



DOLPHIN HOTELS PLC.

INTERIM CONDENSED FINANCIAL STATEMENTS

THIRD QUARTER 2017/18

Dolphin Hotels PLC
Quarter ended 31st December 2017

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Dolphin Hotels PLC

STATEMENT OF FINANCIAL POSITION

| As at Rs. '000 | 31.12.2017 | 31.12.2016 | 31.03.2017 Audited |
|---------------------------------------|------------------|------------------|-----------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 2,022,689 | 2,072,874 | 2,051,600 |
| Intangible Assets | 22,702 | 22,713 | 26,992 |
| Other Financial Assets | 4,000 | 4,000 | 4,000 |
| Deferred Tax Asset | - | 2,922 | - |
| | 2,049,391 | 2,102,509 | 2,082,592 |
| Current Assets | | | |
| Inventories | 17,606 | 14,222 | 12,244 |
| Trade and Other Receivables | 166,368 | 187,418 | 292,607 |
| Taxation Recoverable | 6,284 | 7,711 | 8,439 |
| Other Financial Assets | - | 9,819 | - |
| Cash and Cash Equivalents | 89,027 | 75,141 | 83,065 |
| | 279,285 | 294,311 | 396,355 |
| Total Assets | 2,328,676 | 2,396,820 | 2,478,947 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Stated Capital | 316,215 | 316,215 | 316,215 |
| Other Component of Equity | 658,872 | 687,029 | 679,225 |
| Other Revenue Reserve | - | 2,840 | 2,840 |
| Retained Earnings | 920,220 | 853,392 | 872,883 |
| Total Equity | 1,895,307 | 1,859,476 | 1,871,163 |
| Non-Current Liabilities | | | |
| Interest Bearing Loans & Borrowings | 16,044 | 33,023 | 45,349 |
| Deferred Tax Liabilities | 99,003 | 82,991 | 94,063 |
| Employee Benefit Liability | 23,556 | 17,687 | 21,472 |
| | 138,603 | 133,701 | 160,884 |
| Current Liabilities | | | |
| Trade and Other Payables | 201,110 | 310,760 | 290,762 |
| Income Tax Liabilities | - | - | - |
| Dividends Payable | 3,190 | 1,329 | 3,190 |
| Other Current Financial Liabilities | 2,803 | - | - |
| Interest Bearing Loans and Borrowings | 44,691 | 61,722 | 53,886 |
| Bank Overdraft | 42,972 | 29,832 | 99,062 |
| | 294,766 | 403,643 | 446,900 |
| Total Equity and Liabilities | 2,328,676 | 2,396,820 | 2,478,947 |
| Net Assets per share (Rs.) | 59.94 | 58.80 | 59.17 |


The above figures are provisional & subject to audit.

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.


K.D.D. Gunasekera - Director Finance


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.N. Esufally - Chairman

Colombo

7th February 2018


W.M.De.F. Arsakularatne - Director

Dolphin Hotels PLC
STATEMENT OF PROFIT OR LOSS

| | 3 Months Ended 31.12.2017 | 3 Months Ended 31.12.2016 | Variance % | 9 Months Ended 31.12.2017 | 9 Months Ended 31.12.2016 | Variance % |
|----------------------------------|------------------------------|---------------------------------|------------|------------------------------|---------------------------------|------------|
| <i>Rs.'000</i> | | | | | | |
| Revenue | 227,198 | 224,815 | 1% | 586,297 | 597,048 | -2% |
| Cost of Sales | (69,567) | (75,645) | -8% | (186,642) | (196,679) | -5% |
| Gross Profit | 157,631 | 149,170 | 6% | 399,655 | 400,369 | 0% |
| Other Operating Income and Gains | (5,048) | 15,429 | -133% | 24,364 | 17,057 | 43% |
| Sales and Marketing Expenses | (3,922) | (1,343) | 192% | (14,785) | (10,828) | 37% |
| Administrative Expenses | (121,698) | (110,901) | 10% | (350,299) | (313,931) | 12% |
| Operating Profit | 26,963 | 52,355 | -48% | 58,935 | 92,667 | -36% |
| Finance Cost | (815) | (1,946) | -58% | (5,106) | (5,946) | -14% |
| Finance Income | 2,984 | (8,493) | -135% | 4,510 | 1,959 | 130% |
| Profit before tax | 29,132 | 41,916 | -30% | 58,339 | 88,680 | -34% |
| Income Tax Expense | (6,207) | (5,499) | 13% | (13,842) | (10,961) | 26% |
| Profit for the Period | 22,925 | 36,417 | -37% | 44,497 | 77,719 | -43% |
| Earnings per share (Rs.) | 0.72 | 1.15 | | 1.41 | 2.46 | |

The above figures are provisional & subject to audit

Dolphin Hotels PLC

STATEMENT OF COMPREHENSIVE INCOME

| | 3 Months Ended 31.12.2017 | 3 Months Ended 31.12.2016 | 9 Months Ended 31.12.2017 | 9 Months Ended 31.12.2016 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Rs. | Rs. | Rs. | Rs. |
| Profit for the Period | 22,925 | 36,417 | 44,497 | 77,719 |
| Other Comprehensive Income | | | | |
| Net Movement on Cash Flow Hedge | (4,544) | 140 | (20,353) | 5,725 |
| Other Comprehensive Income for the Period, Net of Tax | (4,544) | 140 | (20,353) | 5,725 |
| Total Comprehensive Income for the Period, Net of Tax | 18,381 | 36,557 | 24,144 | 83,444 |

The above figures are provisional & subject to audit.

STATEMENT OF CHANGES IN EQUITY

| | Stated Capital | Other Components of Equity Asset Revaluation Reserve | Cash Flow Hedge Reserve | Other Revenue Reserves | Retained Earnings | Total |
|--|-------------------|--|----------------------------|---------------------------|----------------------|------------------|
| <i>Rs. '000</i> | | | | | | |
| Balance as at April 01, 2016 | 316,215 | 649,925 | 31,379 | 2,840 | 807,296 | 1,807,654 |
| Net Profit for the period | - | - | - | - | 77,719 | 77,719 |
| Other Comprehensive Income | | | | | | |
| Net movement on Cash Flow Hedge | - | - | 5,725 | - | - | 5,725 |
| Total Comprehensive Income | - | - | 5,725 | - | 77,719 | 83,444 |
| Dividends | - | - | - | - | (31,622) | (31,622) |
| Balance as at December 31, 2016 | 316,215 | 649,925 | 37,104 | 2,840 | 853,392 | 1,859,476 |
| Balance as at April 01, 2017 | 316,215 | 649,925 | 29,300 | 2,840 | 872,883 | 1,871,163 |
| Net Profit for the period | - | - | - | - | 44,497 | 44,497 |
| Other Comprehensive Income | | | | | | |
| Net movement on Cash Flow Hedge | - | - | (20,353) | - | - | (20,353) |
| Total Comprehensive Income | - | - | (20,353) | - | 44,497 | 24,144 |
| Transfer of reserves | - | - | - | (2,840) | 2,840 | - |
| Balance as at December 31, 2017 | 316,215 | 649,925 | 8,947 | - | 920,220 | 1,895,307 |

Dolphin Hotels PLC
STATEMENT OF CASH FLOWS

| | 9 Months Ended 31.12.2017 | 9 Months Ended 31.12.2016 |
|---|--|--|
| <i>Rs '000s</i> | | |
| Cash Flows generated from Operating Activities | | |
| Net Profit before Income Tax | 58,339 | 88,680 |
| Adjustments for | | |
| Depreciation | 50,802 | 41,084 |
| Amortisation/ Impairment of Intangibles | 4,290 | 192 |
| Finance Income | 1,065 | (1,959) |
| Foreign currency (gain)/ loss | (9,554) | (10,151) |
| Adjustment to revenue from CF hedge | (11,473) | - |
| Finance costs | 5,106 | 5,946 |
| Employee Benefit Liability | 3,155 | 2,926 |
| Writeoffs / (Writebacks) | - | 3,791 |
| Impairment Of Debtors | (2,812) | - |
| Loss on disposal of property, plant & equipment | (30) | (78) |
| | 98,888 | 130,431 |
| Working Capital Adjustments | | |
| (Increase) / decrease in inventories | (5,362) | (3,610) |
| (Increase) / decrease in trade and other receivables | 151,917 | (41,449) |
| Increase/ (decrease) in Trade and Other Payables | (94,360) | 83,147 |
| Cash generated from / (used in) operations | 151,083 | 168,519 |
| Finance costs paid | (5,106) | (5,946) |
| Defined benefit plan costs paid | (1,071) | (3,517) |
| Taxes paid | (14,743) | (23,090) |
| Net cash from operating activities | 130,163 | 135,966 |
| Cash Flows From / (Used in) Investing Activities | | |
| Purchase of property, plant & equipment | (21,891) | (39,072) |
| Purchase of Intangible assets | - | (22,117) |
| Loans given to related parties | (9,000) | (10,050) |
| Loans settled by related parties | 9,000 | 10,050 |
| Proceeds from disposal of property, plant & equipment | 30 | 78 |
| Interest Income received | (1,065) | 1,959 |
| Net cash flows (used in) / from investing activities | (22,926) | (59,152) |
| Net Cash Flows From / (Used in) Financing Activities | | |
| Dividend paid | - | (31,621) |
| Loans obtained / interest capitalised during the period | 40,000 | 23,050 |
| Repayment of interest bearing loans & borrowings | (85,185) | (120,770) |
| Net cash flows used in financing activities | (45,185) | (129,341) |
| Net increase / (decrease) in cash and cash equivalents | 62,052 | (52,527) |
| Cash and cash equivalents at the beginning of the period | (15,997) | 97,836 |
| Cash and cash equivalents at the end of the period | 46,055 | 45,309 |
| Analysis of Cash & Cash Equivalents | | |
| Cash in hand & at bank | 89,027 | 75,141 |
| Bank Overdraft | (42,972) | (29,832) |
| | 46,055 | 45,309 |

The above figures are provisional and subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

- 1 The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2017. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.
- 2 The accounting policies have been consistently applied by the Company and unaudited previous quarter's figures have been restated wherever necessary for better presentation and to be comparable with those of the current period.
- 3 There has been no significant change in the nature of the contingent liabilities as disclosed in the Annual Report of 2016/17.
- 4 No circumstances have arisen after the reporting date, which would require adjustments to or disclosure in the Financial Statements.

Dolphin Hotels PLC

INVESTOR INFORMATION

| | 31.12.2017 | 31.12.2016 | 31.03.2017 |
|---|------------|------------|------------|
| Earnings per share (Rs.) | 1.41 | 2.46 | 3.17 |
| Debt equity ratio (%) | 5.5 | 6.7 | 10.6 |
| Interest cover (Times) | 12 | 16 | 17 |
| No. of shares representing Stated Capital | 31,621,477 | 31,621,477 | 31,621,477 |
| Highest market price (Rs.) | 34.20 | 44.80 | 40.90 |
| Lowest market price (Rs.) | 26.80 | 37.00 | 30.00 |
| Last traded price (Rs.) | 28.00 | 37.20 | 31.50 |

The above figures are provisional and subject to audit.

DOLPHIN HOTELS PLC

DIRECTORS' SHAREHOLDING

| | 31.12.2017 No. of Shares |
|------------------------|-----------------------------|
| A N Esufally | 450,007 |
| B S M De Silva | 204,700 |
| A R Gamage (Mrs) | 20,416 |
| W M De F Arsakularatne | NIL |
| W D U Perera | NIL |

LIST OF 20 MAJOR SHAREHOLDERS

| | 31.12.2017 | |
|---|-------------------|---------------|
| Name | No. of Shares | % |
| Serendib Hotels PLC | 20,609,378 | 65.18 |
| Hemtours (Pvt) Ltd. | 1,691,747 | 5.35 |
| Freudenberg Shipping Agencies Ltd. | 1,000,000 | 3.16 |
| Mr. R C J Goonewardene | 588,140 | 1.86 |
| Mr. A N Esufally | 450,007 | 1.42 |
| Hemas Holdings PLC | 376,808 | 1.19 |
| Mr. J R De Silva | 300,000 | 0.95 |
| DSL Investments (Pvt) Ltd. | 298,000 | 0.94 |
| Mr. S P Kannangara (Deceased) | 210,000 | 0.66 |
| Seylan Bank Ltd. / B S M De Silva | 204,700 | 0.65 |
| People's Leasing & Finance PLC/L.P.Hapangama | 196,540 | 0.62 |
| Mr. A Sithampalam | 179,300 | 0.57 |
| Amina Investments Ltd | 150,000 | 0.47 |
| Alliance Finance Company PLC | 135,000 | 0.43 |
| Bansei Securities Capital (Pvt) Ltd/Dawi Investment Trust (Pvt) Ltd | 123,626 | 0.39 |
| Rosewood (Pvt) Ltd | 119,302 | 0.38 |
| People's Leasing & Finance Plc/Dr.H.S.D.Soyasa & Mrs.G Soyasa | 118,100 | 0.37 |
| Mr. A P Somasiri | 100,000 | 0.32 |
| DFCC Bank A/C 1 | 100,000 | 0.32 |
| Mr. C Chanmugam | 100,000 | 0.32 |
| | 27,050,648 | 85.55 |
| Shares held by the balance shareholders | 4,570,829 | 14.45 |
| | 31,621,477 | 100.00 |

MINIMUM PUBLIC HOLDING REQUIREMENT AS PER SECTION 7.13.1 OF CSE LISTING RULES

| Category | Float Adjusted Market Capitalization (Rs.) | Public Holding Percentage | No. of Shareholders | Option |
|--------------------------|--|---------------------------|---------------------|--------|
| Ordinary (Voting) Shares | 231,476,588 | 26.14% | 1,669 | 5 |

DOLPHIN HOTELS PLC

CORPORATE INFORMATION

Legal Form

A quoted public company with Limited Liability
Incorporated in Sri Lanka in 1981
Company Registration No. PQ 224

Directors

Mr. A N Esufally – Chairman
Mr. B S M De Silva
Mrs. A R Gamage
Mr. W D U Perera
Mr. W M De F Arsakularatne

Registered Office

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[Website : www.serendibleisure.com](http://www.serendibleisure.com)

Secretaries

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Colombo 02
Tel: + 94 (11) 4731731
Fax: + 94 (11) 4731777

Managing Agent

Serendib Leisure Management Ltd.