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Waskaduwa Beach Resort PLC

Interim Financial Statements
For the Quarter Ended 30th June 2022

WASKADUWA BEACH RESORT PLC

CEO MESSAGE

Dear Shareholders,

It is with great pleasure that I share with you the interim financial statements of Waskaduwa Beach Resort PLC for the quarter ending 30th June 2022.

Overall, the Company recorded a revenue of Rs. 132 Mn (YoY 84%), Gross profit of Rs. 82 Mn (YoY 55%) and Loss After Tax Rs. 135 Mn for the quarter ending 30th June 2022. The hotel recorded 35% occupancy during the said quarter. Previous year's first quarter the hotel operated as a Intermediary care centre (ICC) in collaboration with Kings Hospitals Colombo and recorded a occupancy of 39 %.

However with the crisis situation in the country, most of the expenses and cost have increased sharply compared to previous year. Almost all food and beverage items increased over 300% and this has directly caused lower margins we had previously enjoyed since no major increase in selling price as we were unable to pass on most of the increases to the Srilankan travelers. Due to the lack of foreigners the company was not able to get the benefit of a higher exchange rate. Also with the continuous power cuts and shortage of fuel and also the increase in fuel prices, the hotel had to incur significant cost increase as generators had to be used on a daily basis for times ranging from 3 to 10 hours.

These factors have directly effected to the P&L of the Company hence Gross Profit margins dropped and at the same time operational expenses increasesd significantly for the quarter under review compared to previous year. Finance cost of the Company also increased drastically with the increase in interest rates over 100% compared to previous year.

Future Outlook

Eventhough inquiries for winter season is evident in the market most of our local and international agents are skeptical to confirm these bookings due to the current challengers faced by the industry stakeholders. Solutions need to be found to be addressed the fuel shortage immediately to convince international guests to decide travelling to srilanka. The Industry is expecting political stability in the country to ensure shortages of essencial commodities do not occur in the immediate future.

Thank You

Chandana Talwatte
Group CEO

WASKADUWA BEACH RESORT PLC

STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended 30th June			Year Ended 31st March
	2022 Unaudited Rs.	2021 Unaudited Rs.	Increase / (Decrease) %	Unaudited Rs.
Revenue from contract with customers	132,389,447	71,840,549	84%	350,847,137
Cost of sales	(49,919,053)	(18,560,933)	169%	(111,063,242)
Gross profit	82,470,394	53,279,616	55%	239,783,895
Other income and gains	473,944	4,279,495	-89%	9,883,725
Administrative expenses	(68,659,381)	(57,911,384)	19%	(238,709,552)
Operating expenses	(64,185,992)	(33,916,944)	89%	(182,496,818)
Selling and marketing expenses	(3,293,450)	(720,386)	357%	(6,434,909)
Operating loss	(53,194,485)	(34,989,603)	52%	(177,973,659)
Finance income	345,763	769,529	-55%	2,003,489
Finance expenses	(83,031,986)	(36,031,505)	130%	(159,009,019)
Loss before tax	(135,880,708)	(70,251,579)	93%	(334,979,189)
Income tax expenses	(82,983)	(185,710)	-55%	(572,997)
Net loss for the period	(135,963,691)	(70,437,289)	93%	(335,552,186)
Other comprehensive income/ (loss)				
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:				
Revaluation gain on land & building	-	-		-
Deferred tax effect on revaluation of land and building	-	-		-
Actuarial loss on defined benefit plan	-	-		(1,114,341)
Income tax effect on actuarial loss	-	-		156,008
Other comprehensive income for the year, net of tax	-	-		(958,333)
Total comprehensive loss for the year, net of tax	(135,963,691)	(70,437,289)		(336,510,519)
Basic/diluted loss per share	(0.24)	(0.13)		(0.60)

WASKADUWA BEACH RESORT PLC
STATEMENT OF FINANCIAL POSITION

As at	30.06.2022 Unaudited Rs.	31.03.2022 Unaudited Rs.
ASSETS		
Non current assets		
Property, plant and equipment	4,104,037,020	4,135,724,655
Intangible assets	222,640	312,641
	4,104,259,660	4,136,037,296
Current assets		
Inventories	32,771,474	19,618,132
Trade and other receivables	22,056,332	28,755,477
Advance and prepayments	9,416,255	18,488,035
Tax receivables	5,649,917	5,732,900
Cash and cash equivalents	26,492,387	26,581,767
	96,386,365	99,176,311
Total assets	4,200,646,025	4,235,213,607
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	2,901,702,750	2,901,702,750
Revaluation reserve	1,068,531,931	1,068,531,931
Accumulated losses	(2,319,309,489)	(2,183,345,798)
Total equity	1,650,925,192	1,786,888,883
Non-current liabilities		
Interest bearing loans and borrowings	1,705,916,314	1,808,998,458
Other Payable - Related Parties	47,038,187	28,561,494
Deferred tax liability	172,930,180	172,930,180
Retirement benefit obligation	11,545,461	11,099,398
	1,937,430,142	2,021,589,530
Current liabilities		
Trade and other payables	230,663,734	240,266,486
Interest bearing loans and borrowings	360,081,493	173,692,806
Contract liability	21,545,464	12,775,902
	612,290,691	426,735,194
Total equity and liabilities	4,200,646,025	4,235,213,607

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



D. C. A. Sanadanayake
Group Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board by,



E.P.A. Cooray
Director



S. A. Ameresekere
Director

15th August 2022
Colombo

WASKADUWA BEACH RESORT PLC

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01 April 2021	2,901,702,750	1,068,531,931	(1,846,841,546)	2,123,393,135
Loss for the period	-	-	(70,437,289)	(70,437,289)
Balance as at 30 June 2021	2,901,702,750	1,068,531,931	(1,917,278,835)	2,052,955,846
Balance as at 01 April 2022	2,901,702,750	1,068,531,931	(2,183,345,798)	1,786,888,883
Loss for the period	-	-	(135,963,691)	(135,963,691)
Balance as at 30 June 2022	2,901,702,750	1,068,531,931	(2,319,309,489)	1,650,925,192

Note

The above figures are not audited

WASKADUWA BEACH RESORT PLC

STATEMENT OF CASH FLOW

	Period ended 30.06.2022 Unaudited Rs.	Period ended 30.06.2021 Unaudited Rs.
Cash flows from / (used in) operating activities		
Net loss before income tax expenses	(135,880,708)	(70,251,579)
Adjustments for :		
Depreciation	36,315,292	36,165,872
Amortization of intangible assets	90,001	138,226
Provision for retirement benefit obligation	600,063	260,973
Finance income	(345,763)	(769,529)
Finance cost	83,031,986	36,031,505
Operating profit/(loss) before working capital changes	(16,189,129)	1,575,468
Decrease/(increase) in trade & other receivables	6,699,145	(3,029,894)
Increase in inventories	(13,153,342)	(2,478,379)
Decrease in other non-financial assets	9,071,780	9,695,171
Increase/(decrease) in contract liabilities	8,769,562	(688,458)
Decrease in trade & other payables	(13,562,630)	(3,080,234)
Cash generated from/(used in) operations	(18,364,614)	1,993,674
Retirement benefit obligation paid	(154,000)	(268,281)
Finance cost paid	(5,375,758)	(478,005)
Net cash generated from/(used in) operating activities	(23,894,372)	1,247,388
Cash flows from investing activities		
Acquisition of property, plant & equipment	(4,627,656)	(3,134,006)
Finance income received	193,845	4,622
Financed from related parties	17,531,239	-
Net cash from/(used in) investing activities	13,097,428	(3,129,384)
Cash flows from financing activities		
Financed from related parties	-	6,915,709
Net cash from financing activities	-	6,915,709
Net increase/(decrease) in cash and cash equivalents	(10,796,944)	5,033,713
Cash & cash equivalents at the beginning of the period	(86,101,550)	(131,368,518)
Cash and cash equivalents at the end of the period (Note A)	(96,898,494)	(126,334,806)
Note A		
Analysis of cash and cash equivalents		
Cash in hand and cash at bank	26,492,387	25,281,970
Bank overdraft	(123,390,881)	(151,616,776)
Total cash and cash equivalents	(96,898,494)	(126,334,806)

WASKADUWA BEACH RESORT PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 Corporate Information

Waskaduwa Beach Resort PLC, is a public limited liability company incorporated and domiciled in Sri Lanka and whose shares are listed on the Colombo Stock Exchange and publicly traded.

2 Approval of Financial Statements

The interim condensed financial statements of the company for the three months ended 30th June 2022 were authorised for issue by the Board of Directors on 15th August 2022.

3 Basis of preparation and Company's accounting policies

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting and also provide the information required by the Colombo Stock Exchange. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2021.

4 Events Subsequent to the Reporting Date

There have been no events subsequent to the reporting date, which require disclosure in the interim condensed financial statements.

5 Contingent Liabilities

There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2021.

6 Comparative Figures

Where necessary, comparative figures have been re-stated to conform with SLFRS/LKAS.

WASKADUWA BEACH RESORT PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

7 Share information

7.1 Basic loss per share

	Quarter ended 30 June	
	2022	2021
	Rs.	Rs.
Basic loss per share	(0.24)	(0.13)

7.2 Net assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at the reporting date.

As at	30.06.2022	30.06.2021
	Rs.	Rs.
Net assets per share	2.95	3.67

7.3 Market Price Per Share

For the quarter ended 30th June

	2022		2021	
	Date	Price (Rs.)	Date	Price (Rs.)
Highest	05.04.2022	2.30	29.06.2021	3.40
Lowest	09.05.2022	1.20	02.06.2021	2.70
Last Traded	30.06.2022	1.50	30.06.2021	3.00

7.4 Stated Capital

Stated capital is represented by the number of shares in issue as given below:

As at	30.06.2022		31.03.2022	
	Number	Rs.	Number	Rs.
Issued and fully-paid - ordinary shares	559,857,096	2,901,702,750	559,857,096	2,901,702,750

7.5 The percentage of the shares held by public as at 30th June 2022 was 17.17% (As at 30 June 2021 was 10.03%) comprising 2,911 shareholders (As at 30th June 2021 was 1,888 shareholders).

The Float Adjusted Market Capitalisation of the Company as at 30th June 2022 is Rs.144,205,668.00 and the Company falls under Option 2 of Rule 7.14.1 (b) of the Listing Rules of the Colombo Stock Exchange.

WASKADUWA BEACH RESORT PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

7.6 The number of shares held by the Board of Directors and CEO are as follows,

Director Name	As at 30.06.2022	As at 30.06.2021
Mr. E.P.A Cooray	-	-
Mr. D.S Jayaweera	-	-
Ms.V.S. F. Amunugama	-	-
Mr. S. A. Ameresekere	-	-
Mr. R. Seneviratne	-	-
Mr. J.M.B Pilimalawwe	-	-
Mr. S.D.De Mel	-	-
Chief Executive Officer		
Mr. P.C.B Thalwatte	-	-

7.7 Twenty Largest Ordinary Shareholders of the Company as follows;

No.	Shareholder	As at 30 June 2022	
		Rs.	%
1	Hikkaduwa Beach Resort PLC	463,719,984	82.83%
2	Hatton National Bank PLC/Ayenka Holdings (Pvt) Ltd	16,879,833	3.02%
3	Phantom Investments (Private) Limited	2,685,195	0.48%
4	Merchant Bank Of Sri Lanka & Finance PLC 01	2,000,000	0.36%
5	Mis B.C. Paliawadana	1,542,901	0.28%
6	Seylan Bank PLC/ Nalaka Harshajeeva Godahewa	1,500,000	0.27%
7	Merchant Bank Of Sri Lanka & Finance PLC/ W.P.A.M. Abesekara	1,463,580	0.26%
8	Mr K. Suriaarchchi	1,455,000	0.26%
9	Mis H.T.S. Soysa	1,400,000	0.25%
10	Hatton National Bank PLC/Ruwan Prassana Sugathadasa	1,350,000	0.24%
11	Mr H.A.K.N. Priyadharshana	1,276,937	0.23%
12	Mr C.W. Vandort	1,015,900	0.18%
13	Mr K.D.D. Kumara	733,283	0.13%
14	Mr H.A. Nasar	717,051	0.13%
15	Mr N.P.M. Murshid	674,979	0.12%
16	Mr S. Anuraj	664,018	0.12%
17	Mr M.N.M. Zackie	597,811	0.11%
18	People's Merchant Finance PLC/A L S Abeysundera	555,402	0.10%
19	Mr W.M.A. Priyanga	550,252	0.10%
20	Mr P.K.C.P. Samarasinghe	550,007	0.10%
		501,332,133	89.55%
	Others	58,524,963	10.45%
	Total	559,857,096	100.00%

CORPORATE INFORMATION

Name of Company	: Waskaduwa Beach Resort PLC
Legal Form	: Public Quoted Company with limited liability Incorporated in Sri Lanka.
Stock Exchange Listing	: The issued ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange of Sri Lanka.
Company Registration No.	: PB 4242 PQ
Registered Office	: No: 56/1, Kynsey Road, Colombo 08. Telephone : 0115755055 Fax : 0115 470000 E-mail : direct@citrusleisure.com Website : www.citrusleisure.com
Board of Directors	: Mr. E.P.A Cooray (Chairman) Mr. D.S Jayaweera Mr. S.A. Ameresekere Ms.V.S. F. Amunugama Mr. R. Seneviratne Mr.J.M.B Pilimalawwe Mr.S.D.De Mel
Chief Executive Officer	: Mr. P. C. B. Talwatte
Company Secretaries	: P W Corporate Secretarial (Pvt) Ltd. No.3/17, Kynsey Road, Colombo 08.
Auditors	: Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10.
Bankers	: Sampath Bank PLC Commercial Bank of Ceylon PLC Bank of Ceylon Hatton National Bank PLC Union Bank of Colombo PLC Peoples Bank