

**Interim Financial Statements**  
**Year Ended 31<sup>st</sup> March 2020**

**Ceylon Hotels Corporation PLC**  
A Member of the Galle Face Group

# Ceylon Hotels Corporation PLC



CORPORATE INFORMATION

## Stock Exchange Listing

The Ordinary Shares of the Corporation are listed with the Colombo Stock Exchange of Sri Lanka

## Directors

Lakshman Samarasinghe - Chairman  
Sanjeev Gardiner  
Priyantha Maddumage  
Kuvera De Zoysa  
Mangala Boyagoda  
Kamantha Amarasekera  
Wasantha Wimalaweera  
Ajith Devasurendra  
Ranil Pathirana  
Shalike Karunasena

## Secretaries

Accounting Systems Secretarial Services (Pvt) Limited  
Level 03, No 11, Castle Lane, Colombo 04

## Registered Office

Ceylon Hotels Corporation PLC  
No.327, Union Place, Colombo 02.  
Company Registration No PB 3283  
Telephone:- 011 2449168/ 011 2421847 /011 5634573 / 011 5634649  
Fax : 011 5345875

## Auditors

KPMG  
32A, Sir Mohamed Macan Markar Mawatha, Colombo 03.

## Hotel Reservations

Ceylon Hotels Corporation PLC  
Regency Wing - Galle Face Hotel  
No. 02, Galle Road, Colombo 03  
Tel: 011 5585858 Fax : 011 5345882  
Email : sales@ceylonhotels.net  
Website : www.chcresorts.lk

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF PROFIT OR LOSS**



	Group				Company				Variance
	Three Months Ended 31 <sup>st</sup> March		Year Ended 31 <sup>st</sup> March		Three Months Ended 31 <sup>st</sup> March		Year Ended 31 <sup>st</sup> March		Group
	2020 (Rs.'000')	2019 (Rs.'000')	2020 (Rs.'000')	2019 (Rs.'000')	2020 (Rs.'000')	2019 (Rs.'000')	2020 (Rs.'000')	2019 (Rs.'000')	%
Revenue	349,616	525,549	1,026,641	1,633,512	1,904	2,257	8,326	8,562	(37)
Cost of sales	(77,246)	(127,530)	(298,244)	(458,840)	(2,113)	(2,193)	(8,498)	(8,440)	35
<b>Gross profit</b>	<b>272,371</b>	<b>398,020</b>	<b>728,397</b>	<b>1,174,672</b>	<b>(209)</b>	<b>64</b>	<b>(172)</b>	<b>122</b>	<b>(38)</b>
Other income	(1,360)	187,818	(1,182)	356,209	1,101	4,697	4,403	39,232	(100)
Distribution expenses	(15,970)	(19,341)	(48,523)	(72,568)	-	-	-	-	(33)
Administration expenses	(186,778)	(254,041)	(757,309)	(921,598)	(2,831)	(2,770)	(11,390)	(8,468)	(18)
Other expenses	(117,540)	(64)	(152,101)	-	-	-	(7,225)	(9,805)	0
<b>Profit / (loss) from operations</b>	<b>(49,277)</b>	<b>312,391</b>	<b>(230,717)</b>	<b>536,715</b>	<b>(1,940)</b>	<b>1,990</b>	<b>(14,384)</b>	<b>21,081</b>	<b>(143)</b>
Finance income	53,313	(31,981)	123,196	111,108	5,086	4,369	21,399	18,034	11
Finance cost	(55,568)	(62,147)	(211,115)	(217,604)	(18,590)	(18,396)	(81,103)	(74,480)	(3)
<b>Net finance cost</b>	<b>(2,255)</b>	<b>(94,128)</b>	<b>(87,919)</b>	<b>(106,496)</b>	<b>(13,504)</b>	<b>(14,027)</b>	<b>(59,705)</b>	<b>(56,446)</b>	<b>(17)</b>
Share of profit/(loss) of equity accounted investees, net of tax	(53,349)	(59,240)	(124,353)	(173,795)	-	-	-	-	(28)
<b>Profit/ (loss) before taxation</b>	<b>(104,880)</b>	<b>159,022</b>	<b>(442,989)</b>	<b>256,424</b>	<b>(15,443)</b>	<b>(12,036)</b>	<b>(74,089)</b>	<b>(35,366)</b>	<b>273</b>
Tax expense	13,135	(9,478)	23,476	(32,595)	-	(795)	-	-	(172)
<b>Profit/(loss) from continuing operations</b>	<b>(91,746)</b>	<b>149,544</b>	<b>(419,513)</b>	<b>223,829</b>	<b>(15,443)</b>	<b>(12,832)</b>	<b>(74,089)</b>	<b>(35,366)</b>	<b>287</b>
<b>Discontinued operations</b>									
Loss from discontinued operations, net of tax	-	-	-	(13,116)	-	-	-	-	
<b>Profit/(loss) for the year</b>	<b>(91,746)</b>	<b>149,544</b>	<b>(419,513)</b>	<b>210,713</b>	<b>(15,443)</b>	<b>(12,832)</b>	<b>(74,089)</b>	<b>(35,366)</b>	
<b>Profit/(Loss) attributable to:</b>									
Equity holders of the company	(72,386)	169,301	(357,223)	205,718	(22,668)	(12,832)	(74,089)	(35,366)	274
Non controlling interest	(19,359)	(19,757)	(62,290)	4,995	-	-	-	-	(1347)
<b>Profit/(Loss) for the year</b>	<b>(91,746)</b>	<b>149,544</b>	<b>(419,513)</b>	<b>210,713</b>	<b>(22,668)</b>	<b>(12,832)</b>	<b>(74,089)</b>	<b>(35,366)</b>	<b>299</b>
<b>Earnings/(loss) per share (Rs.)</b>	<b>(0.40)</b>	<b>0.94</b>	<b>(1.98)</b>	<b>1.14</b>	<b>(0.13)</b>	<b>(0.07)</b>	<b>(0.41)</b>	<b>(0.20)</b>	<b>274</b>

Note : The above figures for the year ended 31<sup>st</sup> March 2020 are provisional and subject to Audit.

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**



	Group				Company			
	Three Months Ended 31 <sup>st</sup> March		Year Ended 31 <sup>st</sup> March		Three Months Ended 31 <sup>st</sup> March		Year Ended 31 <sup>st</sup> March	
	2020 (Rs. '000')	2019 (Rs. '000')	2020 (Rs. '000')	2019 (Rs. '000')	2020 (Rs. '000')	2019 (Rs. '000')	2020 (Rs. '000')	2019 (Rs. '000')
Profit/ (loss) for the year	(91,746)	149,544	(419,513)	210,713	(15,443)	(12,832)	(74,089)	(35,366)
<b>Other comprehensive income</b>								
<b>Items that will never be reclassified to profit or loss</b>								
<b>Other comprehensive income</b>								
Net result from equity accounted investee	(252)	(143)	(252)	(96)	-	-	-	-
Revaluation of property, plant & equipment	1,603,027	-	1,603,027	-	-	-	-	-
Deferred tax on revaluation surplus	(218,307)	-	(218,307)	-	-	-	-	-
Actuarial gain/ (loss)	1,111	-	1,111	(503)	708	-	708	490
Deferred Tax effect on actuarial gain/loss	(82)	-	(82)	120	-	-	-	-
<b>Items that are or may be reclassified to profit or loss</b>								
Effect of translation of foreign operations	(3,326)	3,383	(3,326)	99,262	-	-	-	-
<b>Total comprehensive income for the year, net of tax</b>	<b>1,290,427</b>	<b>152,785</b>	<b>962,659</b>	<b>309,497</b>	<b>(14,736)</b>	<b>(12,832)</b>	<b>(73,381)</b>	<b>(34,875)</b>
<b>Profit/(loss) attributable to:</b>								
Equity holders of the company	(59,669)	169,301	(357,223)	205,718	(15,443)	(12,832)	(74,089)	(35,366)
Non controlling interest	(32,077)	(19,757)	(62,290)	4,995	-	-	-	-
<b>Profit/ (loss) for the year</b>	<b>(91,746)</b>	<b>149,544</b>	<b>(419,513)</b>	<b>210,713</b>	<b>(15,443)</b>	<b>(12,832)</b>	<b>(74,089)</b>	<b>(35,366)</b>
<b>Total Comprehensive Income attributable to :</b>								
Owners of the company	940,200	172,585	642,646	283,569	(14,736)	(12,832)	(73,381)	(34,875)
Non controlling interest	350,227	(19,800)	320,014	25,929	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,290,427</b>	<b>152,785</b>	<b>962,659</b>	<b>309,497</b>	<b>(14,736)</b>	<b>(12,832)</b>	<b>(73,381)</b>	<b>(34,875)</b>

Note : The above figures for the year ended 31<sup>st</sup> March 2020 are provisional and subject to Audit.

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF FINANCIAL POSITION**



	Group		Company	
	31.03.2020 (Rs.'000')	31.03.2019 (Rs.'000')	31.03.2020 (Rs. '000')	31.03.2019 (Rs.'000')
<b>As at</b>				
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
Property, plant & equipment	9,911,336	8,384,654	28	35
Intangible assets	26,190	32,507	-	-
Leasehold right over land	-	590	-	-
Investments in subsidiaries	-	-	909,348	909,348
Investments in equity accounted investees	1,077,371	1,028,524	329,497	329,497
Investment property	-	-	-	146,760
	<b>11,014,897</b>	<b>9,446,275</b>	<b>1,238,874</b>	<b>1,385,640</b>
<b>Current Assets</b>				
Inventories	76,456	88,739	-	-
Trade & other receivables	179,724	278,475	5,276	9,712
Amounts due from related companies	255,250	411,431	473,562	388,770
Advances on pending capitalization	-	269,955	-	-
Income tax recoverable	1,588	1,356	-	-
Assets held for sale	-	86,178	-	86,178
Cash & cash equivalents	1,022,299	832,200	-	24
	<b>1,535,317</b>	<b>1,968,334</b>	<b>478,838</b>	<b>484,684</b>
<b>TOTAL ASSETS</b>	<b>12,550,214</b>	<b>11,414,609</b>	<b>1,717,712</b>	<b>1,870,324</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated capital	362,611	362,611	362,611	362,611
Reserves	5,572,224	4,645,033	379,013	379,013
Accumulated profit/(loss)	1,391,181	1,675,341	34,531	107,912
<b>Total equity attributable to equityholders of the company</b>	<b>7,326,015</b>	<b>6,682,986</b>	<b>776,155</b>	<b>849,536</b>
Non controlling interest	2,270,205	1,949,333	-	-
	<b>2,270,205</b>	<b>1,949,333</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>9,596,220</b>	<b>8,632,318</b>	<b>776,155</b>	<b>849,536</b>
<b>Non - Current Liabilities</b>				
Interest bearing borrowings more than one year	1,310,665	1,081,767	-	-
Employee benefits	16,491	18,270	6,901	7,000
Deferred tax liabilities	809,085	621,788	-	-
Lease liability more than one year	113,210	-	-	-
	<b>2,249,451</b>	<b>1,721,825</b>	<b>6,901</b>	<b>7,000</b>
<b>Current Liabilities</b>				
Trade and other payables	334,742	292,674	10,493	9,209
Lease liability within one year	44,232	-	-	-
Interest bearing borrowings due within one year	154,546	-	-	-
Amounts due to related companies	73,269	133,937	40,743	138,008
Contract Liabilities	13,977	4,331	-	-
Related party interest bearing borrowings	-	-	882,932	865,751
Income tax payable	8,435	8,408	13	13
Bank overdrafts	75,343	621,115	475	806
	<b>704,543</b>	<b>1,060,466</b>	<b>934,656</b>	<b>1,013,787</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,550,214</b>	<b>11,414,609</b>	<b>1,717,712</b>	<b>1,870,324</b>
<b>Net Assets per Share (Rs.)</b>	<b>40.69</b>	<b>37.12</b>	<b>4.31</b>	<b>4.72</b>

Note : The above figures for the year ended 31<sup>st</sup> March 2020 are provisional and subject to Audit.  
Figures in brackets indicate deductions.  
All values are in Rupees Thousands unless otherwise stated.

I certify that the Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd.  
.....  
Janaka Ganegoda  
Financial Controller

Sgd.  
.....  
Lakshman Samarasinghe  
Chairman

Sgd.  
.....  
Shalike Karunasena  
Director

13<sup>th</sup> August 2020

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF CHANGES IN EQUITY - GROUP**



For the Year ended 31<sup>st</sup> March 2020

	Stated Capital (Rs.'000')	Capital Reserve (Rs.'000')	FVOCI Reserve (Rs.'000')	Revaluation Reserve (Rs.'000')	Translation Reserve (Rs.'000')	General Reserve (Rs.'000')	Accumulated Profit / (Losses) (Rs.'000')	Total (Rs.'000')	Minority Interest (Rs.'000')	Total Equity (Rs.'000')
<b>Adjusted Balance as at 01<sup>st</sup> April 2018</b>	362,611	8,128	-	4,508,270	10,776	167,080	1,342,552	6,399,417	2,112,496	8,511,913
Profit / (loss) for the year	-	-	-	-	-	-	205,718	205,718	4,995	210,713
Other comprehensive income / (expense)	-	-	-	-	78,045	-	(194)	77,850	20,934	98,784
<b>Total Comprehensive Income</b>	-	-	-	-	78,045	-	205,524	283,569	25,929	309,497
<b>Transaction with owners of the company, recognized directly in equity</b>										
Transfer of excess depreciation on revaluation	-	-	-	(69,230)	-	-	69,230	-	-	-
Ordinary share dividend paid to minority	-	-	-	-	-	-	-	-	(17,591)	(17,591)
Dividends-(15% Cumulative preference shares)	-	-	-	-	-	-	-	-	(11)	(11)
Derecognition of investment in subsidiary	-	-	-	-	(58,036)	-	58,036	-	(171,490)	(171,490)
<b>Total transaction with owners of the company</b>	-	-	-	(69,230)	(58,036)	-	127,266	-	(189,092)	(189,092)
<b>Balance as at 31<sup>st</sup> March 2019</b>	362,611	8,128	-	4,439,040	30,785	167,080	1,675,341	6,682,986	1,949,333	8,632,318
Adjustment on initial application of SLFRS 16	-	-	-	-	-	-	3,079	3,079	(1,837)	1,242
<b>Adjusted Balance as at 01<sup>st</sup> April 2019</b>	362,611	8,128	-	4,439,040	30,785	167,080	1,678,421	6,686,065	1,947,496	8,633,561
Profit / (loss) for the year	-	-	-	-	(3,326)	-	(357,223)	(360,549)	(62,290)	(422,839)
Total other comprehensive income	-	-	-	999,746	-	-	754	1,000,500	384,999	1,385,498
<b>Total Comprehensive Income</b>	-	-	-	999,746	(3,326)	-	(356,469)	639,951	322,708	962,659
<b>Transaction with owners of the company, recognized directly in equity</b>										
Transfer of excess depreciation on revaluation	-	-	-	(69,230)	-	-	69,230	-	-	-
<b>Total transaction with owners of the company</b>	-	-	-	(69,230)	-	-	69,230	-	-	-
<b>Balance as at 31<sup>st</sup> March 2020</b>	362,611	8,128	-	5,369,557	27,459	167,080	1,391,181	7,326,015	2,270,205	9,596,220

For the Year ended 31<sup>st</sup> March 2019

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	FVOCI Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	Translation Reserve (Rs.'000')	General Reserves (Rs.'000')	Accumulated Profit / (Losses) (Rs.'000')	Total Equity (Rs.'000')	Minority Interest (Rs.'000')	Total Equity (Rs.'000')
<b>Balance as at 01<sup>st</sup> April 2017</b>	198,500	8,128	-	4,836,583	8,084	167,080	1,628,172	6,846,546	2,057,384	8,903,931
Profit / (loss) for the year	-	-	-	-	-	-	(56,213)	(56,213)	45,018	(11,195)
Other comprehensive income	-	-	-	(247,255)	3,141	-	829	(243,285)	(107,091)	(350,376)
<b>Total Comprehensive Income</b>	-	-	-	(247,255)	3,141	-	(55,384)	(299,498)	(62,073)	(361,571)
<b>Transaction with owners of the company, recognized directly in equity</b>										
Transfer of excess depreciation on revaluation	-	-	-	(71,514)	-	-	71,514	-	-	-
Effect of changes in holding percentage without change in control	-	-	-	(9,545)	(448)	-	(124,795)	(134,787)	134,787	-
Script dividend paid	164,111	-	-	-	-	-	(171,825)	(7,715)	-	(7,715)
Ordinary share dividend paid to minority	-	-	-	-	-	-	-	-	(17,591)	(17,591)
Dividends-(15% Cumulative preference shares)	-	-	-	-	-	-	-	-	(11)	(11)
<b>Total transaction with owners of the company</b>	164,111	-	-	(81,059)	(448)	-	(225,106)	(142,502)	117,185	(25,317)
<b>Balance as at 31<sup>st</sup> March 2018</b>	362,611	8,128	-	4,508,270	10,776	167,080	1,347,682	6,404,547	2,112,496	8,517,043
Adjustment on initial application of SLFRS 09	-	-	-	-	-	-	(5,130)	(5,130)	-	(5,130)
<b>Adjusted Balance as at 01<sup>st</sup> April 2018</b>	362,611	8,128	-	4,508,270	10,776	167,080	1,342,552	6,399,417	2,112,496	8,511,913
Profit / (loss) for the year	-	-	-	-	-	-	205,718	205,718	4,995	210,713
Other comprehensive income / (expense)	-	-	-	-	78,045	-	(194)	77,850	20,934	98,784
<b>Total Comprehensive Income</b>	-	-	-	-	78,045	-	205,524	283,569	25,929	309,497
<b>Transaction with owners of the company, recognized directly in equity</b>										
Transfer of excess depreciation on revaluation	-	-	-	(69,230)	-	-	69,230	-	-	-
Derecognition of investment in subsidiary	-	-	-	-	(58,036)	-	58,036	-	(171,490)	(171,490)
Dividends-(15% Cumulative preference shares)	-	-	-	-	-	-	-	-	(11)	(11)
Ordinary share dividend paid to minority	-	-	-	-	-	-	-	-	(17,591)	(17,591)
<b>Total transaction with owners of the company</b>	-	-	-	(69,230)	(58,036)	-	127,266	-	(189,092)	(189,092)
<b>Balance as at 31<sup>st</sup> March 2019</b>	362,611	8,128	-	4,439,040	30,785	167,080	1,675,341	6,682,986	1,949,333	8,632,318

Note : The above figures for the year ended 31<sup>st</sup> March 2020 are provisional and subject to Audit.  
 Figures in brackets indicate deductions.  
 All values are in Rupees Thousands unless otherwise stated.

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF CHANGES IN EQUITY - COMPANY**



For the Year ended 31<sup>st</sup> March 2020

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	FVOCI Reserve (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
<b>Balance as at 01<sup>st</sup> April 2018</b>	362,611	8,128	204,167	166,718	142,788	884,412
Profit / (loss) for the year	-	-	-	-	(35,366)	(35,366)
Other comprehensive income	-	-	-	-	490	490
<b>Total Comprehensive Income</b>	-	-	-	-	<b>(34,875)</b>	<b>(34,875)</b>
<b>Balance as at 31<sup>st</sup> March 2019</b>	362,611	8,128	204,167	166,718	107,912	849,536
Profit / (loss) for the year	-	-	-	-	(74,089)	(74,089)
Other Comprehensive Income	-	-	-	-	708	708
<b>Total Comprehensive Income</b>	-	-	-	-	<b>(73,381)</b>	<b>(73,381)</b>
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>362,611</b>	<b>8,128</b>	<b>204,167</b>	<b>166,718</b>	<b>34,531</b>	<b>776,155</b>

For the Year ended 31<sup>st</sup> March 2019

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	FVOCI Reserve (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
<b>Balance as at 01<sup>st</sup> April 2017</b>	198,500	8,128	205,239	166,718	355,060	933,645
Profit / (loss) for the year	-	-	-	-	(30,340)	(30,340)
<b>Other Comprehensive Income</b>						
Other comprehensive income	-	-	(1,072)	-	(148)	(1,220)
<b>Total Comprehensive Income</b>	-	-	<b>(1,072)</b>	-	<b>(30,488)</b>	<b>(31,560)</b>
<b>Transaction with owners of the company, recognized directly in equity</b>						
Script dividend paid	164,111	-	-	-	(171,825)	(7,715)
<b>Total transaction with owners of the company</b>	<b>164,111</b>	-	-	-	<b>(171,825)</b>	<b>(7,715)</b>
<b>Balance as at 31<sup>st</sup> March 2018</b>	362,611	8,128	204,167	166,718	152,747	894,371
Adjustment on initial application of SLFRS 09	-	-	-	-	(9,959)	(9,959)
<b>Adjusted Balance as at 01<sup>st</sup> April 2018</b>	362,611	8,128	204,167	166,718	142,788	884,412
Profit / (Loss) for the year	-	-	-	-	(35,366)	(35,366)
Other comprehensive income	-	-	-	-	490	490
<b>Total Comprehensive Income</b>	-	-	-	-	<b>(34,875)</b>	<b>(34,875)</b>
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>362,611</b>	<b>8,128</b>	<b>204,167</b>	<b>166,718</b>	<b>107,912</b>	<b>849,536</b>

Note : The above figures for the year ended 31<sup>st</sup> March 2020 are provisional and subject to Audit.

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

**CEYLON HOTELS CORPORATION PLC**  
**STATEMENT OF CASH FLOWS**



For the Year Ended 31 <sup>st</sup> March	Group		Company	
	2020 (Rs.'000')	2019 (Rs.'000')	2020 (Rs.'000')	2019 (Rs.'000')
<b>Profit/(loss) Before Tax from continue operations</b>	<b>(442,989)</b>	<b>256,424</b>	<b>(74,089)</b>	<b>(35,366)</b>
<b>Loss before income tax from discontinued operations</b>	<b>-</b>	<b>(13,116)</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) before income tax from continued operations</b>	<b>(442,989)</b>	<b>243,309</b>	<b>(74,089)</b>	<b>(35,366)</b>
<b>Adjustments for:</b>				
Depreciation on property, plant and equipment	191,447	211,609	7	4
Provision for retiring gratuity	4,005	4,169	1,220	1,247
Provision/(reversal) off for bad & doubtful debts	-	4,127	-	-
Provision for slow moving stocks	-	3	-	-
Lease rent equalisation charge	-	15,062	-	-
Loss on foreign currency transactions	-	68,883	-	-
Finance cost	211,115	217,604	81,103	74,480
Share of results of equity accounted investee	124,353	173,795	-	-
Interest income	(123,196)	(111,108)	(21,399)	(18,034)
Amortization of leasehold right over land	-	5,852	-	-
Amortization of intangible assets	6,317	9,667	-	-
Amortization of deferred conversion fee	-	1,932	-	-
Profit / (loss) on disposal of property, plant & equipment	38,057	(53)	-	-
Lease rent equalisation account - charged to the capital work in progress	-	3,765	-	-
Net Impairment for ECL impact under SLFRS 09	2,057	-	506	-
Gain on disposal and de-recognition of investment in subsidiary	-	(354,601)	-	-
Non-interest- bearing borrowings write off during the year	-	(1,802)	-	(1,522)
Dividend Received	-	-	-	(34,535)
Change in fair value of investment in Joint venture	105,433	-	7,225	9,805
Other income	1,182	-	(4,403)	-
<b>Operating profit before working capital changes</b>	<b>117,781</b>	<b>492,211</b>	<b>(9,829)</b>	<b>(3,920)</b>
(Increase) / Decrease in Inventories	12,282	(6,851)	-	-
(Increase) / Decrease in Trade debtors & other receivables	98,520	13,814	4,437	(4,558)
(Increase)/ Decrease in Amounts due from related companies	143,925	119,851	54,236	(54,354)
(Increase)/decrease in advances on pending capitalization	-	(269,955)	-	-
Increase / (Decrease) in Trade creditors & other payables	41,960	67,330	1,284	29
Increase/(decrease) in contract liabilities	9,645	4,331	-	-
Increase/ (Decrease) in amounts due to related companies	96,773	228,060	6,094	48,992
<b>Cash generated from operations</b>	<b>520,886</b>	<b>648,791</b>	<b>56,221</b>	<b>(13,811)</b>
Tax paid	(2,872)	(47,173)	-	(1,569)
Interest Paid	(174,894)	(205,583)	(81,103)	(74,480)
Other operating income	(1,182)	-	4,403	-
Retiring gratuity amount paid	(4,692)	(2,942)	(612)	(292)
<b>Net cash inflow from operating activities</b>	<b>337,246</b>	<b>393,093</b>	<b>(21,091)</b>	<b>(90,152)</b>
<b>Cash Flow from Investing Activities</b>				
Acquisition of property, plant & equipment	(30,503)	(48,346)	-	(15)
Proceeds from derecognition of investment in subsidiary	-	733,017	-	-
Interest Received	51,656	40,520	21,399	18,034
Investment in joint venture	-	(668,228)	-	-
Addition of intangible assets	-	(3,345)	-	-
Share Application Fund	(6,750)	-	-	-
Proceeds from sale of property plant & equipment	778	191	-	-
Share application fund	-	(35,528)	-	-
Dividend Income	-	-	-	34,535
<b>Net Cash flow from/(used in) investing activities</b>	<b>15,181</b>	<b>18,282</b>	<b>21,399</b>	<b>52,554</b>
<b>Net Cash Inflow/(Outflow) before financing activities</b>	<b>352,427</b>	<b>411,375</b>	<b>307</b>	<b>(37,597)</b>
<b>Cash Flow from/(used in) financing activities</b>				
Dividend paid to minority	-	(17,602)	-	-
Repayment / Increase in interest bearing borrowings	383,445	(270,738)	-	35,225
<b>Net Cash flow from (used in) financing activities</b>	<b>383,445</b>	<b>(288,340)</b>	<b>-</b>	<b>35,225</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>735,872</b>	<b>123,035</b>	<b>307</b>	<b>(2,372)</b>
Net Cash & cash equivalents at the beginning of the year	211,084	88,050	(782)	1,590
<b>Net Cash &amp; cash equivalents as at 31<sup>st</sup> March</b>	<b>946,956</b>	<b>211,084</b>	<b>(475)</b>	<b>(782)</b>
<b>Analysis of net Cash &amp; cash equivalents as at 31<sup>st</sup> March</b>				
Cash & cash equivalents	1,022,299	832,200	-	24
Bank overdrafts	(75,343)	(621,115)	(475)	(806)
<b>Net Cash &amp; cash equivalents as at 31<sup>st</sup> March</b>	<b>946,956</b>	<b>211,084</b>	<b>(475)</b>	<b>(782)</b>

Note : The above figures for the year ended 31<sup>st</sup> March 2020 are provisional and subject to Audit.  
Figures in brackets indicate deductions.  
All values are in Rupees Thousands unless otherwise stated.





**1. Basis of preparation**

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard (SLAS) LKAS 34-Interim Financial Reporting. These interim statements should be read in conjunction with the Annual financial statements for the year ended 31<sup>st</sup> March 2019.

**2. Accounting Policies**

The Accounting policies are in line with the policies published in the annual financial statements for the year ended 31<sup>st</sup> March 2019, except for the adoption of new standards effective as of 01<sup>st</sup> April 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**3 Impact due to the COVID – 19**

The COVID-19 pandemic and the containment measures taken (Globally) to prevent its spread, have impacted the Travel and Tourism Industry the hardest, with Global and Local travel coming to a grinding halt. The resultant impact of the pandemic on the business of the Company and its leisure assets is unprecedented, as it has affected all streams of income generation. Hotels of the Group were temporary closed during the months of April and May and reopened for guests except Suisse Hotel Kandy from mid- June'2020 adhering to guidelines issued by the Government of Sri Lanka to prevent the spread of the Virus.

Considering the global economic impact of the virus and its effect on the Group, adjustments have been made to certain reported balances as at 31<sup>st</sup> March 2020. The Group is closely monitoring the liquidity position of the company and its subsidiary and is availing itself of the concessions granted by lending institutions, while servicing other existing debt requirements and managing the working capital.

The Group has considered the "Guidance Notes on Accounting Considerations of the COVID 19 Outbreak (updated on 11th May 2020)" and "Frequently Asked Questions (FAQs) on Guidance Notes on Accounting Considerations of the COVID 19 Outbreak (updated on 11th May 2020)" issued by CA Sri Lanka, when preparing these financial statements.

**4 Going concern**

In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Group Companies and the appropriateness of the use of the going concern basis. In March 2020, The Company's businesses have been stress tested under multiple scenarios to determine their ability to sustain with available cash resources and banking facilities. In addition, multiple cost saving initiatives have been undertaken at each of the hotels and we have frozen all non-essential expenditure and have introduced stringent expense control measures.

Having presented the outlook to the Board of the Ceylon Hotels Corporation PLC, the Directors are satisfied that the Company, its subsidiary, have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these financial statements.

**Revaluation of Non Financial Assets**

Freehold land and Buildings of Group were revalued by Mr S Sivaskantha (FIV), Chartered Valuer considering the existitn use as the highest and best use of properties. Effective date of the valuation of the company and subsidiary were 31 March 2020. Surplus arised from the revaluation has adjusted in the revaluation reserve. The outbreak of Covid-19, declared by the World Health Organisation as a Global pandemic on 11 Marh 2020, has impacted both local and global markets. As of 31 March 2020, the pandemic condition continues to evolve and hence is considered too premature to reasonably assess and estimate its impact on the parket price. Therefore, the valuer has determined that the value of land and building reflected as at 31 March 2020 represents teh best estimate of fair value.

Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in their considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

## 5. New accounting standards and interpretations

### 5.1. SLFRS 16 - Leases

SLFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

### 5.2. Transition to SLFRS 16

The Company has applied SLFRS 16 from 01<sup>st</sup> April 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting SLFRS 16 was recognized as an adjustment to the opening balance of Retained Earnings at 01<sup>st</sup> April 2019, with no restatement of comparative information.

The following table summarizes the impact of transition to SLFRS 16 - "Leases" as at 01<sup>st</sup> April 2019.

	<b>Rs.'000</b>
<b>Assets</b>	
Right-of-use assets	13,340
<b>Impact to Total Assets</b>	<b>13,340</b>
<b>Equity</b>	
Retained earnings	1,242
	<b>1,242</b>
<b>Liabilities</b>	
Existing Lease Liability	(15,148)
Lease Liability as per SLFRS 16	27,245
	<b>12,097</b>
<b>Impact to Total Equity &amp; Liabilities</b>	<b>13,340</b>

### 5.3. Right of use Assets & Lease Liabilities

The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

## 6. Revenue

The Group has recorded a drop in revenue of 37% during the year ended 31<sup>st</sup> March 2020 compared to 31<sup>st</sup> March 2019. The primary reason for the decline in revenue is due to the challenging industry conditions faced in the immediate aftermath of the Easter Attacks in April 2019.

## 7. Investment in Subsidiaries and Joint ventures

The Kandy Hotels Company (1938) PLC, United Hotels Company Ltd, Tissa Resort (Pvt) Ltd, CHC Foods (Pvt) Ltd, Suisse Hotel (Pvt) Ltd, Ceylon Hotel Maldives (Pvt) Ltd, are subsidiaries of the company and Ceylon Holidays Holding (Pvt) Ltd, CHC Rest Houses (Pvt) Ltd, Suisse Hotel Kandy (Pvt) Ltd and Handhuvaru Ocean Holidays (Pvt) Ltd are joint ventures for the CHC Group.

## 8. Stated Capital

The number of shares representing the stated capital is 180,030,942 ordinary shares and 1,200,000 of 6% non cumulative preference shares as at 31<sup>st</sup> March 2020.

## 9. Operating Segment

A segment is a distinguishable component of an enterprise that is engaged in either providing products or services (Business Segment) or in providing products or services within a particular economic environment (Geographical Segment), which is subject to risks & rewards that are different from those of the segment. However, there are no distinguishable components to be identified as segment for the company.



**10. Contingent Liabilities**

a) There have not been any significant changes in the nature of contingent liabilities which were disclosed in the annual report for the year ended 31<sup>st</sup> March 2019, other than following guarantees issued during the year.

Subsidiary	In favour of	Amount - Rs.'000
United Hotels Co. Ltd	Commercial Bank PLC	3,750
The Kandy Hotels Co. (1938) PLC	Commercial Bank PLC	50,000
The Kandy Hotels Co. (1938) PLC	Sampath Bank PLC	595,500
United Hotels Co. Ltd	Commercial Bank PLC	78,750
United Hotels Co. Ltd	Cargills Bank Ltd	692,000
The Kandy Hotels Co. (1938) PLC	Commercial Bank	164,000

Subsidiary	In favour of	Amount - USD '000
United Hotels Co. Ltd	Cargills Bank Ltd	120

**11. Related Party Transactions**

The company carries out transactions in the ordinary course of its business and are at arm's length price with parties who are defined as related parties in LKAS 24 the details of which are reported below.

**For the Year ended 31<sup>st</sup> March**  
**In LKR '000**

	Note	Company 2020	2019
<b>i) Transactions with Subsidiary Companies</b>			
<b>The Kandy Hotels Company (1938) PLC (KHCL)</b>			
Expenses paid by company on behalf of KHCL	A	871	123
Interest Charged by KHCL	C	(79,225)	(73,318)
Settlement of Expenses paid by company on behalf of KHC		86,317	-
Temporary advance from KHC	B	(11,719)	(9,229)
<b>United Hotels Company Ltd (UHCL)</b>			
Temporary advance to UHCL	B	23,061	450
Expenses paid by company on behalf of UHCL	A	18,144	(2,922)
Settlement of Expenses paid by company on behalf of UHCL		(6,833)	-
Settlement of Related party balance		(68,534)	(36,008)
<b>CHC Foods (Pvt) Ltd</b>			
Temporary advance from CHC to CHC Food	B	32,700	8,470
Expenses paid by CHC on behalf of CHC Foods	A	6,266	-
Settlement of Expenses paid by CHC on behalf of CHC Foods		(1,712)	(9,976)
<b>Tissa Resort (Pvt) Ltd</b>			
Temporary advance to Tissa Resort	B	1,000	4,000
Expenses paid by CHC on behalf of Tissa Resort	A	2,944	6,300
Settlement of Expenses paid by CHC on behalf of Tissa Resort		(4,339)	-
Settlement of Related party balance		(9,000)	4,688
<b>ii) Transactions with Joint Venture Companies</b>			
<b>CHC Rest Houses (Pvt) Ltd (CHC RH)</b>			
Temporary advance to CHC RH	B	1,500	-
Expenses paid by CHC on behalf of CHC RH	A	6,194	505
Settlement of Expenses paid by CHC on behalf of CHC RH		(9,016)	2,250
<b>Ceylon Holiday Holdings (Pvt) Ltd</b>			
Temporary advance to Ceylon Holidays Holdings	B	6,909	35,439
<b>iii) Transactions with Ultimate parent company</b>			
<b>The Galle Face Hotel Co. Ltd (GFHCL)</b>			
Temporary advance from GFHCL	B	(3,250)	(4,150)
Settlement of Related party balance		2,000	-
<b>iv) Transactions with Affiliate company</b>			
<b>Ceylon Hotels Holdings (Pvt) Ltd (CHH)</b>			
Interest charged by company	C	21,399	18,034
Temporary advance to CHH	B	(75,181)	26,114

**Non recurrent Related Party Transactions**

There are no non-recurrent related party transactions for the year ended 31<sup>st</sup> March 2020.

**A) Transactions carried out in the ordinary course of business and charge at the face value of the expenses.**

**B) Temporary advances given in the ordinary course of business and no interest charge on the outstanding balances. Payable on demand and short term in nature.**

**C) Terms and conditions related to inter company borrowings/lendings :**

Company	Party	Repayment	Interest Rate
Kandy Hotels Company (1938) PLC	Lender	On Demand	AWDR p.a
Ceylon Hotel Corporation PLC	Borrower		
Ceylon Hotel Corporation PLC	Lender	On Demand	AWDR p.a
Ceylon Hotel Holdings (Pvt) Ltd	Borrower		

**12. Interest bearing loans & borrowings**

Companies of the Group received a capital and interest moratorium (from April 2019 to March 2020) on the existing term loan and overdrafts in accordance with the financial relief package announced by the Government to the Tourism industry.

**13. Subsequent events**

There were no material events taken place after the Balance Sheet date which would require adjustments or disclosure in the Interim Financial Statements.

**CEYLON HOTELS CORPORATION PLC**  
**SHARE INFORMATION**



1. The Public Share Holding as at 31<sup>st</sup> March 2020 - 51,531,383 (28.62%.)
2. Number of public share holders as at 31<sup>st</sup> March 2020 - 6,923.
3. Directors Share Holding as at 31<sup>st</sup> March 2020

Name of Director	Total
Mr. Lakshman Samarasinghe - Chairman	5,590
Mr. Sanjeev Gardiner	Nil
Mr. Priyantha Maddumage	1
Mr. Kuvera De Zoysa	Nil
Mr. Mangala Boyagoda	Nil
Mr. Kamantha Amarasekera	Nil
Mr. Wasantha Wimalaweera	Nil
Mr. Ajith Devasurendra	Nil
Mr. Ranil Pathirana	Nil
Mr. Shalike Karunasena	Nil

4. Top 20 Ordinary Shareholders as at 31<sup>st</sup> March 2020

Name	Position	No of Shares	%
National Development Bank PLC/ Ceylon Hotels Holdings (Pvt) Ltd	1	60,245,919	33.46
Ceylon Hotel Holdings (Pvt) Ltd	2	37,994,096	21.10
Employees Provident Fund	3	21,519,334	11.95
Rosewood (Pvt) Limited- Account No. 1	4	18,763,003	10.42
Seylan Bank PLC/ARRC Capital (Pvt) Ltd (Collateral)	5	10,791,878	5.99
Seylan Bank Ltd/The Galle Face Hotel Co .Ltd	6	10,365,500	5.76
Bank of Ceylon - No 2 A/C (BOC PTF)	7	5,008,269	2.78
National Savings Bank	8	3,975,017	2.21
Associated Electrical Corporation Limited	9	1,053,883	0.59
Hotel International (Pvt) Ltd	10	1,048,230	0.58
Mrs. C.A.D.S. Woodward	11	757,708	0.42
Mr. K. N. Karunaratne	12	515,022	0.29
Sithlanka (Pvt) Ltd	13	447,706	0.25
Seylan Bank PLC/ARRC Capital (Pvt) Ltd	14	267,178	0.15
Sunshine Holdings PLC	15	234,662	0.13
Rockport Limited	16	192,855	0.11
Mr. S. Abishek	17	148,572	0.08
Mr. S.M. Hassan Mohamed	18	139,146	0.08
Cocoshell Activated Carbon Co. Ltd	19	133,589	0.07
Asha Financial Services Ltd/Mr. C.N.Pakianathan	20	125,700	0.07
<b>Sub total</b>		<b>173,727,267</b>	<b>96.50</b>
Balance held by others		6,303,675	3.50
<b>Total number of shares</b>		<b>180,030,942</b>	<b>100.00</b>

5. Market Price per share for the quarter ended 31<sup>st</sup> March 2020

	2020 (Rs.)	2019 (Rs.)
Highest Market Price	<b>12.10</b>	13.60
Lowest Market Price	<b>8.30</b>	8.00
Last Traded Price	<b>8.50</b>	9.20

6. The float adjusted market capitalisation as at 31<sup>st</sup> March 2020 was Rs. 437,961,273/- with reference to the rule no. 7.6 (iv) of the listing rules of the Colombo Stock Exchange. As the float adjusted market capitalisation is less than Rs. 2.5 billion, Ceylon Hotels Corporation PLC complies under option 5 of the Listing Rules 7.13.1 (a) with the minimum public holding requirements.