31st December, 2018

Name of Shareholder	No of Shares as at 31.12.2018	%
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	658,885	1.43
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
<b>TOTAL</b>	<b>44,324,759</b>	<b>96.36</b>

There were no non voting shares as at 31st December, 2018

31.44% of the issued capital of the Company was held by the public, comprising of 1,173 shareholders and a float adjusted market capitalisation of LKR 422,302,080/- as at 31st December 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 31st December, 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' direct shareholding during the 9 months ended 31st December, 2018

**THE LIGHTHOUSE HOTEL PLC**  
**STATEMENT OF FINANCIAL POSITION**

As at	<b>Group</b>		<b>Company</b>	
	<b>Unaudited 31.12.2018 Rs.'000</b>	<b>Audited 31.03.2018 Rs.'000</b>	<b>Unaudited 31.12.2018 Rs.'000</b>	<b>Audited 31.03.2018 Rs.'000</b>
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
Property, Plant and Equipment	3,129,793	3,185,405	2,847,328	2,896,395
Prepaid Lease Rent	2,280	2,303	2,280	2,303
Intangible Assets	1,580	1,304	276	219
Investment in Subsidiary	-	-	175,000	175,000
Other Non-Current Financial Assets	87,287	87,287	87,287	87,287
	<b>3,220,940</b>	<b>3,276,299</b>	<b>3,112,171</b>	<b>3,161,204</b>
<b>Current Assets</b>				
Inventories	34,451	28,964	33,403	28,435
Trade and Other Receivables	131,298	139,488	125,038	130,443
Cash at Bank and in Hand	20,959	12,903	18,837	12,469
	<b>186,708</b>	<b>181,355</b>	<b>177,278</b>	<b>171,347</b>
<b>Total Assets</b>	<b>3,407,648</b>	<b>3,457,654</b>	<b>3,289,449</b>	<b>3,332,551</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity Attributable to equity holders of the Parent</b>				
Stated Capital	460,001	460,001	460,001	460,001
Reserves	2,076,460	2,076,460	2,066,756	2,066,756
Retained Earnings	328,592	328,702	382,199	347,346
	<b>2,865,053</b>	<b>2,865,163</b>	<b>2,908,956</b>	<b>2,874,103</b>
<b>Non Controlling Interest</b>				
Total Equity	<b>2,865,053</b>	<b>2,865,163</b>	<b>2,908,956</b>	<b>2,874,103</b>
<b>Non-Current Liabilities</b>				
Post-Employment Benefit Liability	32,127	31,618	31,762	31,499
Interest Bearing Loans & Borrowings	114,775	99,955	5,125	6,372
Deferred Tax Liabilities	122,704	122,704	122,248	122,248
	<b>269,606</b>	<b>254,277</b>	<b>159,135</b>	<b>160,119</b>
<b>Current Liabilities</b>				
Trade and Other Payables	163,598	142,147	148,706	127,467
Current portion of Interest-bearing Loans & Borrowings	107,357	192,034	70,618	166,829
Income Tax Payable	2,034	4,033	2,034	4,033
	<b>272,989</b>	<b>338,214</b>	<b>221,358</b>	<b>298,329</b>
<b>Total Liabilities</b>	<b>542,595</b>	<b>592,491</b>	<b>380,493</b>	<b>458,448</b>
<b>Total Equity and Liabilities</b>	<b>3,407,648</b>	<b>3,457,654</b>	<b>3,289,449</b>	<b>3,332,551</b>

The Statement of Financial Position as at 31st December 2018, 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

11th February 2019  
Colombo

**THE LIGHTHOUSE HOTEL PLC**  
**STATEMENT OF PROFIT OR LOSS - GROUP**

Audited year ended 31.03.2018 Rs.'000		Unaudited 9 months ended 31st December		Variance Favourable (Unfavourable)	Unaudited 3 months ended 31st December		Variance Favourable (Unfavourable)
		2018 Rs.'000	2017 Rs.'000		2018 Rs.'000	2017 Rs.'000	
836,005	Revenue	545,129	536,942	2%	237,481	201,742	18%
(154,961)	Cost of Sales	(111,123)	(107,707)	-3%	(44,928)	(38,021)	-18%
681,044	<b>Gross Profit</b>	<b>434,006</b>	<b>429,235</b>	1%	<b>192,553</b>	<b>163,721</b>	18%
1,059	Other Income & Gains	1,501	646	132%	336	322	4%
(30,437)	Marketing & Promotional Expenses	(15,146)	(19,460)	22%	(4,610)	(6,527)	29%
(486,308)	Administrative Expenses	(376,442)	(347,533)	-8%	(133,960)	(119,861)	-12%
(16,864)	Finance Cost	(18,025)	(12,664)	-42%	(5,507)	(4,671)	-18%
600	Finance Income	531	186	185%	157	70	124%
(495)	Exchange Gain/(Loss) from Conversion of Foreign Currency Loan	(16,066)	(495)	-3146%	(8,105)	(93)	-8615%
148,599	<b>Profit/(Loss) Before Tax</b>	<b>10,359</b>	<b>49,915</b>	-79%	<b>40,864</b>	<b>32,961</b>	24%
(15,881)	Income Tax Expenses	(10,469)	(10,183)	-3%	(4,622)	(3,796)	-22%
132,718	<b>Net Profit/(Loss) for the Period</b>	<b>(110)</b>	<b>39,732</b>	-100%	<b>36,242</b>	<b>29,165</b>	24%
132,718	<b>Attributable to:</b>						
-	Equity holders of the Parent Company	(110)	39,732		36,242	29,165	
132,718	Non-controlling Interest	-	-		-	-	
		<b>(110)</b>	<b>39,732</b>		<b>36,242</b>	<b>29,165</b>	
2.89	Earnings per share for the period (Basic)-Rs.	(0.00)	0.86		0.79	0.63	
	<b>Notes</b>						
94,650	1. Operating profit/(loss) is after Charging following Depreciation	72,518	69,459				
460,001	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 PROFIT OR LOSS - COMPANY**

Audited year ended 31.03.2018 Rs.'000		Unaudited 9 months ended 31st December		Variance Favourable (Unfavourable)	Unaudited 3 months ended 31st December		Variance Favourable (Unfavourable)
		2018 Rs.'000	2017 Rs.'000		2018 Rs.'000	2017 Rs.'000	
821,239	Revenue	521,098	534,893	-3%	226,642	199,693	13%
(152,622)	Cost of Sales	(106,417)	(107,233)	1%	(43,049)	(37,547)	-15%
668,617	Gross Profit	414,681	427,660	-3%	183,593	162,146	13%
1,044	Other Income & Gains	1,501	646	132%	336	322	4%
(29,180)	Marketing & Promotional Expenses	(13,229)	(19,338)	32%	(3,964)	(6,405)	38%
(472,725)	Administrative Expenses	(347,966)	(344,794)	-1%	(123,157)	(117,170)	-5%
(14,083)	Finance Cost	(10,189)	(12,024)	15%	(2,558)	(4,031)	37%
600	Finance Income	524	186	182%	150	70	114%
(495)	Exchange Gain/(Loss) from Conversion of Foreign Currency Loan	-	(495)	100%	-	(93)	100%
153,778	Profit/(Loss) Before Tax	45,322	51,841	-13%	54,400	34,839	56%
(16,510)	Income Tax Expenses	(10,469)	(10,183)	-3%	(4,622)	(3,796)	-22%
137,268	Net Profit/(Loss) for the Period	34,853	41,658	-16%	49,778	31,043	60%
2.98	Earnings per share for the period (Basic)-Rs.	0.76	0.91		1.08	0.67	
<b>Notes</b>							
90,958	1. Operating profit/(loss) is after Charging following Depreciation	64,082	68,370				
460,001	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 31.03.2018 Rs.'000		Unaudited 9 months ended 31st December		Unaudited 3 months ended 31st December	
		2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
132,718	Net Profit/(Loss) for the period	(110)	39,732	36,242	29,165
	<b>Other Comprehensive Income</b>	-	-	-	-
	Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :				
(115)	Loss on Available for Sale-Financial Instruments	-	-	-	-
	Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods :				
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	-	-	-	-
<b>(4,894)</b>	<b>Other Comprehensive Income/(Loss) for the Period</b>	-	-	-	-
<b>127,824</b>	<b>Total Comprehensive Income/(Loss) for the Period</b>	<b>(110)</b>	<b>39,732</b>	<b>36,242</b>	<b>29,165</b>
	<b>Attributable to:</b>				
127,824	Equity holders of the Parent Company	(110)	39,732	36,242	29,165
-	Non-controlling Interest	-	-	-	-
<b>127,824</b>		<b>(110)</b>	<b>39,732</b>	<b>36,242</b>	<b>29,165</b>

## STATEMENT OF COMPREHENSIVE INCOME -COMPANY

Audited Year ended 31.03.2018 Rs.'000		Unaudited 9 months ended 31st December		Unaudited 3 months ended 31st December	
		2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
137,268	Net Profit/(Loss) for the period	34,853	41,658	49,778	31,043
	<b>Other Comprehensive Income</b>	-	-	-	-
	Other Comprehensive Income to be reclassified to Statement of Profit or Loss in subsequent periods :				
(115)	Loss on Available for Sale-Financial Instruments	-	-	-	-
	Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods :				
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	-	-	-	-
<b>(11,558)</b>	<b>Other Comprehensive Income/(Loss) for the Period</b>	-	-	-	-
<b>125,710</b>	<b>Total Comprehensive Income/(Loss) for the Period</b>	<b>34,853</b>	<b>41,658</b>	<b>49,778</b>	<b>31,043</b>

# THE LIGHTHOUSE HOTEL PLC

## STATEMENT OF CHANGES IN EQUITY

### GROUP

	.....Attributable to Equity Holders of parent.....						
	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
<b>Balance as at 01st April 2017</b>	460,001	758,875	138	1,325,671	307,654	2,852,339	-
Profit for the Period	-	-	-	-	39,732	39,732	-
Other Comprehensive Income	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	39,732	39,732	-
<b>Balance as at 31st December 2017</b>	<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>
<b>Balance as at 01st April 2018</b>	460,001	750,766	23	1,325,671	328,702	2,865,163	
Profit/(Loss) for the Period	-	-	-	-	(110)	(110)	-
Other Comprehensive Income	-	-	-	-	-	-	-
Total Comprehensive Income/(Loss)	-	-	-	-	(110)	(110)	-
<b>Balance as at 31st December, 2018</b>	<u>460,001</u>	<u>750,766</u>	<u>23</u>	<u>1,325,671</u>	<u>328,592</u>	<u>2,865,053</u>	<u>-</u>



# THE LIGHTHOUSE HOTEL PLC

## STATEMENT OF CHANGES IN EQUITY

### COMPANY

	Stated Capital  Rs.'000	Revaluation Reserve  Rs.'000	Available for Sale Reserve Rs.'000	Special Reserve  Rs.'000	Retained Earnings  Rs.'000	Total  Rs.'000
<b>Balance as at 01<sup>st</sup> April 2017</b>	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
<b>Balance as at 31st December 2017</b>	<b>460,001</b>	<b>755,835</b>	<b>138</b>	<b>1,325,671</b>	<b>363,406</b>	<b>2,905,051</b>
<b>Balance as at 01<sup>st</sup> April 2018</b>	460,001	741,062	23	1,325,671	347,346	2,874,103
Profit/(Loss) for the Period	-	-	-	-	34,853	34,853
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income/(Loss)	-	-	-	-	34,853	34,853
<b>Balance as at 31st December, 2018</b>	<b>460,001</b>	<b>741,062</b>	<b>23</b>	<b>1,325,671</b>	<b>382,199</b>	<b>2,908,956</b>

# THE LIGHTHOUSE HOTEL PLC

## STATEMENT OF CASH FLOWS

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>9 months</b>		<b>9 months</b>	
	<b>ended 31st December</b>		<b>ended 31st December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Cash Flows from Operating Activities</b>				
Profit/(Loss) before Tax	10,359	49,915	45,322	51,841
<b>Adjustments for</b>				
Depreciation	72,518	69,459	64,082	68,370
Amortization of Prepaid Lease Rental	23	23	23	23
(Income) from Investments-Interest Income	(531)	(186)	(524)	(186)
(Profit)/Loss on Disposal of Property Plant & Equipment	893	(2,029)	909	(2,029)
Finance Costs	18,025	12,664	10,189	12,024
Provision for Defined Benefit Plans	3,510	4,272	3,263	4,272
Amortization of Intangible Assets	434	325	176	325
Exchange (Gain)/Loss from conversion of foreign currency loans	16,066	495	-	495
<b>Operating Profit before Working Capital Changes</b>	<b>121,298</b>	<b>134,938</b>	<b>123,440</b>	<b>135,135</b>
(Increase)/Decrease in Inventories	(5,487)	1,810	(4,969)	1,810
(Increase)/Decrease in Trade and Other Receivables	8,190	19,967	5,405	16,886
Increase/(Decrease) in Trade and Other Payables	21,351	64,824	21,239	24,697
<b>Cash Generated from Operations</b>	<b>145,352</b>	<b>221,539</b>	<b>145,115</b>	<b>178,528</b>
Income Tax Paid	(12,468)	(8,726)	(12,468)	(8,726)
Finance Cost Paid	(18,025)	(12,664)	(10,189)	(12,024)
Defined Benefit Plan Costs Paid net of transfers	(3,008)	(405)	(3,001)	(405)
<b>Net Cash from Operating Activities</b>	<b>111,851</b>	<b>199,744</b>	<b>119,457</b>	<b>157,373</b>
<b>Cash Flows from/(Used in) Investing Activities</b>				
Acquisition of Property, Plant & Equipment	(17,993)	(224,903)	(16,176)	(26,374)
Proceeds from Sale of Property, Plant & Equipment	69	2,738	21	2,738
Interest Income	531	186	524	186
Acquisition Of Intangible Assets	(477)	-	-	-
Investment in Unawatuna Properties (Pvt) Ltd	-	-	-	(75,000)
<b>Net Cash Flows from/(Used in) Investing Activities</b>	<b>(17,870)</b>	<b>(221,979)</b>	<b>(15,631)</b>	<b>(98,450)</b>
<b>Cash Flows from/(Used in) Financing Activities</b>				
Repayment of Interest Bearing Loans & Borrowings	(1,247)	(58,707)	(1,247)	(58,707)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(1,247)</b>	<b>(58,707)</b>	<b>(1,247)</b>	<b>(58,707)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>92,734</b>	<b>(80,942)</b>	<b>102,579</b>	<b>216</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>(177,469)</b>	<b>(108,495)</b>	<b>(152,698)</b>	<b>(108,870)</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>(84,735)</b>	<b>(189,437)</b>	<b>(50,119)</b>	<b>(108,654)</b>
Cash and Bank Balance	20,959	10,804	18,837	10,538
Bank Overdraft	(105,694)	(200,241)	(68,956)	(119,192)
	(84,735)	(189,437)	(50,119)	(108,654)

**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 is 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 31<sup>st</sup> December 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 31<sup>st</sup> December 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 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 identifying 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 31<sup>st</sup> December 2018

4. Information published for the Nine months to 31<sup>st</sup> December, 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. Six 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 31 December 2018 is LKR 6.9 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.