
PROVISIONAL

FINANCIAL

STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2016



KELSEY DEVELOPMENTS PLC



REVIEW OF OPERATIONS

Kelsey Developments PLC recorded a consolidated profit before tax of Rs. 31.9 Mn during the second quarter of 2016/17 compared to a loss of Rs. 25 Mn in the corresponding period of the previous year.

During the second quarter, the company recognised revenue amounting to Rs. 405.7 Mn which was realised from the sale of 16 houses relating to the Templer's Square project in Mount Lavinia. The sale of these houses generated a gross profit of Rs. 87.1 Mn in the second quarter. As of 30th September 2016, the company has handed over 66 out of 93 houses with a further 26 houses targeted for handover by the end of quarter 3. This project is expected to be completed by the beginning of the fourth quarter of this financial year.

The company has continued to invest in strengthening the operational management in order to support its planned expansion. This is reflected in the increase in operating expenses by Rs. 13.7 Mn in this quarter compared to the corresponding quarter of the previous year.

In September 2016, the company acquired 75.1% of Pre-fab Engineering Projects (Private) Limited, a construction company with a net worth of Rs. 85 Mn for a total consideration of Rs. 90 Mn.

Development work at Verdant Villas, a 27 acre project in Negombo, is almost complete and the project will be launched in the 3rd quarter of the financial year. A planned condominium project in Mt. Lavinia is progressing well and is expected to be launched in the last quarter of the financial year together with a land development project in Biyagama.

(Sgd.)
Samidda Kannangara
Chief Executive Officer



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Group			
	July ~ September		April ~ September	
	2016 Unaudited	2015 Unaudited	2016 Unaudited	2015 Unaudited
Revenue	405,690	1,721	587,981	1,721
Cost of sales	(318,525)	(2,436)	(471,304)	(2,436)
Gross profit	87,165	(715)	116,677	(715)
Other income	1,003	761	1,525	761
Gain/(Loss) on fair Value of investments- held for trading	-	318	-	318
Less:				
Administrative expenses	(37,054)	(22,030)	(67,425)	(41,702)
Selling and distribution expenses	(910)	(2,217)	(4,328)	(13,313)
Other expenses	(19,690)	(3,000)	(26,081)	(3,000)
Profit / (Loss) from operations	30,514	(26,883)	20,369	(57,651)
Net finance income / (expense)	1,428	2,122	1,959	3,243
Profit / (Loss) before taxation	31,942	(24,761)	22,328	(54,408)
Income tax expenses	(6,345)	-	(5,034)	-
Profit / (Loss) for the period	25,597	(24,761)	17,294	(54,408)
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income/(expense) for the period	25,597	(24,761)	17,294	(54,408)
Profit attributable to Group	25,809	-	17,506	-
Profit Attributable to Non Controlling Interest	(212)	-	(212)	-
Basic earnings / (Loss) per share (Rs.)	1.48	(1.42)	1.00	(3.12)

Figures in brackets indicate deductions.

Note: All values are in Rupees '000s unless otherwise stated.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Company			
	July ~ September		April ~ September	
	2016 Unaudited	2015 Unaudited	2016 Unaudited	2015 Unaudited
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other Income	4,098	-	4,098	-
Less:				
Administrative expenses	(158)	(153)	(318)	(310)
Selling and distribution expenses	-	-	-	-
Other expenses	(1,770)	-	(1,770)	-
Profit / (Loss) from operations	2,170	(153)	2,010	(310)
Finance income	-	-	-	-
Profit / (Loss) before taxation	2,170	(153)	2,010	(310)
Income tax expenses	(380)	-	(352)	-
Profit / (Loss) for the period	1,790	(153)	1,658	(310)
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income/ (expense) for the period	1,790	(153)	1,658	(310)
Earnings / (Loss) per share (Rs.)	0.10	(0.01)	0.10	(0.02)

Figures in brackets indicate deductions.

Note: All values are in Rupees '000s unless otherwise stated.



STATEMENT OF FINANCIAL POSITION

As at	Group			Company		
	30 Sep 2016 Unaudited	30 Sep 2015 Unaudited	31 Mar 2016 (Audited)	30 Sep 2016 Unaudited	30 Sep 2015 Unaudited	31 Mar 2016 (Audited)
ASSETS						
Non-current assets						
Goodwill on Acquisition	26,470	-	-	-	-	-
Property, plant & equipment	104,218	7,876	6,452	-	-	-
Investments in subsidiaries	-	-	-	201,688	111,682	111,682
Deferred Tax Asset	10,957	-	10,957	-	-	-
	141,644	7,876	17,408	201,688	111,682	111,682
Current assets						
Inventories	1,728,330	1,839,285	1,488,036	-	-	-
Trade and other receivables	149,862	12,296	71,098	19	3	-
Investments - held for trading	-	238,637	-	-	-	-
Amounts due from related parties	-	1,227	-	40,542	113,856	112,927
Income tax recoverable	8,516	773	125	221	186	125
Cash and cash equivalents	22,237	12,252	119,188	590	69	412
	1,908,944	2,104,470	1,678,447	41,372	114,114	113,464
TOTAL ASSETS	2,050,589	2,112,346	1,695,855	243,060	225,796	225,146
EQUITY & LIABILITIES						
Capital and reserves						
Stated capital	232,390	232,390	232,390	232,390	232,390	232,390
Capital reserve	15,000	15,000	15,000	-	-	-
Other reserve	7,500	7,500	7,500	7,500	7,500	7,500
Retained earnings	(24,160)	(151,385)	(41,212)	(18,783)	(19,440)	(20,442)
Equity attributable to the equity holders of the parent	230,730	103,505	213,679	221,107	220,450	219,448
Non Controlling Interest	20,854	-	-	-	-	-
Total equity	251,585	103,505	213,679	221,107	220,450	219,448
Non-current liabilities						
Interest bearing loans & borrowings	500,469	-	-	-	-	-
Defined benefit obligations	6,742	5,393	5,505	5,517	4,864	4,939
	507,211	5,393	5,505	5,517	4,864	4,939
Current liabilities						
Trade and other payables	811,785	1,687,613	1,246,834	15,608	102	379
Unclaimed Dividend	380	380	380	380	380	380
Amounts due to related parties	55,321	187,000	218,013	-	-	-
Income tax payable	13,679	152	11,444	448	-	-
Interest bearing loans and borrowings	410,628	128,303	-	-	-	-
	1,291,793	2,003,448	1,476,671	16,436	482	759
TOTAL EQUITY AND LIABILITIES	2,050,589	2,112,346	1,695,855	243,060	225,796	225,146

Note : The above figures are subject to audit
All values are in rupees '000s unless otherwise stated.

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

(Sgd.)
P. Thuraichelvan
General Manager - Finance & Administration

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

(Sgd.)
Manjula Mathews (Ms.)
Chairperson

(Sgd.)
Dinesh Schaffter
Managing Director

15, November, 2016



STATEMENT OF CHANGES IN EQUITY

Group
For the period ended 30th September 2016

	Attributable to equity holders of parent					Non-Controlling Interest	Total Equity
	Stated Capital	Capital Reserve	Other Reserve	Retained Earnings Reserves	Total		
Balance as at 1 April 2015 (Audited)	232,390	15,000	7,500	(96,976)	157,914	-	157,914
Total comprehensive income for the period	-	-	-	(54,408)	(54,408)	-	(54,408)
Balance as at 30 September 2015	232,390	15,000	7,500	(151,385)	103,505	-	103,505
Balance as at 1 April 2016 (Audited)	232,390	15,000	7,500	(41,212)	213,679	-	213,679
Withholding tax relating to intercompany dividend	-	-	-	(455)	(455)	-	(455)
Total comprehensive income for the period	-	-	-	17,506	17,506	(212)	17,294
Acquisition of subsidiary with NCI	-	-	-	-	-	21,067	21,067
Balance as at 30 September 2016	232,390	15,000	7,500	(24,160)	230,730	20,854	251,585

Company
For the period ended 30th September 2016

	Stated capital	Other reserves	Retained earnings	Total
Balance as at 1 April 2015 (Audited)	232,390	7,500	(19,130)	220,760
Total comprehensive income for the period	-	-	(310)	(310)
Balance as at 30 September 2015	232,390	7,500	(19,440)	220,450
Balance as at 1 April 2016 (Audited)	232,390	7,500	(20,442)	219,448
Total comprehensive income for the period	-	-	1,658	1,658
Balance as at 30 September 2016	232,390	7,500	(18,783)	221,107

The figures in brackets indicate deductions.

Note: All values are in Rupees '000s unless otherwise stated.



STATEMENT OF CASH FLOWS

For the period ended	Group		Company	
	30 Sep 2016 Unaudited	30 Sep 2015 Unaudited	30 Sep 2016 Unaudited	30 Sep 2015 Unaudited
Cash flows from operating activities				
Net profit / (loss) before income tax expenses	22,328	(54,408)	2,010	(310)
Adjustments for:				
Depreciation	3,021	803	-	-
Provision for retirement benefit obligations	1,217	489	-	-
Other Income	-	(761)	-	-
Gain/(Loss) on fair value of investments - held for trading	-	(318)	-	-
Net Interest income	1,959	(3,243)	-	-
Operating profit before working capital changes	28,525	(57,438)	2,010	(310)
(Increase) / decrease in inventories	(240,200)	(302,357)	-	-
(Increase) / decrease in trade and other receivables	(63,887)	3,483	(19)	-
(Increase) / decrease in amounts due from related parties	-	-	72,385	-
Increase / (decrease) in amounts due to related parties	(162,692)	-	578	257
Increase / (decrease) in trade and other payables	(427,054)	774,248	15,229	(231)
Cash generated from / (Used in) operations	(865,309)	417,936	90,183	(284)
Gratuity Paid	(375)	-	-	-
Income tax paid	(12,060)	(178)	-	-
Net cash from / (used in) operating activities	(877,744)	417,758	90,183	(284)
Cash flows from / (used in) investing activities				
Acquisition of property, plant and equipment	(25,539)	(1,215)	-	-
Acquisition of subsidiary net of Cash acquired	(102,039)	-	(90,006)	-
Short term investments	-	(237,761)	-	-
Net Interest received	(1,959)	3,243	-	-
Net cash from / (used in) investing activities	(129,537)	(235,733)	(90,006)	-
Cash flows from / (used in) financing activities				
Proceeds from interest bearing loans and borrowings	910,330	-	-	-
Repayment of interest bearing loans and borrowings	-	(191,955)	-	-
Net cash flows from / (used in) financing activities	910,330	(191,955)	-	-
Net increase / (decrease) in cash and cash equivalents	(96,951)	(9,930)	177	(284)
Cash and cash equivalents at the beginning of the Period	119,188	22,182	412	353
Cash and cash equivalents at the end of the Period	22,237	12,252	590	69

The figures in brackets indicate deductions

Note : All values are in rupees '000s unless otherwise stated.



NOTES TO THE FINANCIAL STATEMENTS

1. **Net assets per share**

As at 30 September

Group		Company	
2016	2015	2016	2015
Rs.	Rs.	Rs.	Rs.
14.43	5.94	12.69	12.65

2. **Market price per share**

As at 30 September

	2016	2015
Highest market price recorded	60.90	64.80
Lowest market price recorded	46.10	40.40
Closing market price recorded	47.50	51.30

3. The above figures are provisional and subject to audit. The same accounting policies as in the annual report for the year ended 31 March 2016, have been followed in the preparation of the above Financial Statements.
4. The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.
5. These provisional financial statements are prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka.
6. There have been no significant changes in the nature of the Contingent Liabilities which were disclosed in the Audited Financial Statements for the year ended 31 March 2016.
7. The number of shares represented by stated capital as at 30 September 2016 are 17,429,274 shares. (30 September 2015 -17,429,274).
8. During the month of September 2016, Kelsey Homes (Private) Limited, a fully owned subsidiary of Kelsey Developments PLC declared a dividend amounting to Rs. 4,553,715 in total.
9. In July 2016, Kelsey Homes (Private) Limited, a fully owned subsidiary of Kelsey Developments PLC mortgaged a property in Negombo in order to obtain a Bank loan of Rs. 500Mn repayable over 3 years.
10. On 07th September 2016, Kelsey Developments PLC acquired 75.1% (904,826 shares) of Pre-fab Engineering Projects (Private) Limited, a construction company with a net worth of Rs. 85 Mn for a total consideration of Rs. 90 Mn.



INVESTOR INFORMATION

List of twenty major shareholders as at 30 September 2016

Names of shareholders	No of Shares	Holding %
01. Dunamis Capital PLC	13,925,990	79.90
02. Janashakthi PLC Account No. 1	1,075,797	6.17
03. Mr. Dinesh Schaffter	395,899	2.27
04. Mr. Teruaki Ono	286,286	1.64
05. Mrs. M. Mathews	222,700	1.28
06. Dr. Ramani Maryette Shanez Fernando	218,336	1.25
07. Mr. Mohomad Inam Shibly	146,499	0.84
08. Mr. Kangasu Chelvadurai Vignarajah	66,525	0.38
09. Mr. Abeyesiri Hemapala Munasinghe	58,325	0.33
10. Mr. Athula Ranaweera Ranaweera Kaluarachchige	50,001	0.29
11. Mr. Rex Joseph Srilal Jayamaha	50,000	0.29
12. Mrs. Manikku Badathuruge Hashani Hansasni	40,916	0.23
13. Pan Asia Banking Corporation PLC. /Mr. Ravindra Erle Rambukwelle	35,000	0.20
14. Mr. Kazuo Kondo	33,273	0.19
15. Dr. Srinath Daminda Rajamantri	25,492	0.15
16. Mrs. Sarathathevy Vignarajah	18,225	0.10
17. Mrs. Nanayakkara Hettige Mary Loretta Perera	16,875	0.10
18. Mr. Dinal Jayawantha Galhindarachchi	16,700	0.10
19. Mr. Warnakulasuriya Mahamandadige Luke Francis Sunil	16,000	0.09
20. Mr. Ginige Cyril Walter De Silva (deceased)	15,000	0.09
	16,713,839	95.89

The percentage of shares held by the public, as defined under Colombo Stock Exchange regulations, was 16.55% and the number of shareholders is 1,069 as at 30 September 2016.

Shareholdings of the Board of Directors / Chief Executive Officer

Name	Designation	No of shares As at 30 Sep 2016	Holding %
Ms. M. Mathews	Chairperson	222,700	1.28
Mr. D. Schaffter	Managing Director	395,899	2.27
Mr. A.D.E.I. Perera	Director	-	-
Mr. C. L. De Silva	Director	-	-
Mr. S. Kannangara	Chief Executive Officer	-	-