

Browns Beach Hotels PLC

Interim Financial Statements - 1st Quarter
(for the three months ended 30th June 2016)



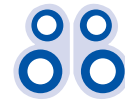
Income Statement

For the three months ended 30th June

	Group		Company	
	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000
Revenue	74,010	-	-	-
Revenue tax	(1,741)	-	-	-
Net Revenue	72,269	-		
Other operating income	61	-	1,226	1,226
Staff cost	(31,318)	(8,294)	(428)	(1,978)
Depreciation	(44,118)	(227)	(227)	(227)
Other Operating Expenses - Direct	(28,026)	-	-	-
Other Operating Expenses - Indirect	(57,249)	(4,847)	(729)	(1,929)
Profit/(Loss) from Operations	(88,381)	(13,368)	(158)	(2,908)
Finance income	5	154	-	154
Finance Expenses	(48,489)	-	-	-
Profit/(Loss) before income tax expense	(136,865)	(13,214)	(158)	(2,754)
Income tax expense	-	-	-	-
Profit/(Loss) for the period	(136,865)	(13,214)	(158)	(2,754)
Attributable to:				
Equity Holders of the Parent Company	(136,865)	(13,214)	(158)	(2,754)
Non Controlling interests	-	-	-	-
	(136,865)	(13,214)	(158)	(2,754)
Loss per share for the Period (Rs.) (Basic)	(1.06)	(0.10)	(0.01)	0.02

The above figures are provisional and subject to audit.

Colombo
11th August 2016



Statement of Comprehensive Income - Group

For the three months ended 30th June

	2016 Rs. '000	2015 Rs. '000
Profit/(Loss) for the period	(136,865)	(13,214)
Other Comprehensive Income		
Net change in fair value of available for sale financial assets	-	-
Total comprehensive income for the period net of tax	(136,865)	(13,214)
Attributable to:		
Equity Holders of the Parent	(136,865)	(13,214)
Non - controlling interests	-	-
	(136,865)	(13,214)

Statement of Comprehensive Income - Company

For the three months ended 30th June

	2016 Rs. '000	2015 Rs. '000
Profit/(Loss) for the period	(158)	(2,754)
Other Comprehensive Income		
Net change in fair value of available for sale financial assets	-	-
Total comprehensive income for the period net of tax	(158)	(2,754)

The above figures are provisional and subject to audit.



Consolidated Statement of Financial Position

As at	30.06.2016 Rs. '000	30.06.2015 Rs. '000	31.03.2016 Rs. '000
ASSETS			
Non Current Assets			
Property, plant and equipment	5,785,607	4,521,748	5,635,284
Deferred tax assets	38	38	38
	5,785,645	4,521,786	5,635,322
Current Assets			
Inventories	17,650	40	2,504
Trade and other receivables	23,304	5,044	-
Deposits & prepayments	20,584	65,647	5,642
Amount due from related parties	888	-	-
Cash & cash equivalent	17,173	16,898	13,135
Total Current Assets	79,599	87,629	21,281
TOTAL ASSETS	5,865,244	4,609,415	5,656,603
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Stated capital	2,383,449	2,383,449	2,383,449
Revaluation reserve	840,807	840,807	840,807
Reserve	10,000	10,000	10,000
Retained earnings	71,984	303,006	208,849
	3,306,240	3,537,262	3,443,105
Non controlling interest	-	-	-
Total Equity	3,306,240	3,537,262	3,443,105
Non-Current Liabilities			
Interest - bearing borrowings	2,220,482	946,000	1,969,482
Employee benefits	1,985	1,113	1,513
	2,222,467	947,113	1,970,995
Current Liabilities			
Trade Creditors	46,417	-	-
Other payables	156,152	122,604	142,387
Amount due to related parties	17,480	2,436	3,103
Interest - bearing borrowings	96,960	-	96,960
Income tax payable	53	-	53
Short-term bank borrowings	19,475	-	-
	336,537	125,040	242,503
Total Liabilities	2,559,004	1,072,153	2,213,498
TOTAL EQUITY AND LIABILITIES	5,865,244	4,609,415	5,656,603
Net Asset Value per Share (Rs.)	25.51	27.30	26.56

The above figures are provisional and subject to audit.

The Chief Financial Officer certifies that the financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.

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

D. H. S. Jayawardena
Chairman

J. M. S. Brito
Director

J. I. P. Gunawardana
Chief Financial Officer



Company Statement of Financial Position

As at	30.06.2016 Rs. '000	30.06.2015 Rs. '000	31.03.2016 Rs. '000
ASSETS			
Non Current Assets			
Property, plant and equipment	856,754	857,661	856,980
Investment in subsidiaries	2,700,000	2,200,000	2,700,000
Deferred tax assets	38	38	38
	3,556,792	3,057,699	3,557,018
Current Assets			
Inventories	-	41	-
Other receivables	-	5,044	-
Deposits & prepayments	1,599	1,643	2,206
Amount due from related parties	31,219	532,411	31,617
Cash & cash equivalents	6,019	10,863	6,205
Total Current Assets	38,837	550,002	40,028
TOTAL ASSETS	3,595,629	3,607,701	3,597,046
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Stated capital	2,383,449	2,383,449	2,383,449
Revaluation reserve	840,807	840,807	840,807
Reserve	10,000	10,000	10,000
Retained earnings	357,817	369,811	357,975
Total Equity	3,592,073	3,604,067	3,592,231
Non-Current Liabilities			
Employee benefits	351	358	351
	351	358	351
Current Liabilities			
Other payables	2,186	2,214	2,207
Amount due to related parties	966	1,062	2,204
Income tax payable	53	-	53
	3,205	3,276	4,464
Total Liabilities	3,556	3,634	4,815
TOTAL EQUITY AND LIABILITIES	3,595,629	3,607,701	3,597,046
Net Asset Value per Share (Rs.)	27.72	27.81	27.72

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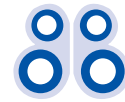
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D. H. S. Jayawardena
Chairman

J. M. S. Brito
Director

J. T. P. Gunawardana
Chief Financial Officer

Colombo
11th August 2016



Statement of Changes in Equity

For the three months ended 30th June 2016

GroupAttributable to the Equity Holders of the parent.....					Minority Interest Rs.'000	Total Equity Rs.'000
	Stated Capital Rs.'000	Revaluation Reserve Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000		
Balance as at 1st April 2015	2,383,449	840,807	10,000	316,221	3,550,477	-	3,550,477
Net Profit/(Loss) for the period	-	-	-	(13,214)	(13,214)	-	(13,214)
Total Comprehensive Income	-	-	-	(13,214)	(13,214)	-	(13,214)
Share Issue Expenses	-	-	-	-	-	-	-
Balance as at 30th June 2015	2,383,449	840,807	10,000	303,007	3,537,263	-	3,537,263
Balance as at 1st April 2016	2,383,449	840,807	10,000	208,849	3,443,105	-	3,443,105
Net Profit/(Loss) for the period	-	-	-	(136,865)	(136,865)	-	(136,865)
Total Comprehensive Income	-	-	-	(136,865)	(136,865)	-	(136,865)
Balance as at 30th June 2016	2,383,449	840,807	10,000	71,984	3,306,240	-	3,306,240

Company

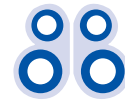
	Stated Capital Rs.'000	Revaluation Reserve Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	Total Equity Rs.'000
Balance as at 1st April 2015	2,383,449	840,807	10,000	372,565	3,606,821
Net Profit/(Loss) for the period	-	-	-	(2,754)	(2,754)
Total Comprehensive Income	-	-	-	(2,754)	(2,754)
Balance as at 30th June 2015	2,383,449	840,807	10,000	369,811	3,604,067
Balance as at 1st April 2016	2,383,449	840,807	10,000	357,975	3,592,231
Net Profit/(Loss) for the period	-	-	-	(158)	(158)
Total Comprehensive Income	-	-	-	(158)	(158)
Balance as at 30th June 2016	2,383,449	840,807	10,000	357,817	3,592,073



Cash Flow Statement

For the three months ended

	Group		Company	
	30.06.2016 Rs. '000	30.06.2015 Rs. '000	30.06.2016 Rs. '000	30.06.2015 Rs. '000
Profit/(Loss) before income tax expense	(136,865)	(13,214)	(158)	(2,754)
Adjustments for				
Depreciation on property, plant & equipment	44,118	227	227	227
Interest income	(5)	(154)	-	(154)
Provision for Retiring benefit obligations	472	-	-	-
Operating (Loss) before working capital changes	(92,280)	(13,141)	69	(2,681)
(Increase)/Decrease in inventories	(15,146)	(25)	-	(26)
(Increase)/Decrease in other receivables	(23,294)	(20,207)	(128)	(20,206)
(Increase)/Decrease in deposits & prepayments	(14,942)	466	607	466
(Increase)/Decrease in amount due from related parties	(888)	-	397	(3,233)
Increase/(Decrease) in other payables	60,181	471	(21)	213
Increase/(Decrease) in amount due to related parties	14,377	443	(1,238)	155
Cash generated/(Used) from operations	(71,992)	(31,993)	(314)	(25,312)
Net cash flow from operating activities	(71,992)	(31,993)	(314)	(25,312)
Cash Flow from Investing Activities				
Addition to capital work in progress/PPE	(194,440)	(268,416)	-	-
Interest received	(5)	19,767	128	19,766
Net cash flow from/(used in) investing activities	(194,445)	(248,649)	128	19,766
Cash flow from financing activities				
Proceeds from long term borrowings	251,000	281,000	-	-
Net cash flow from/(used in) financing activities	251,000	281,000	-	-
Net Increase in Cash & Cash Equivalents	(15,437)	357	(186)	(5,547)
Cash and cash equivalents as at the beginning of the period	13,135	16,541	6,205	16,410
Cash and cash equivalents as at the end of the period	(2,302)	16,898	6,019	10,863
Analysis of cash and cash equivalents at the end of the period				
Cash at bank and in hand	17,173	16,898	6,019	10,863
Bank Overdraft	(19,475)	-	-	-
	(2,302)	16,898	6,019	10,863



Notes to the Interim Financial Statements

1. The Financial statements of the Company and those consolidated with such for the interim period have been prepared using same accounting policies and methods of computation as in the most recent audited financial statements and are in compliance with LKAS 34-Interim Financial Reporting.

The consolidated financial statements comprise the accounts of Browns Beach Hotels PLC, and its fully owned subsidiary Negombo Beach Resort (Pvt) Ltd.

2. The presentation and classification of the financial statements of the previous year have been amended where relevant to be comparable with those of the current period.
3. Browns Beach Hotel ceased its operations on 31st March 2011 to facilitate the construction of a new resort. The new hotel construction work was done under, Negombo Beach Resort (Pvt) Ltd. which is a fully owned subsidiary of Browns Beach Hotels PLC.
4. Negombo Beach Resort (Pvt) Ltd, (Heritage Negombo) commenced its commercial operations on 2nd April 2016.
5. There were no material events subsequent to the end of the interim period which require disclosure in the interim financial statements.
6. There was no liability to management fees or any other similar expenditure not provided for in the interim financial statements.
7. There were no material changes in contingent liabilities and contingent assets which were disclosed in the financials for the year ended 31st March 2016.

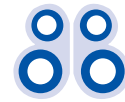
8. Share Information

	For the Quarter Ended		Year Ended
	30.06.2016	30.06.2015	31.03.2016
	Rs. Cts.	Rs. Cts.	Rs. Cts.
Market Price per share			
Highest	36.50	23.00	33.90
Lowest	28.60	18.80	25.00
Last Traded	29.00	23.00	32.50
Number of shares represented by the stated capital	129,600,000	129,600,000	129,600,000

9. Percentage of shares held by the public as at 30th June 2016 is 9.20% and number of public shareholders was 2,287.

10. The number of shares held by the Directors as at 30th June 2016 are as follows:

Name of Director	Position	No of Shares	No of Shares
		30.06.2016	30.06.2015
1. Deshamanya D.H.S. Jayawardena	Chairman	-	-
2. Mr. M.V. Theagarajah	Director	18,003	18,003
3. Mr. J.M.S. Brito	Director	-	-
4. Ms. D.S.T. Jayawardena	Director	-	-
5. Mr. N.J. de S. Deva Aditya	Director	-	-
6. Mr. R.N. Asirwatham	Director	-	-
7. Mr. A.L. Gooneratne	Director	-	-
		18,003	18,003



Notes to the Interim Financial Statements

11. Twenty largest shareholders as at 30th June 2016.

Name of the Shareholder	No of Shares	%
Melstacorp Limited	54,273,234	41.877
Aitken Spence Hotel Holdings PLC	47,455,750	36.617
Stassen Exports Limited	12,730,620	9.823
Elgin Investments Limited	1,623,330	1.253
Lanka Milk Foods (CWE) Limited	1,251,558	0.966
H. W. M. Woodward	1,000,000	0.772
Milford Exports (Ceylon) (Pvt) Limited	768,960	0.593
S.S.A.M. De Silva	470,000	0.363
Aitken Spence Hotels Limited	432,459	0.334
Heritance (Private) Limited	432,444	0.334
V. R. Jayasinghe	419,998	0.324
F. A. A. Mack	365,000	0.282
Kandalama Hotels Ltd	306,450	0.236
A. Sithampalam	295,130	0.228
C. S. Silvapulle	246,200	0.190
I. K. Amerasinghe	222,689	0.172
P. P. Thevarajah	223,722	0.173
W. P. S. Weerasinghe	211,866	0.163
S. D. Weveldeniya	183,250	0.141
P. A. Anil	182,710	0.141



DIRECTORS

Deshamanya D. H. S. Jayawardena (*Chairman*)
M. V. Theagarajah F.C.M.A., F.C.I.A.A., F.I.Mgt.
J. M. S. Brito LL.B., F.C.A., M.B.A.
D. S. T. Jayawardena
N. J. de S. Deva Aditya
A. L. Gooneratne F.C.A
R. N. Asirwatham F.C.A

SECRETARIES

P. W. Corporate Secretarial (Pvt) Ltd
3/17, Kynsey Road, Colombo 8.
Tel: (9411) 4640360-3
Fax: (9411) 4740588

COMPANY REGISTRATION NUMBER

PQ 202

REGISTERED OFFICE

315, Vauxhall Street,
Colombo 02.