

**Interim Financial Statement
Twelve Months Ended 31st March 2013**

Ceylon Hotels Corporation PLC
A Member of the Galle Face Hotel 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

Mr. Lakshman Samarasinghe - Chairman
Mr. Sanjeev Gardiner
Dr. Dennis Aloysius
Mr. Priyantha Maddumage
Dr. Chrisantha Nonis
Mr. Kuvera De Zoysa
Mr. G.T.Kuttiarachchi
Mr. E.M.Mangala Boyagoda

Secretaries

Accounting Systems Secretarial Services (Pvt) Limited
02, Castle Lane, Colombo 04.

Registered Office

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

Auditors

KPMG Ford, Rhodes, Thornton & Co.
32A, Sir Mohamed Macan Markar Mw.,Colombo 03.

Hotel Reservations

Ceylon Hotels Corporation PLC
Regency Wing - Galle Face Hotel
02, Galle Road, Colombo 3
Tel: 011 5585858 Fax : 011 5345882
Email : sales@ceylonhotels.net
Website : www.ceylonhotels.lk

Ceylon Hotels Corporation PLC



BALANCE SHEET

As at	Group		Company	
	31.03.2013 (Rs. '000')	31.03.2012 (Rs. '000')	31.03.2013 (Rs. '000')	31.03.2012 (Rs. '000')
ASSETS				
Non- Current Assets				
Property, Plant & Equipment	8,290,691	7,866,201	677,379	551,959
Investments in Subsidiary Companies	-	-	41,956	41,956
Investments in Joint Venture	141,068	-	-	-
Investment Property	-	-	200,611	986,561
Intangible Assets	518,383	518,383	518,383	518,383
	8,950,142	8,384,584	1,438,330	2,098,860
Current Assets				
Inventories	71,538	59,330	-	-
Trade & Other Receivables	202,456	199,224	218,423	188,500
Cash & Cash Equivalents	322,478	66,194	3,561	7,444
	596,472	324,748	221,984	195,944
TOTAL ASSETS	9,546,614	8,709,333	1,660,313	2,294,804
EQUITY AND LIABILITIES				
Capital & Reserves				
Stated Capital	1,220,426	1,220,426	1,220,426	1,220,426
Reserves	4,816,819	4,880,416	585,132	606,512
Accumulated Losses	(252,070)	(191,765)	(924,405)	(390,758)
	5,785,174	5,909,077	881,153	1,436,179
Minority Interest	1,373,106	1,336,242	-	-
	1,373,106	1,336,242	-	-
Total Equity	7,158,280	7,245,320	881,153	1,436,179
Non Current Liabilities				
Interest Bearing Borrowings	1,204,002	443,175	203,490	238,570
Deferred Tax Liabilities	269,699	257,111	16,450	6,898
Employee Benefits	9,943	8,246	6,956	6,181
	1,483,643	708,531	226,896	251,649
Current Liabilities				
Trade and Other Payables	410,339	558,156	148,972	437,946
Interest Bearing Borrowings	379,460	89,599	319,363	76,439
Non Interest Bearing Borrowings	1,802	1,802	1,522	1,522
Bank Overdrafts	113,090	105,926	82,406	91,068
	904,692	755,483	552,263	606,976
TOTAL EQUITY AND LIABILITIES	9,546,614	8,709,333	1,660,313	2,294,804
Net Assets per Share (Rs.)	33.67	34.39	5.13	8.36

Note : The above figures for the Twelve Months ended 31st March 2013 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.

Financial Controller

Lakshman Samarasinghe
Chairman

Priyantha Maddumage
Director

Colombo, 27th May 2013

Ceylon Hotels Corporation PLC



INCOME STATEMENT

	Group				Company				Variance
	Three Months Ended 31st March		Twelve Months Ended 31st March		Three Months Ended 31st March		Twelve Months Ended 31st March		Year
	2013 (Rs.'000')	2012 (Rs.'000')	2013 (Rs.'000')	2012 (Rs.'000')	2013 (Rs.'000')	2012 (Rs.'000')	2013 (Rs.'000')	2012 (Rs.'000')	(Group) %
Revenue	383,513	310,287	1,085,065	924,299	10,433	25,068	45,015	227,424	17
Cost of Sales	(86,981)	(99,099)	(252,719)	(299,130)	-	(7,227)	-	(79,255)	16
Gross Profit	296,532	211,188	832,347	625,169	10,433	17,841	45,015	148,169	33
Other Operating Income	(27,493)	15,387	60,607	14,942	(455,018)	11,898	(415,891)	23,191	306
Administration Expenses	(233,865)	(182,960)	(749,438)	(501,590)	(31,034)	(63,733)	(110,822)	(177,300)	(49)
Marketing Expenses	(15,395)	(9,745)	(35,693)	(33,860)	(8)	(1,472)	(10)	(7,809)	(5)
Other Operating Expenses	(3,609)	(2,282)	(12,553)	(15,632)	(3)	(6)	(5)	(6,776)	20
Profit/(Loss)from Operations	16,170	31,587	95,270	89,029	(475,630)	(35,472)	(481,713)	(20,526)	7
Finance Expenses	(68,858)	(19,819)	(146,497)	(47,590)	(20,712)	(17,630)	(63,761)	(44,296)	(208)
Profit/(Loss) before Taxation	(52,688)	11,768	(51,227)	41,439	(496,342)	(53,102)	(545,475)	(64,822)	(224)
Income Tax Expenses	(16,679)	(1,981)	(33,780)	5,942	(9,552)	-	(9,552)	18,826	(668)
Net Profit/(Loss) after Tax	(69,367)	9,787	(85,006)	47,381	(505,894)	(53,102)	(555,027)	(45,996)	(279)
Minority Interest	(9,929)	(9,257)	(38,896)	(19,607)	-	-	-	-	(98)
Net Profit/(Loss)	(79,297)	530	(123,903)	27,774	(505,894)	(53,102)	(555,027)	(45,996)	(546)
Earnings/(Loss) per Share	(0.46)	0.00	(0.72)	0.16	(2.94)	(0.31)	(3.23)	(0.27)	(546)

Note : The above figures for the Twelve Months ended 31st March 2013 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

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
Balance as at 31st March 2010	1,220,426	8,128	462,152	166,718	(330,207)	1,527,217
Surplus on Revaluation of Investment Property	-	-	-	-	2,350	2,350
Deferred Tax impact due to reduction in tax rate	-	-	12,274	-	-	12,274
Transfers	-	-	(21,380)	-	21,380	-
Net Profit / (Loss) for the Year	-	-	-	-	(59,664)	(59,664)
Balance as at 31st March 2011	1,220,426	8,128	453,045	166,718	(366,142)	1,482,176
Transfers	-	-	(21,380)	-	21,380	-
Net Profit / (Loss) for the Period	-	-	-	-	(45,996)	(45,996)
Balance as at 31st March 2012	1,220,426	8,128	431,666	166,718	(390,758)	1,436,179
Transfers	-	-	(21,380)	-	21,380	-
Net Profit / (Loss) for the Period	-	-	-	-	(555,027)	(555,027)
Balance as at 31st March 2013	1,220,426	8,128	410,286	166,718	(924,405)	881,153

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')
Balance as at 31st March 2009	1,220,426	8,128	518,476	166,718	(399,085)	1,514,663
Prior Period Adjustment	-	-	(33,051)	-	84,796	51,745
Balance as at 31st March 2009 (restated)	1,220,426	8,128	485,424	166,718	(314,288)	1,566,408
Net Profit / (Loss) for the Year	-	-	-	-	(39,192)	(39,192)
Transfers	-	-	(21,165)	-	21,165	-
Adjustment on Disposal of Assets	-	-	(2,108)	-	2,108	-
Balance as at 31st March 2010	1,220,426	8,128	462,152	166,718	(330,207)	1,527,216
Surplus on Revaluation of Investment Property	-	-	-	-	2,350	2,350
Transfers	-	-	(21,380)	-	21,380	-
Net Profit/(Loss) for the Period	-	-	-	-	(59,664)	(59,664)
Deferred Tax Effect due to reduction in tax rate	-	-	12,274	-	-	12,274
Balance as at 31st March 2011	1,220,426	8,128	453,045	166,718	(366,141)	1,482,176
Transfers	-	-	(21,380)	-	21,380	-
Net Profit / (Loss) for the Period	-	-	-	-	(45,996)	(45,996)
Balance as at 31st March 2012	1,220,426	8,128	431,666	166,718	(390,758)	1,436,179

Note : The above figures for the Twelve Months ended 31st March 2013 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 - GROUP

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total (Rs.'000')	Minority Interest (Rs.'000')	Total Equity (Rs.'000')
Balance as at 31st March 2010	1,220,426	8,128	3,752,609	170,019	(362,694)	4,788,487	989,355	5,777,842
Surplus on Revaluation of Property, Plant & Equipm	-	-	1,082,159	-	-	1,082,159	331,493	1,413,651
Change in fair value on investment Property	-	-	-	-	2,350	2,350	-	2,350
Deferred Tax on Revaluation	-	-	(64,526)	-	-	(64,526)	(19,766)	(84,292)
Transfers	-	-	(36,594)	-	36,594	-	-	-
Deferred Tax impact due to reduction in tax rate	-	-	29,613	-	-	29,613	5,312	34,925
Net Profit / (Loss) for the Year	-	-	-	-	40,615	40,615	10,928	51,543
Acquisition of Subsidiary	-	-	-	-	-	-	0	0
Preference Share Dividends Paid	-	-	-	-	-	-	(33)	(33)
Balance as at 31st March 2011	1,220,426	8,128	4,763,261	170,019	(283,136)	5,878,699	1,317,287	7,195,985
Transfers to Retained Earnings	-	-	(63,597)	-	63,597	-	-	-
Deferred Tax effect on rate change	-	-	2,605	-	-	2,605	-	2,605
Net Profit / (Loss) for the Period	-	-	-	-	27,774	27,774	19,607	47,381
Ordinary Share Dividend paid	-	-	-	-	-	-	(619)	(619)
Preference Share Dividend paid	-	-	-	-	-	-	(33)	(33)
Balance as at 31st March 2012	1,220,426	8,128	4,702,269	170,019	(191,765)	5,909,077	1,336,242	7,245,320
Transfers to Retained Earnings	-	-	(63,597)	-	63,597	-	-	-
Net Profit / (Loss) for the Period	-	-	-	-	(123,903)	(123,903)	38,896	(85,006)
Ordinary Share Dividend paid	-	-	-	-	-	-	(2,032)	(2,032)
Balance as at 31st March 2013	1,220,426	8,128	4,638,672	170,019	(252,070)	5,785,174	1,373,106	7,158,280

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital (Rs.'000')	Capital Reserves (Rs.'000')	Revaluation Reserves (Rs.'000')	General Reserves (Rs.'000')	Accumulated Losses (Rs.'000')	Total Equity (Rs.'000')	Minority Interest (Rs.'000')	Total Equity (Rs.'000')
Balance as at 31st March 2009 (restated)	1,220,426	8,128	3,791,697	170,119	(361,390)	4,828,978	988,518	5,817,496
Net Profit / (Loss) for the Year	-	-	-	-	(39,973)	(39,973)	855	(39,118)
Reversal of Revaluation Reserve Disposed Assets	-	-	(2,108)	-	2,108	-	-	-
Transfer to / (from) Reserves	-	-	(36,980)	(100)	36,618	(461)	-	(461)
Preference Share Dividends	-	-	-	-	(57)	(57)	(18)	(75)
Balance as at 31st March 2010	1,220,426	8,128	3,752,609	170,019	(362,694)	4,788,487	989,355	5,777,842
Surplus on Revaluation of Property, Plant & Equipm	-	-	1,082,159	-	-	1,082,159	331,493	1,413,651
Change in fair value on investment Property	-	-	-	-	2,350	2,350	-	2,350
Impairment loss charged against revaluation reserve	-	-	-	-	-	-	-	-
Deferred Tax on Revaluation	-	-	(64,526)	-	-	(64,526)	(19,766)	(84,292)
Transfers	-	-	(36,594)	-	36,594	-	-	-
Deferred Tax impact due to reduction in tax rate	-	-	29,613	-	-	29,613	5,312	34,925
Net Profit / (Loss) for the Year	-	-	-	-	40,615	40,615	10,928	51,543
Acquisition of Subsidiary	-	-	-	-	-	-	0	0
Preference Share Dividends Paid	-	-	-	-	-	-	(33)	(33)
Balance as at 31st March 2011	1,220,426	8,128	4,763,261	170,019	(283,135)	5,878,698	1,317,287	7,195,984
Transfers to Retained Earnings	-	-	(63,597)	-	63,597	-	-	-
Deferred Tax effect on rate change	-	-	2,605	-	-	2,605	-	2,605
Net Profit / (Loss) for the Period	-	-	-	-	27,774	27,774	19,607	47,381
Ordinary Share Dividend paid	-	-	-	-	-	-	(619)	(619)
Preference Share Dividend paid	-	-	-	-	-	-	(33)	(33)
Balance as at 31st March 2012	1,220,426	8,128	4,702,269	170,019	(191,764)	5,909,076	1,336,242	7,245,320

Note : The above figures for the Twelve Months ended 31st March 2013 are provisional and subject to Audit.
 Figures in brackets indicate deductions.
 All values are in Rupees Thousands unless otherwise stated.

Ceylon Hotels Corporation PLC

Cash Flow Statement



	Group		Company	
For the Year Ended 31st March	2013 (Rs.'000')	2012 (Rs. '000')	2013 (Rs.'000')	2012 (Rs. '000')
Net Profit /(Loss) before Taxation	(51,227)	41,439	(545,475)	(64,822)
Adjustments for:				
Depreciation	156,127	142,595	52,600	61,364
Provision for Gratuity	4,681	843	3,280	390
Finance Cost	146,497	47,542	63,761	44,296
Loss on Transfer of PPE	-	-	-	-
Interest income	-	(473)	-	(193)
Amortization of lease hold right over land	2,554	2,554	2,554	2,554
Provision for Slow Moving Inventories	-	(204)	-	(211)
Provision for Bad & Doubtful Debts	1,473	25,162	1,886	9,516
Amortisation of Government Grant	-	(720)	-	(720)
ESC write off	-	1,614	-	1,614
Inventory written off	-	1,200	-	-
Loss on Disposal of Property Plant & Equipment	1,249	5,045	468,178	270
Other Operating Income	(60,607)	(15,387)	415,891	(23,191)
Operating Profit before Working Capital Changes	200,746	251,208	462,676	30,865
(Increase) / Decrease in Inventories	(12,207)	(8,647)	-	20,306
(Increase) / Decrease in Trade Debtors & Other Receivables	(3,231)	226,429	(29,923)	(95,835)
Increase / (Decrease) in Trade Creditors & Other Payables	(147,817)	(114,211)	(288,973)	116,504
Cash Generated from Operations	37,490	354,779	143,779	71,840
Income Tax Paid	(15,337)	(13,400)	-	-
Finance Expenses Paid	(146,497)	(47,078)	(63,761)	(44,104)
Other Operating Income	60,607	15,387	(415,891)	23,191
Gratuity Paid	(2,983)	(564)	(2,505)	(479)
Net Cash Inflow from Operating Activities	(66,720)	309,125	(338,379)	50,448
Cash Flow from/(used in) Investing Activities				
Acquisition of Property, Plant & Equipment	(592,266)	(290,403)	(75,737)	(78,588)
Dividend Paid	(2,032)	-	-	-
Interest Received	-	473	-	193
Investments Property	-	-	-	-
Proceeds From Disposal of Property Plant & Equipment	2,551	1,896	211,051	76
Investment in Shares / Deposits/Assets	(141,068)	-	-	-
Net Cash flow from/(used in) Investing Activities	(732,815)	(288,034)	135,314	(78,319)
Net Cash Inflow/(Outflow) before Financing Activities	(799,536)	21,092	(203,065)	(27,871)
Cash Flow from/(used in) Financing Activities				
Dividend paid to Minority	(2,032)	(653)	-	-
Repayment / Increase in Interest Bearing Borrowings	1,050,688	174,172	207,844	181,354
Net Cash flow from (used in) Financing Activities	1,048,656	173,519	207,844	181,354
Net Increase/(Decrease) in Cash & Cash Equivalents	249,120	194,611	4,778	153,484
Net Cash & Cash Equivalents at the beginning of the Period	(39,731)	(234,343)	(83,624)	(237,108)
Net Cash & Cash Equivalents as at 31st March	209,389	(39,731)	(78,846)	(83,624)
Analysis of Net Cash & Cash Equivalents as at 31st March				
Cash & Cash Equivalents	322,478	66,194	3,561	7,444
Bank Overdraft	(113,090)	(105,926)	(82,406)	(91,068)
Net Cash & Cash Equivalents as at 31st March	209,389	(39,731)	(78,846)	(83,624)

Note : The above figures for the Twelve Months ended 31st March 2013 are provisional and subject to Audit

Figures in brackets indicate deductions.

All values are in Rupees Thousands unless otherwise stated.

Ceylon Hotels Corporation PLC

SHARE INFORMATION



1. The Public Share Holding as at 31st March 2013 17.65%
2. Directors Share Holding as at 31st March 2013

Name of Director	Ledger	CDS	Total
Mr. Lakshman Samarasinghe - Chairman	131	2,894	3,025
Mr. Sanjeev Gardiner	Nil	Nil	Nil
Dr. Dennis Aloysius	Nil	10,069	10,069
Mr. Priyantha Maddumage	Nil	1	1
Dr. Chrisantha Nonis	Nil	Nil	Nil
Mr. Kuvera De Zoysa	Nil	Nil	Nil
Mr. Gunapala Tissakuttiarachchi	Nil	Nil	Nil
Mr. E.M. Mangala Boyagoda	Nil	Nil	Nil

3. Top 20 Ordinary Shareholders as at 31st March 2013

Name	Position	No of Shares	%
Ceylon Hotels Holdings (Pvt) Ltd	1	120,944,925	70.40
Employees Provident Fund	2	20,538,515	11.95
Seylan Bank Ltd/The Galle Face Hotel Co .Ltd	3	9,893,056	5.76
Bank of Ceylon - No 2	4	5,975,000	3.48
National Savings Bank	5	3,304,900	1.92
Mr Hamish Winston Mcdonald Woodward	6	723,173	0.42
Sampath Bank PLC/Capital Trust Holdings (Pvt) Ltd	7	360,955	0.21
Seylan Bank PLC/Mr. Arunasalam Sithampalam	8	320,800	0.19
Associated Electrical Corporation Limited	9	310,000	0.18
Mr. Kanishka Nuwan Karunaratne	10	284,600	0.17
Sithlanka (Pvt) Ltd	11	199,500	0.12
Seylan Bank PLC/Capital Trust Holdings (Pvt) Ltd	12	197,139	0.11
Mr. Vivendra Lintotawela	13	150,300	0.09
Mr. Derek Joseph De Silva Wijeyeratne	14	135,400	0.08
Mr. S.M.H. Mohamed	15	132,804	0.08
Cocoshell Activated Carbon Company Ltd	16	127,500	0.07
Waldock Mackenzie Ltd / Mr. M.S.F. Haque Waldock Mackenzie	17	126,300	0.07
Mr. Piyadasa Guruge	18	125,000	0.07
Mr. Premapala Pitipanaarachchi	19	125,000	0.07
Mc Larens Holdings Ltd	20	115,000	0.07
Sub total		164,089,867	95.51
Balance held by others		7,735,534	4.50
Total number of shares		171,825,401	100.00

NOTES

Market Price per Share for the quarter ended 31st March.

1)

	2013 (Rs.)	2012 (Rs.)
Highest Market Price	22.90	28.80
Lowest Market Price	16.80	16.20
Last Traded Price	16.80	22.90

2) The Number of Shares representing the Stated Capital is 171,825,401 Ordinary Shares and 1,200,000 6% non cumulative Preference Shares.

3) The Financial Statements have been prepared on the basis of the same Accounting Policies and the Methods applied for the Year Ended 31st March 2012, and are in compliance with SLAS 35.

4) The Kandy Hotels Company (1938) PLC is a subsidiary company of the company, United Hotels Co (Pvt) Ltd, CHC Foods (Pvt) Ltd, Air Line Services Ltd, Tissa Resort (Pvt) Ltd and CHC Rest Houses (Pvt) Ltd are wholly owned subsidiary companies of the company.

5) The Institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after 1st January 2012. However in accordance with the ruling issued by the Institute of Chartered Accountants of Sri Lanka on 'Comparative figures in the Interim Financial Statements', the company has adopted the second(2) alternative option as given in such ruling where by these Interim Financial Statements were prepared in accordance with the Sri Lanka Accounting Standards which existed immediately prior to 1st January 2012. The Company is in the process of adopting the new Sri Lanka Accounting Standards (SLFRS/LKAS) with effect from 1st April 2012 and the impact to the Statement of Comprehensive Income and Net Assets has not been determined yet due to the assessment in progress.

6) There have not been any significant changes in the nature of Contingent Liabilities which were disclosed in the Annual Report for the Year Ended 31st March 2012.

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

8) 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.

9) The assets of The Kandy Hotels Company (1938) PLC were revalued as at 31st March 2011, on an open market value for existing use basis by Mr.K.Arthur Perera, A.M.I.V (Sri Lanka), Incorporated Valuer. The surplus arising from the revaluation was transferred to the Revaluation Reserve.