

## TAL LANKA HOTELS PLC

Interim Condensed Financial Statements  
For the Quarter ended 30th June 2018



**TAL LANKA HOTELS PLC****Statement of Profit or Loss and other Comprehensive Income**

(All amounts in Sri Lanka Rupees Thousands unless otherwise stated)

Particulars	For the 3 Months Ended 30th June		
	2018	2017	% Change
Revenue	600,686	611,381	(2)
Direct Costs	(472,624)	(491,069)	(4)
<b>Gross profit</b>	<b>128,061</b>	<b>120,312</b>	<b>6</b>
Other Income	6,024	7,569	(20)
Marketing Expenses	(24,206)	(24,921)	(3)
Administrative Expenses	(77,292)	(80,203)	(4)
<b>Operating Profit</b>	<b>32,587</b>	<b>22,758</b>	<b>43</b>
Finance and Other Charges	(65,877)	(52,090)	26
<b>Loss Before Tax</b>	<b>(33,290)</b>	<b>(29,332)</b>	<b>13</b>
Income Tax Expense	(4,158)	Nil	
<b>Loss for the period</b>	<b>(37,447)</b>	<b>(29,332)</b>	<b>28</b>
<b>Other Comprehensive income/(expense)</b>	Nil	Nil	
<b>Total comprehensive expense for the year</b>	<b>(37,447)</b>	<b>(29,332)</b>	<b>28</b>
Loss per share- basic (Rs.)	(0.27)	(0.21)	

**TAL LANKA HOTELS PLC**  
**Statement of Financial Position**

(All amounts in Sri Lanka Rupees Thousands unless otherwise stated)

Particulars	As at 30th June 2018	As at 30th June 2017	As at 31st March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3,823,203	3,843,609	3,847,128
Intangible assets	13,426	14,921	14,468
Leasehold property-right to use of land	814,542	827,733	817,839
Other Financial assets	19,618	48,082	19,618
Total Non-current assets	4,670,789	4,734,344	4,699,054
<b>Current assets</b>			
Inventories	87,901	79,660	84,311
Trade and other receivables	219,657	270,822	179,414
Amounts receivable from related parties	1,198	3,414	4,846
Deposits, prepayments and advances	100,322	70,955	93,178
Current tax receivables	20,638	26,135	20,995
Cash and cash equivalents	75,681	93,958	138,865
Total current assets	505,397	544,944	521,609
<b>Total assets</b>	<b>5,176,186</b>	<b>5,279,288</b>	<b>5,220,663</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital (139,637,494 Shares)	1,396,375	1,396,375	1,396,375
Revaluation reserve	1,993,168	2,101,343	2,023,604
Available for sale reserve	4,977	5,468	4,977
Accumulated losses	(990,802)	(1,160,268)	(983,791)
	2,403,719	2,342,919	2,441,166
<b>Non-current liabilities</b>			
Borrowings	1,575,017	1,657,125	1,590,897
Retirement benefit obligations	122,019	121,214	118,754
Deferred tax liability	261,681	240,520	261,681
Total Non-current liabilities	1,958,717	2,018,858	1,971,332
<b>Current liabilities</b>			
Trade and other payables	341,258	342,083	310,984
Amounts payable to related parties	88,535	176,952	140,868
Borrowings	383,957	398,475	356,313
Total current liabilities	813,750	917,511	808,166
<b>Total liabilities</b>	<b>2,772,467</b>	<b>2,936,369</b>	<b>2,779,497</b>
<b>Total Equity and Liabilities</b>	<b>5,176,186</b>	<b>5,279,288</b>	<b>5,220,663</b>

Net assets per share Rs. 17.21 16.78 17.48

I certify that these financial statements comply with the requirements of the Companies Act No. 07 of 2007.



Soumitra Ray  
Area Financial Controller Sri Lanka & Maldives  
Financial Controller  
Taj Samudra, Colombo.

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board.



V. Govindasamy - Director

Date :- 3rd August 2018



R. De Mel - Director

Date :- 3rd August 2018

**TAL LANKA HOTELS PLC**  
**Statement of Changes in Equity**  
(All amounts in Sri Lanka Rupees thousands)

Particulars	Stated Capital	Revaluation reserves	Available-for-sale reserve	Accumulated losses	Total
<b>Balance at 01st April 2017</b>	<b>1,396,375</b>	<b>2,126,820</b>	<b>5,468</b>	<b>(1,156,413)</b>	<b>2,372,251</b>
Loss for the year	Nil	Nil	Nil	(29,332)	(29,332)
<i><b>Total comprehensive expense for the year</b></i>					
Other comprehensive expense	Nil	Nil	Nil	Nil	Nil
<b>Total comprehensive expense for the period</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>(29,332)</b>	<b>(29,332)</b>
Transfer of depreciation.	Nil	(25,477)	Nil	25,477	Nil
<b>Balance as at 30th June 2017</b>	<b>1,396,375</b>	<b>2,101,343</b>	<b>5,468</b>	<b>(1,160,268)</b>	<b>2,342,918</b>
<b>Balance at 01st April 2018</b>	1,396,375	2,023,604	4,977	(983,790)	2,441,166
Loss for the year	Nil	Nil	Nil	(37,447)	(37,447)
<i><b>Total comprehensive income for the year</b></i>					
Other comprehensive expense	Nil	Nil	Nil	Nil	Nil
<b>Total comprehensive income for the period</b>	<b>NIL</b>	<b>NIL</b>	<b>Nil</b>	<b>(37,447)</b>	<b>(37,447)</b>
Transfer of depreciation .	Nil	(30,436)	Nil	30,436	Nil
<b>Balance as at 30th June 2018</b>	<b>1,396,375</b>	<b>1,993,168</b>	<b>4,977</b>	<b>(990,802)</b>	<b>2,403,719</b>

# TAL LANKA HOTELS PLC

## Statement of Cash Flow

(All amounts in Sri Lanka Rupees thousands)

Particulars	For the 03 Months ended 30th June	
	2018	2017
<b>Operating activities</b>		
Loss before tax	(33,290)	(29,332)
<b>Adjustments for:</b>		
Gain on disposals of property plant and equipment	(339)	(120)
Depreciation on property, plant and equipment	84,771	96,648
Amortisation of intangible asset	1,042	Nil
Amortisation of leasehold property	3,298	3,298
Interest income	(188)	(1,065)
Interest expense	32,491	34,148
Provision for defined benefit plans	3,357	6,855
Unrealized exchange loss on loans	33,571	16,773
<b>Operating Profit before working capital changes</b>	<b>124,714</b>	<b>127,205</b>
(Increase )/Decrease in inventories	(3,590)	(6,578)
(Increase )/Decrease in trade and other receivables	(40,243)	(59,985)
(Increase )/Decrease in amounts receivable from related companies	3,649	(1,847)
(Increase )/Decrease in deposits ,prepayments and advances	(7,144)	6,909
Increase /(Decrease) in trade and other payables	30,274	(6,356)
Increase /(Decrease) in amounts payable to group companies	(52,333)	35,820
<b>Cash flow generated from Operations</b>	<b>55,327</b>	<b>95,167</b>
Taxes Paid	(3,801)	(3,517)
Retirement benefits paid	(2,705)	(3,741)
<b>Net cash flow generated from operating activities</b>	<b>48,821</b>	<b>87,908</b>
<b>Cash flow from investing activities</b>		
Net Proceeds from disposal of property, plant and equipment	339	120
Purchase of property, plant and equipment	(60,847)	(34,360)
Investment(in) /withdrawal from plan asset	2,613	Nil
Interest received	188	266
<b>Net cash used in investing activities</b>	<b>(57,706)</b>	<b>(33,975)</b>
<b>Cash Flow from Financing activities</b>		
Borrowings obtained	59,214	Nil
Repayments of borrowings	(81,022)	(86,842)
Interest paid	(32,491)	(34,148)
<b>Net cash used in financing activities</b>	<b>(54,299)</b>	<b>(120,989)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(63,184)</b>	<b>(67,056)</b>
<b>Movement in cash and cash equivalents</b>		
<b>At start of period</b>	<b>138,865</b>	<b>161,013</b>
Decrease	(63,184)	(67,056)
<b>At end of period</b>	<b>75,681</b>	<b>93,958</b>

# **TAL LANKA HOTELS PLC**

## **Notes to the financial statements**

**(In the notes all amounts are shown in Sri Lanka Rupees Thousands unless otherwise stated)**

### **1) Corporate information**

TAL Lanka Hotels PLC (formerly known as Taj Lanka Hotels PLC) is a limited liability company incorporated in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business is situated at No. 25, Galle Face Centre Road, Colombo 03.

### **2) Approval of financial statements**

The unaudited interim condensed financial statements of the company for the 03 months period ended 30th June 2018 were authorised for issues by the Audit Committee on 03rd August 2018.

### **3) Basis of preparation**

The unaudited interim financial statements of the company for the 03 months period ended 30th June 2018 have been prepared in accordance with the requirements of LKAS - 34 Interim Financial Reporting and have been prepared in accordance with the same accounting policies and methods set out in the recently published Annual Audited Financial Statements. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's recently published annual audited financial statement.

The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current period.

These interim condensed financial statements are presented in Sri Lankan Rupees Thousands and all values are rounded to the nearest Sri Lankan Rupees Thousands except when otherwise indicated.

### **4) Segmental information**

Segmental information is not presented since the company does not have distinguishable components to be identified as a segment as all operations are treated as one segment.

### **5) Events after the reporting period**

There were no significant events after the reporting period that would require adjustments to or disclosures in these interim financial statements

### **6) Contingencies**

There has been no significant change in the nature of contingencies, which were disclosed in the recently published annual report.

**7) Management fee payable to TAL Hotels & Resorts Ltd**

TAL Lanka Hotels PLC has entered in to a Hotel Operating agreement with TAL Hotels & Resorts Ltd. The details of fees payable to TAL Hotels & Resorts Ltd under the agreement as at 30th June 2018 is as follows ;

Sri Lanka Rupees Thousands		
	2018/19 Rs.	2017/18 Rs.
Basic fee Payable	17,611	55,723
Incentive fee Payable	15,671	63,456
	33,282	119,179

**8) Share price statistics**

	<b>2018/19</b>	<b>2017/18</b>
	<b>Rs.</b>	<b>Rs.</b>
Highest Market Price per Share	17.50	24.60
Lowest Market Price per Share	14.20	20.80
Closing Price on 30th June	16.50	22.40

Notes to the financial statements

9)

**TAL LANKA HOTELS PLC**  
**TOP 20 SHARE HOLDERS AS AT 30TH JUNE 2018**

Serial	Name	Shares	%
1	TAL HOTELS & RESORTS LTD	81,181,580	58.14
2	IHOCO B.V	34,375,640	24.62
3	EMPLOYEES PROVIDENT FUND	7,437,832	5.33
4	MOUGIN INVESTMENT COMPANY LIMITED	2,070,000	1.48
5	ASSOCIATED ELECTRICAL CORPORATION LTD	1,313,044	0.94
6	E.W. BALASURIYA & CO. (PVT) LTD	901,658	0.65
7	SAMPATH BANK PLC/MR.ARUNASALAM SITHAMPALAM	587,000	0.42
8	SEYLAN BANK LTD / GOVINDASAMY RAMANAN	525,931	0.38
9	BANK OF CEYLON NO. 1 ACCOUNT	447,400	0.32
10	HALLSVILLE TRADING GROUP INC	343,029	0.25
11	PEOPLE'S LEASING & FINANCE PLC/L.P.HAPANGAMA	260,270	0.19
12	ASHAN DE ZOYSA AND COMPANY PVT LIMITED	215,000	0.15
13	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	212,390	0.15
14	MR. - SRI MAHADEVA MYLVENTHEN	154,792	0.11
15	MR. - NAWALAGE JOSEPH HIRAN MAHINDA COORAY	137,165	0.10
16	MRS. - BINANTHI SHAMANI RASANAYAGAM	122,000	0.09
17	SENKADAGALA FINANCE COMPANY PLC	114,432	0.08
18	MASCONS (PVT) LIMITED	100,000	0.07
19	NEGOMBO HOTELS LIMITED	100,000	0.07
20	MR. SITHAMPALAM ABISHEK	98,500	0.07
<b>Sub Total</b>		<b>130,697,663</b>	<b>93.60</b>
Others		<b>8,939,831</b>	<b>6.40</b>
<b>Total Shares</b>		<b>139,637,494</b>	<b>100.00</b>



Notes to the financial statements

10)

**TAL LANKA HOTELS PLC**  
**PUBLIC SHARE HOLDING AS OF 30TH JUNE 2018**

		Number of Share Holders		Number of Shares	%
	Issued Share Capital.	10,905		139,637,494	100.00%
(1)	Parent , Subsidiary or associate entities or any subsidiary or associates of Its Parent Entity.			Nil	
(2)	Directors of the entity & their close family members .			Nil	
(3)	Chief Executice officer & his close family members .			Nil	
(4)	Key Management personnel & their close family members .			Nil	
(5)	Any party acting in concert with the parties set out in 1,2,3 and 4.			Nil	
(6)	Shares that have been allotted to employees, whereby the shares of the Entity are, directly or indirectly controlled by the management or the majority shareholder of the Entity.			Nil	
(7)	Shares that are in a locked account with the CDS due to statutory or regulatory requirement other than the shareholders exempted under (8) below.			Nil	
(8)	Entities , Single share holders or Single share holders Jointly or severally holding 10% or More .				
	TAL Hotels & Resorts Limited		81,181,580		
	IHOCO BV		34,375,640	115,557,220	82.76%
	Public share holding	10,903		24,080,274	17.24%
	<b>Total Shares</b>			139,637,494	100.00%

**Notes to the financial statements**

11)

**TAL LANKA HOTELS PLC****DIRECTORS' SHAREHOLDING AS AT 30TH JUNE 2018**

<b>Names of the Directors</b>	<b>CDS</b>	<b>NON CDS</b>
MR. G SANJEEVI	NIL	NIL
MR. B K CHAUDHARY	NIL	NIL
MR. TILAK DE ZOYSA	NIL	NIL
MR. P.S VERMA	NIL	NIL
DR. G SUNDARAM	NIL	NIL
MR.V.GOVINDASAMY	NIL	NIL
MR. R K CHAUDHARY	NIL	NIL
MR. U. NARAIN	NIL	NIL
MR. N. I. R. DE MEL	NIL	NIL
MR. C. SUBRAMANIAN	NIL	NIL
MR. S. SINGH	NIL	NIL

Mr. S.Singh, Area Director-Sri Lanka, Maldives, Malaysia and General Manager -Taj Samudra , senior most Executive of the Company, does not hold any shares in TAL Lanka Hotels PLC and is a Director on the Board of the Company.

Notes to the financial statements

**TAL LANKA HOTELS PLC**

12) **ANALYSIS OF SHAREHOLDERS ACCORDING TO THE NO OF SHARES AS AT 30TH JUNE 2018**  
(LOCAL : FOREIGN)

NO OF SHARES	NO. OF SHAREHOLDERS		TOTAL HOLDINGS		PERCENTAGE	
	FOREIGN	LOCAL	FOREIGN	LOCAL	FOREIGN	LOCAL
1 To 1000	55	9,677	24,573	2,016,878	0.02%	1.44%
1001 To 10,000	22	996	108,232	3,329,136	0.08%	2.38%
10,001 To 100,000	5	133	234,263	3,525,248	0.17%	2.52%
100,001 To 1,000,000	1	11	343,029	3,678,038	0.25%	2.63%
1,000,001 & Above	3	2	117,627,220	8,750,876	84.24%	6.27%
<b>TOTAL</b>	<b>86</b>	<b>10,819</b>	<b>118,337,317</b>	<b>21,300,176</b>	<b>84.75%</b>	<b>15.25%</b>
<b>GRAND TOTAL</b>	<b>10,905</b>		<b>139,637,493</b>		<b>100%</b>	

13) **ANALYSIS OF SHAREHOLDERS ACCORDING TO THE NO OF SHARES AS AT 30TH JUNE 2018**  
(COMPANY: MEMBER )

NO OF SHARES	NO. OF SHAREHOLDERS		TOTAL HOLDINGS		PERCENTAGE	
	COMPANIES	MEMBERS	COMPANIES	MEMBERS	COMPANIES	MEMBERS
1 To 1000	93	9,639	29,911	2,011,541	0.02%	1.44%
1001 To 10,000	47	971	226,669	3,210,699	0.16%	2.30%
10,001 To 100,000	40	98	1,368,198	2,391,313	0.98%	1.71%
100,001 To 1,000,000	9	3	3,607,110	413,957	2.58%	0.30%
1,000,001 & Above	5	-	126,378,096	-	90.50%	-
<b>TOTAL</b>	<b>194</b>	<b>10,711</b>	<b>131,609,984</b>	<b>8,027,510</b>	<b>94.25%</b>	<b>5.75%</b>
<b>GRAND TOTAL</b>	<b>10,905</b>		<b>139,637,494</b>		<b>100%</b>	