

E B CREASY & COMPANY PLC (PQ 182)

INTERIM FINANCIAL STATEMENT
For the Six Months ended 30th September 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME COMPANY

For the Six Months ended 30th September 2016

	Quarter ended			Six Months Ended		
	2016 Rs. '000	2015 Rs. '000	Variance %	2016 Rs. '000	2015 Rs. '000	Variance %
Revenue	963,608	876,392	10%	1,948,568	1,662,164	17%
Cost of Sales	<u>(563,582)</u>	<u>(513,073)</u>	-10%	<u>(1,168,444)</u>	<u>(963,408)</u>	-21%
Gross Profit	400,026	363,319	10%	780,124	698,756	12%
Other Income	24,555	4,292	472%	77,640	44,688	74%
Selling and Distribution Expenses	(173,785)	(130,488)	-33%	(352,475)	(264,012)	-34%
Administrative Expenses	(132,510)	(117,396)	-13%	(272,726)	(233,405)	-17%
Net Finance Expenses	(31,624)	(25,551)	-24%	(64,780)	(51,571)	-26%
Profit before Taxation	<u>86,662</u>	<u>94,176</u>	-8%	<u>167,783</u>	<u>194,456</u>	-14%
Tax Expenses	(6,100)	(5,396)	-13%	(15,642)	(7,252)	-116%
Profit for the Period	<u><u>80,562</u></u>	<u><u>88,780</u></u>	-9%	<u><u>152,141</u></u>	<u><u>187,204</u></u>	-19%
Other Comprehensive Income / (Expenses)						
Net change in fair value of available for sale financial assets	83	(245)	134%	(18)	(273)	93%
Defined benefit plan actuarial gain/(losses)	(10,785)	(1,420)	-100%	(21,569)	(2,367)	-811%
Other Comprehensive Income / (Expenses) for the period net of tax	<u><u>(10,702)</u></u>	<u><u>(1,665)</u></u>	-543%	<u><u>(21,587)</u></u>	<u><u>(2,640)</u></u>	-718%
Total Comprehensive Income for the year	<u><u>69,860</u></u>	<u><u>87,115</u></u>	-20%	<u><u>130,554</u></u>	<u><u>184,564</u></u>	-29%
Earnings per Share (Rs.)	31.77	35.02		60.01	73.83	
Dividend per share (Rs.)	30.00	20.00		30.00	20.00	

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME CONSOLIDATED

For the Six Months ended 30th September 2016

	Quarter ended			Six Months Ended		
	2016 Rs. '000	2015 Rs. '000	Variance %	2016 Rs. '000	2015 Rs. '000	Variance %
Revenue	6,378,360	5,004,325	27%	12,287,992	10,201,407	20%
Cost of Sales	(4,670,436)	(3,473,051)	-34%	(9,053,070)	(7,087,435)	-28%
Gross Profit	1,707,924	1,531,274	12%	3,234,922	3,113,972	4%
Other Income	87,302	52,525	66%	162,615	103,422	57%
Share of Results of Equity Accounted Investees	(24,893)	(45,828)	46%	(57,612)	(74,220)	22%
Selling and Distribution Expenses	(732,903)	(546,479)	-34%	(1,413,679)	(1,224,424)	-15%
Administrative Expenses	(773,409)	(557,685)	-39%	(1,596,885)	(1,181,995)	-35%
Other Expenses	4,953	(163,246)	103%	(457)	(258,493)	100%
Net Finance Expenses	(285,499)	(196,665)	-45%	(538,202)	(377,936)	-42%
Profit / (Loss) before Taxation	(16,525)	73,895	-122%	(209,298)	100,325	-309%
Tax Expenses	(54,425)	(68,591)	-21%	(100,532)	(120,471)	17%
Profit / (Loss) for the period	(70,950)	5,304	-1438%	(309,830)	(20,146)	-1438%
Other Comprehensive Income / (Expenses)						
Net change in fair value of available for sale financial assets	2,663	(517)	615%	7,846	(620)	1365%
Defined benefit plan actuarial gain/(losses)	(11,375)	(1,472)	-673%	(23,489)	(3,409)	-589%
Share of Other Comprehensive Income of equity accounted Investees	-	4,415	100%	2,859	4,415	100%
Other Comprehensive Income / (Expenses) for the period net of tax	(8,712)	2,426		(12,784)	386	-3412%
Total Comprehensive Profit / (Loss) for the year	(79,662)	7,730	-1131%	(322,614)	(19,760)	-1533%
Profit / (Loss) Attributable to:						
Equity Holders of the Company	(16,573)	37,498		(140,807)	46,609	
Non - Controlling interest	(54,378)	(32,194)		(169,024)	(66,755)	
Profit/ (Loss) for the period	(70,951)	5,304		(309,831)	(20,146)	
Total Comprehensive Profit / (Loss) attributable to:						
Equity Holders of the Company	(27,217)	38,326		(158,353)	49,580	
Non - Controlling interest	(52,446)	(30,596)		(164,262)	(69,340)	
Total Comprehensive Profit/ (Loss) for the period	(79,663)	7,730		(322,615)	(19,760)	
Earnings/ (Losses) per Share (Rs.)	(6.54)	14.79		(55.53)	18.38	
Dividend per share (Rs.)	30.00	20.00		30.00	20.00	

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

STATEMENT OF FINANCIAL POSITION

As at	GROUP		COMPANY	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
	Unaudited Rs. '000	Audited Rs. '000	Unaudited Rs. '000	Audited Rs. '000
ASSETS				
Non Current Assets				
Property, Plant & Equipment	8,337,238	8,344,246	1,275,976	1,330,315
Investment property	62,812	195,522	-	-
Intangible Assets	864,800	623,848	112,471	460
Investment in Subsidiaries	-	-	780,583	780,583
Investment in Equity Accounted Investees	233,935	288,688	-	-
Financial Assets Available-for-sale	520,642	514,319	1,564	1,582
Deferred Tax Asset	147,010	146,990	-	-
Total Non Current Assets	10,166,437	10,113,613	2,170,594	2,112,940
Current Assets				
Inventories	3,862,766	4,201,766	610,868	767,125
Amount due from Related Companies	420,640	337,369	1,413,648	983,604
Trade & Other Receivables	5,352,497	5,931,078	136,028	232,041
Income Tax Refund Due	63,875	-	-	-
Investment Classified as Fair value through Profit or Loss	178,320	127,660	-	-
Cash & Cash Equivalents	461,609	487,598	75,855	67,851
Total Current Assets	10,339,707	11,085,471	2,236,399	2,050,621
Total Assets	20,506,144	21,199,084	4,406,993	4,163,561
EQUITY AND LIABILITIES				
Equity				
Stated Capital	25,731	25,731	25,731	25,731
Capital Reserves	126,715	126,715	-	-
General Reserves	21,679	21,679	9,548	9,548
Retained Earnings	2,623,627	2,862,577	1,535,222	1,480,732
Equity Attributable to Equity Holders of the Company	2,797,752	3,036,702	1,570,501	1,516,011
Non Controlling Interest	2,706,550	3,272,389	-	-
Total Equity	5,504,302	6,309,091	1,570,501	1,516,011
Non Current Liabilities				
Interest bearing Loans and Borrowings	3,033,993	1,791,581	476,373	311,204
Deferred Income and Capital Grants	18,566	19,940	-	-
Deferred Tax Liability	240,577	237,636	24,340	24,340
Retirement Benefit Obligations	689,012	622,210	343,554	300,269
Total Non Current Liabilities	3,982,148	2,671,367	844,267	635,813
Current Liabilities				
Interest Bearing Loans and Borrowings	4,361,151	5,883,852	822,631	1,022,083
Current Taxation Payable	96,159	192,718	10,281	61,301
Trade & Other Payables	3,948,475	3,522,382	515,586	683,047
Amount Due to Related Companies	725,160	678,420	60,088	60,499
Bank Overdrafts	1,888,749	1,941,254	583,639	184,807
Total Current Liabilities	11,019,694	12,218,626	1,992,225	2,011,737
Total Equity and Liabilities	20,506,144	21,199,084	4,406,993	4,163,561
Net Assets Value Per Share Rs.	1,103.45	1,197.69	619.42	597.92

The above figures are provisional and subject to audit.

It is certified that these Financial Statements are prepared in compliance with the requirements of the Companies Act No.7 of 2007.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved and signed for and on behalf of the Board of Directors of E.B.Creasy & Company PLC.

SGD
R.C.A. Welikala
Director

SGD
S.W. Gunawardena
Director

11th November 2016

STATEMENTS OF CHANGES IN EQUITY

GROUP	Attributable to Equity Holders of Parent					Non-Controlling Interest	Total
	Stated Capital	Capital Reserves on Consolidation	General Reserve	Retained Earnings	Total		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Balance as at 01st April 2015	25,731	126,715	6,290	3,152,270	3,311,006	2,983,509	6,294,515
Adjustment due to change in holding	-	-	-	-	-	143,141	143,141
Total Comprehensive Income							
Profit/ (Loss) for the period	-	-	-	46,609	46,609	(66,755)	(20,146)
Other Comprehensive income for the period	-	-	-	2,971	2,971	(2,585)	387
Dividend for the period	-	-	-	(50,709)	(50,709)	(141,475)	(192,184)
Balance as at 30th September 2015	25,731	126,715	6,290	3,151,142	3,309,878	2,915,834	6,225,712
Balance as at 01st April 2016	25,731	126,715	21,679	2,862,577	3,036,702	3,272,389	6,309,091
Adjustment due to change in holding	-	-	-	(4,533)	(4,533)	(344,497)	(349,030)
Total Comprehensive Income							
Profit/ (Loss) for the period	-	-	-	(140,807)	(140,807)	(169,024)	(309,831)
Other Comprehensive Loss for the period	-	-	-	(17,546)	(17,546)	4,762	(12,784)
Dividend for the period	-	-	-	(76,064)	(76,064)	(57,080)	(133,144)
Balance as at 30th September 2016	25,731	126,715	21,679	2,623,627	2,797,752	2,706,550	5,504,302

COMPANY

	Stated Capital	General Reserve	Retained Earnings	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Balance as at 01st April 2015	25,731	9,548	1,350,243
Total Comprehensive Income				
Profit for the period	-	-	187,204	187,204
Other Comprehensive income for the period	-	-	(2,640)	(2,640)
Dividend for the period	-	-	-	-
Balance as at 30th September 2015	25,731	9,548	1,534,807	1,570,086
Balance as at 01st April 2016	25,731	9,548	1,480,732	1,516,011
Total Comprehensive Income				
Profit for the period	-	-	152,141	152,141
Other Comprehensive income/(expenses) for the period	-	-	(21,587)	(21,587)
Dividend for the period	-	-	(76,064)	(76,064)
Balance as at 30th September 2016	25,731	9,548	1,535,222	1,570,501

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

STATEMENT OF CASH FLOW

For the Six Months ended 30th September 2016

	GROUP		COMPANY	
	2016	2015	2016	2015
Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
A Cash generated from operations				
Profit before tax	(209,298)	100,325	167,783	194,456
Adjustments for ;				
Depreciation on Property, Plant and Equipment	299,735	277,649	57,253	46,874
Provision for Impairment on Property, Plant and Equipment	-	761	-	-
(Profit)/Loss on Disposal of Property, Plant & Equipment	-	6,129	-	(1,989)
Profit on Disposal of Investments	(11,708)	-	(9,220)	-
Amortization of Intangible Assets	1,882	-	77	-
Gain/(Loss) on Translation of Foreign Currency	(17,479)	(2,801)	-	-
Share of Results of equity	114,156	74,220	-	-
Provision/(Reversal) for Bad and Doubtful Debts	(8,467)	(6,354)	-	-
Provision/(Reversal) for Bad and Doubtful related party	-	15,048	-	-
Provision for Falling Value of Inventories	25,924	26,828	2,777	7,529
Provision for Retiring Gratuity	66,958	58,153	29,459	20,402
Amortization of Deferred Income & Capital Grants	(1,374)	20,668	-	-
Interest Income	(11,647)	(68,467)	-	(3,450)
Dividend Received	(3,093)	(2,421)	(64,110)	(36,075)
Interest Expenses	541,100	242,125	70,218	57,678
Gain or loss on Investments classified as FVTPL	(17,437)	10,496	-	-
	<u>769,253</u>	<u>752,359</u>	<u>254,237</u>	<u>285,425</u>
(Increase) /Decrease in Inventories	339,000	(516,995)	153,478	(162,602)
(Increase) /Decrease in Trade and Other Receivables	578,581	159,812	(326,032)	(139,228)
(Increase) /Decrease in Related Party Receivables	(83,271)	(81,199)	(43,741)	(12,672)
Increase / (Decrease) in Related Party Payables	46,740	1,136	(1,411)	(71,149)
Increase / (Decrease) in Trade and Other Payables	226,093	300,883	(166,440)	83,771
	<u>1,876,396</u>	<u>615,996</u>	<u>(129,909)</u>	<u>(16,455)</u>
Cash Flows from Operating Activities				
Cash generated from Operations (Note A)	1,876,396	615,996	(129,909)	(16,455)
Gratuity paid/ Gratuity Payment Received From Gratuity Fund	(20,652)	(19,610)	(7,744)	(7,159)
Interest Paid	(538,241)	(220,320)	(73,579)	(57,314)
Income Taxes Paid	(163,095)	(79,021)	(30,940)	-
Net cash flows from operating activities	<u>1,154,407</u>	<u>297,045</u>	<u>(242,172)</u>	<u>(80,928)</u>
Cash Flows from Investing Activities				
Purchase and construction of Property, Plant & Equipment	(227,201)	(202,427)	(2,915)	(68,457)
Proceeds on Disposal of Property, Plant & Equipment	16,253	(26,813)	9,220	1,989
Investment in Subsidiaries	(354,357)	-	-	(2,065)
Investment in Software	(112,088)	-	(112,088)	-
Dividend Received	80,703	2,421	64,110	36,075
Interest Received	9,291	29,282	3,450	3,450
Net Payments to Non Controlling Interest	(57,080)	-	-	-
Net Cash flows from Investing Activities	<u>(644,479)</u>	<u>(204,692)</u>	<u>(38,223)</u>	<u>(29,008)</u>
Cash flows from financing activities				
Lease Rental Paid	(2,265)	(13,635)	(2,004)	(3,041)
Proceed from Right Issue of Share	-	143,141	-	-
Proceed from Long-Term loans	1,925,607	148,146	165,169	10,147
Payments of Long Term Loan	(450,136)	(500,530)	-	(13,457)
Proceeds/Payment of Short -Term loans	(1,880,553)	(88,315)	(197,534)	55,489
Dividends paid	(76,064)	-	(76,064)	-
Net Cash flows from Financing Activities	<u>(483,412)</u>	<u>(311,193)</u>	<u>(110,433)</u>	<u>49,138</u>
Net increase /(decrease) in cash & cash equivalents	<u>26,516</u>	<u>(218,840)</u>	<u>(390,828)</u>	<u>(60,798)</u>
Cash & cash equivalents at the beginning of the year	<u>(1,453,656)</u>	<u>(812,397)</u>	<u>(116,956)</u>	<u>(171,686)</u>
Cash & cash equivalents at the end of period (Note B)	<u>(1,427,140)</u>	<u>(1,031,236)</u>	<u>(507,784)</u>	<u>(232,484)</u>
B Analysis of cash & cash equivalents				
Bank borrowings	(1,888,749)	(1,587,444)	75,855	(256,956)
Cash in hand & at Bank	461,609	556,208	(583,639)	24,472
	<u>(1,427,140)</u>	<u>(1,031,236)</u>	<u>(507,784)</u>	<u>(232,484)</u>

The above figures are provisional and subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

SEGMENT ANALYSIS OF GROUP - REVENUE & PROFIT

REVENUE

For the Six Months ended 30th September 2016	Segment Revenue		Inter Segment		Group Net Revenue	
	2016	2015	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trading Industrial Products	4,985,815	5,470,124	(381,892)	(1,458,245)	4,603,922	4,011,879
Trading Consumer Products	9,020,387	7,279,512	(1,976,517)	(1,759,183)	7,043,870	5,520,329
Leisure	581,871	491,691	(1,074)	(1,074)	580,797	490,617
Other	84,633	217,751	(25,231)	(39,169)	59,403	178,582
	<u>14,672,706</u>	<u>13,459,078</u>	<u>(2,384,714)</u>	<u>(3,257,671)</u>	<u>12,287,992</u>	<u>10,201,407</u>

PROFIT

For the Six Months ended 30th September 2016	Profit/(Loss) Before Tax	
	2016	2015
	Rs.'000	Rs.'000
Trading Industrial Products	(276,265)	(77,977)
Trading Consumer Products	218,282	314,693
Leisure	(94,991)	(89,769)
Plantations	(57,612)	(74,220)
Other	1,288	27,598
	<u>(209,298)</u>	<u>100,325</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTD:

1. Account Status

The figures are provisional and subject to audit.

2. Accounting Policies

The accounting policies and methods of computation are consistent with those policies and methods followed during the previous financial year and also in compliance with Sri Lanka Accounting Standard 34 - Interim Financial Reporting.

3. Change in Classification

To facilitate comparison and where relevant, balances pertaining to the previous comparative period have been reclassified.

4. The operational results of the period under review of this financial year did not indicate any significant variations in comparison to the same period of the previous financial year due to the seasonal & cyclical nature of the businesses in the Hotel Sector.

5. There has been no significant change in the nature of the contingent liabilities which were disclosed in the audited financial statements for the year ended 31st March 2016.

7. Events occurring after the Reporting Date

There has been no material events subsequent to the interim period which require disclosure in the provisional Interim financial statements.

8. Market Value

Market value of a share for the quarter ended

	30.09.2016	30.09.2015
	Rs.	Rs.
Highest	1,400.00	1,425.00
Lowest	1,200.00	1,100.00
Last Traded (V.W.A.)	1,300.00	1,200.00

9. Stated Capital

	30.09.2016	30.09.2015
Stated Capital (Rs.)	25,731,000	25,731,000
No. of shares represented by the stated capital	2,535,458	2,535,458
Percentage of shares held by the public	25.88%	25.84%
No. of Public Shareholders	617	623

10. Details pertaining to Directors direct shareholdings as at 30.09.2016 are as follows.

<u>Name of Director</u>	<u>Position</u>	<u>No. of Shares</u>	
		30.09.2016	30.09.2015
Mr.S.D.R.Arudpragasam	Managing Director	2,000	2,000

NOTES TO THE FINANCIAL STATEMENTS - CONTD:

11. Twenty Major Shareholders as at 30th September 2016

	Name	Shareholding	% Holding
1	The Colombo Fort Land & Building PLC	1,343,170	52.98%
2	Seylan Bank PLC / Thirugnanasambandar Senthilvel	424,117	16.73%
3	Union Investments (Pvt) Ltd.	167,700	6.61%
4	Colombo Fort Investments PLC	158,180	6.24%
5	C M Holdings PLC	100,000	3.94%
6	Colombo Investment Trust PLC	74,472	2.94%
7	Mr.Radhakrishnan Maheswaran	35,485	1.40%
8	Miss.Meenambigai Priyadarshini Radhakrishnan	35,485	1.40%
9	Miss.Andal Radhakrishnan	35,484	1.40%
10	Commercial Bank of Ceylon PLC/ Colombo Investment Trust PLC	30,000	1.18%
11	Mr.Thotawattage Rohan Lakshana Perera	13,784	0.54%
12	Tranz Dominion,L.L.C.	7,001	0.28%
13	Photokina Ltd.	6,804	0.27%
14	Sisira Investors Limited.	6,138	0.24%
15	Sampath Bank PLC / Dr. T.Senthilvel	4,100	0.16%
16	Mr.Mohamed Hussain Mohammed Sanoon	3,500	0.14%
17	Waldock Mackenzie Ltd/ Mr. M.A.N Yoosufali	3,100	0.12%
18	The Incorporated Trustees of the Church of Ceylon	2,828	0.11%
19	Consolidated Holdings (Pvt) Ltd	2,596	0.10%
20	Dr. Hettiarachchige Walter Elliot Tissera	2,021	0.08%
		2,455,965	96.86%

CORPORATE INFORMATION

Legal Form

Public Quoted Company with Limited Liability Incorporated in Sri Lanka under the Joint Stock Companies Ordinance 1861

Board of Directors

Chairman

A. Rajaratnam , FCA
(Alternate, Mr. Anushman Rajaratnam)

Managing Director

S.D.R.Arudpragasam , FCMA (U.K.)

Deputy Managing Director

S. Rajaratnam , B.Sc. CA.

Directors

R. C. A. Welikala
R.N. Bopearatchy, B.Sc. (Cey) , Dip. BM , MBA
P.M.A Sirimane, FCA,MBA
A.R.Rasiah, B.Sc. (Cey), FCA
S.N.P.Palihena, F.C.I.B (U.K.), F.I.B., Post Gr.Dip.Bus. & FA
A.M. Mubarak B.Sc. (Hons.) (Cey), Ph. D.
R.Seevaratnam, B.Sc (Lond.), FCA (Eng. and Wales) FCA (ICASL)
A.M.de S. Jayaratne B.Sc (Econ.) FCA (Eng.and Wales) FCA (ICASL)
S.W Gunawardena B.Sc., MBA

Subsidiaries

Darley Butler & Co. Ltd.
Creasy Foods Ltd.
Laxapana Batteries PLC.
Island Consumer Supplies (Pvt) Ltd.
Filmpak Ltd.
Group Three Associates (Pvt) Ltd.
Corporate Systems Ltd.
E. B. Creasy Logistics Ltd.
Muller & Phipps (Ceylon) PLC.
Lanka Special Steels Limited
Lankem Ceylon PLC.
Lankem Paints Ltd.
Lankem Consumer Products Ltd.
Lankem Chemicals Ltd.
Lankem Technology Services Ltd.
SunAgro Farms Ltd.
SunAgro Foods Ltd
SunAgro LifeScience Ltd .
Lankem Research Ltd.
Lankem Exports (Pvt) Ltd.
Ceylon Tapes (Pvt) Ltd
J.F.Packaging (Pvt) Ltd
Sigiriya Village Hotels PLC.
Marawila Resorts PLC.
Colombo Fort Hotels Ltd.
Beruwala Resorts PLC.
York Hotels (Kandy) Ltd.

Associated Farms Ltd.
C.W Mackie PLC.
Pettah Pharmacy (Pvt) Ltd
Muller & Phipps Agency (Pvt) Ltd
B.O.T Hotel Services Ltd
Galle Fort Hotels (Pvt) Ltd
Kelani Valley Canneries Limited
Duramedical (Lanka) Ltd
Lak Kraft (Pvt) Limited
Sherwood Holidays Limited

Associates

Lankem Plantation Holdings Ltd.
Lankem Developments PLC
Agarapatana Plantations Ltd
Waverly Power (Pvt) Ltd
Lankem Tea & Rubber Plantations (Pvt) Ltd
Kotagala Plantations PLC
Union Commodities (Pvt) Ltd

Registered Office

P.O. Box 37
98, Sri Sangaraja Mawatha
Colombo 10.
Telephone: 2421311
Telex: 21374 DACREEL,CE
Fax: 94(1)2448534

Secretaries

Corporate Managers & Secretaries (Private) Ltd.
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 1.

Auditors

KPMG
Chartered Accountants
P.O. Box 186
Colombo 3.

Legal Advisers

Julius & Creasy
P.O. Box 154,
Colombo 1.

Bankers

Hatton National Bank PLC
Standard Chartered Bank.
Commercial Bank of Ceylon PLC.
Bank of Ceylon.
National Development Bank PLC.
Pan Asia Banking Corporation PLC
Union Bank of Colombo PLC
People's Bank
Seylan Bank PLC
Sampath Bank PLC
Nations Trust Bank PLC