

Aitken Spence

**Interim Statement**

*for the three months ended 30th June 2014*

Aitken Spence<sup>®</sup> 

**Aitken Spence PLC**

## INCOME STATEMENTS

	Group		Company	
	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000
<i>For the three months ended 30th June</i>				
<b>Revenue</b>	<b>10,325,362</b>	8,015,037	<b>188,039</b>	176,977
Revenue tax	<b>(118,192)</b>	(115,778)	<b>(2,815)</b>	(3,234)
<b>Net revenue</b>	<b>10,207,170</b>	7,899,259	<b>185,224</b>	173,743
Other operating income	<b>292,732</b>	163,581	<b>458,016</b>	242,574
Changes in inventories of finished goods and work-in-progress	<b>41,200</b>	78,477	–	–
Raw materials and consumables used	<b>(3,682,060)</b>	(2,524,304)	–	–
Employee benefits expense	<b>(1,406,570)</b>	(1,096,002)	<b>(101,903)</b>	(89,778)
Depreciation and amortisation	<b>(360,005)</b>	(343,115)	<b>(16,129)</b>	(15,415)
Other operating expenses-direct	<b>(2,395,508)</b>	(1,978,080)	–	–
Other operating expenses-indirect	<b>(1,427,587)</b>	(1,045,202)	<b>(72,009)</b>	(65,801)
<b>Profit from operations</b>	<b>1,269,372</b>	1,154,614	<b>453,199</b>	245,323
Finance income	<b>182,893</b>	201,917	<b>117,093</b>	176,573
Finance expenses	<b>(264,794)</b>	(375,006)	<b>(106,465)</b>	(134,269)
<b>Net finance income / (expense)</b>	<b>(81,901)</b>	(173,089)	<b>10,628</b>	42,304
Share of profit of equity-accounted investees (net of tax)	<b>28,619</b>	26,491	–	–
<b>Profit before tax</b>	<b>1,216,090</b>	1,008,016	<b>463,827</b>	287,627
Income tax expenses	<b>(190,069)</b>	(154,948)	<b>(333)</b>	(316)
<b>Profit for the period</b>	<b>1,026,021</b>	853,068	<b>463,494</b>	287,311
<b>Attributable to:</b>				
Equity holders of the parent	<b>746,859</b>	666,942	<b>463,494</b>	287,311
Non-controlling interests	<b>279,162</b>	186,126	–	–
<b>Profit for the period</b>	<b>1,026,021</b>	853,068	<b>463,494</b>	287,311
<b>Earnings per share</b>				
Basic/Diluted (Rs.)	<b>1.84</b>	1.64	<b>1.14</b>	0.71

The above figures are subject to audit.

## STATEMENTS OF COMPREHENSIVE INCOME

<i>For the three months ended 30th June</i>	<b>Group</b>		<b>Company</b>	
	<b>2014</b> <b>Rs.'000</b>	<b>2013</b> <b>Rs.'000</b> <b>(Re-stated)</b>	<b>2014</b> <b>Rs.'000</b>	<b>2013</b> <b>Rs.'000</b>
<b>Profit for the period</b>	<b>1,026,021</b>	853,068	<b>463,494</b>	287,311
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	<b>(8,776)</b>	146,569	–	–
Net change in fair value of available-for-sale financial assets	<b>1,342</b>	2,105	<b>(422)</b>	(747)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	<b>(11,089)</b>	1,817	<b>(6,212)</b>	–
Share of other comprehensive income of equity-accounted investees	–	230	–	–
<b>Other comprehensive income for the period, net of tax</b>	<b>(18,523)</b>	150,721	<b>(6,634)</b>	(747)
<b>Total comprehensive income for the period</b>	<b>1,007,498</b>	1,003,789	<b>456,860</b>	286,564
<b>Attributable to:</b>				
Equity holders of the parent	<b>730,165</b>	765,078	<b>456,860</b>	286,564
Non-controlling interests	<b>277,333</b>	238,711	–	–
<b>Total comprehensive income for the period</b>	<b>1,007,498</b>	1,003,789	<b>456,860</b>	286,564

*The above figures are subject to audit.*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.06.2014 Rs.'000	31.03.2014 Rs.'000 (Re-stated)	01.04.2013 Rs.'000 (Re-stated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	28,322,748	25,065,484	23,796,518
Investment property	1,648,300	1,648,300	1,661,596
Intangible assets	591,320	605,521	356,440
Leasehold property	1,444,994	1,461,100	1,463,930
Pre-paid operating leases	1,007,233	1,010,249	980,731
Finance lease receivables	2,239,184	2,245,884	2,325,091
Investments in equity-accounted investees	2,833,568	2,826,550	2,590,713
Deferred tax assets	224,008	225,083	226,271
Other financial assets	374,663	387,248	462,117
	<u>38,686,018</u>	<u>35,475,419</u>	<u>33,863,407</u>
<b>Current assets</b>			
Inventories	1,636,096	1,731,696	1,880,351
Finance lease receivables	112,491	146,948	168,964
Trade and other receivables	9,856,467	9,799,382	10,525,361
Current tax receivable	245,370	243,910	182,589
Deposits and prepayments	1,663,719	1,268,381	1,258,077
Other financial assets	10,060,108	10,570,990	6,773,033
Cash and short-term deposits	4,752,142	2,931,674	2,453,706
	<u>28,326,393</u>	<u>26,692,981</u>	<u>23,242,081</u>
Assets classified as held for sale	149,125	149,125	149,125
<b>Total Assets</b>	<u>67,161,536</u>	<u>62,317,525</u>	<u>57,254,613</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Stated capital	2,135,140	2,135,140	2,135,140
Reserves	13,867,962	13,884,656	12,695,793
Retained earnings	16,173,629	16,238,762	13,222,324
	<u>32,176,731</u>	<u>32,258,558</u>	<u>28,053,257</u>
Non-controlling interests	7,057,511	7,208,930	6,029,302
<b>Total Equity</b>	<u>39,234,242</u>	<u>39,467,488</u>	<u>34,082,559</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	9,988,520	7,312,336	6,216,851
Deferred tax liabilities	652,628	641,615	501,411
Employee benefits	639,229	629,341	483,704
	<u>11,280,377</u>	<u>8,583,292</u>	<u>7,201,966</u>
<b>Current liabilities</b>			
Interest bearing liabilities	1,763,239	1,626,693	1,363,236
Provisions	404,098	462,771	277,103
Trade and other payables	7,968,243	6,858,598	7,985,981
Current tax payable	614,335	600,709	512,738
Final dividend declared	811,992	-	-
Other financial liabilities	-	-	-
Bank overdrafts and other short-term borrowings	5,085,010	4,717,974	5,831,030
	<u>16,646,917</u>	<u>14,266,745</u>	<u>15,970,088</u>
<b>Total Equity and Liabilities</b>	<u>67,161,536</u>	<u>62,317,525</u>	<u>57,254,613</u>
<b>Net Assets per share (Rs.)</b>	<b>79.25</b>	79.46	69.10

The above figures are 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. 7 of 2007.

Sgd.  
D.H.S. Jayawardena  
Chairman

Sgd.  
J.M.S. Brito  
Managing and Finance Director

Sgd.  
Ms. N. Sivapragasam  
Chief Financial Officer

Colombo,  
07th August 2014

## COMPANY STATEMENT OF FINANCIAL POSITION

<i>As at</i>	<b>30.06.2014</b>	<b>31.03.2014</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	150,685	143,967
Investment property	3,439,256	3,439,945
Intangible assets	47,112	53,059
Investments in subsidiaries and joint ventures - unquoted	5,583,951	5,583,951
Investments in subsidiaries - quoted	2,458,287	2,458,287
Investments in equity-accounted investees	165,000	165,000
Other financial assets	169,151	181,878
	<u>12,013,442</u>	<u>12,026,087</u>
<b>Current assets</b>		
Inventories	2,809	2,167
Trade and other receivables	3,152,100	2,768,751
Current tax receivable	224,382	215,560
Deposits and prepayments	28,234	44,151
Other financial assets	4,384,870	4,274,439
Cash and short-term deposits	160,566	62,504
	<u>7,952,961</u>	<u>7,367,572</u>
Assets classified as held for sale	57,237	57,237
<b>Total Assets</b>	<u>20,023,640</u>	<u>19,450,896</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Stated capital	2,135,140	2,135,140
Reserves	6,350,470	6,357,104
Retained earnings	4,088,648	4,437,146
<b>Total Equity</b>	<u>12,574,258</u>	<u>12,929,390</u>
<b>Non-current liabilities</b>		
Interest bearing liabilities	3,174,736	3,426,394
Employee benefits	91,366	86,426
	<u>3,266,102</u>	<u>3,512,820</u>
<b>Current liabilities</b>		
Interest bearing liabilities	554,756	371,837
Trade and other payables	2,519,495	2,324,439
Final dividend declared	811,992	-
Bank overdrafts and other short-term borrowings	297,037	312,410
	<u>4,183,280</u>	<u>3,008,686</u>
<b>Total Equity and Liabilities</b>	<u>20,023,640</u>	<u>19,450,896</u>
<b>Net Assets per share (Rs.)</b>	<b>30.97</b>	<b>31.85</b>

*The above figures are 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. 7 of 2007.*

Sgd.  
D.H.S. Jayawardena  
Chairman

Sgd.  
J.M.S. Brito  
Managing and Finance Director

Sgd.  
Ms. N. Sivapragasam  
Chief Financial Officer

Colombo,  
07th August 2014

## STATEMENT OF CHANGES IN EQUITY

### GROUP

For the three months ended 30th June 2014

	Attributable to equity holders of the parent						Retained earnings	Total	Non-controlling interests	Total equity
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve				
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 01st April 2014 (Re-stated) *</b>	2,135,140	127,521	6,390,190	6,541,269	818,882	6,794	16,238,762	32,258,558	7,208,930	39,467,488
Profit for the period	–	–	–	–	–	–	746,859	746,859	279,162	1,026,021
Other comprehensive income for the period	–	–	–	–	(6,947)	(9,747)	–	(16,694)	(1,829)	(18,523)
<b>Total comprehensive income for the period</b>	–	–	–	–	(6,947)	(9,747)	746,859	730,165	277,333	1,007,498
Dividends for 2013/2014	–	–	–	–	–	–	(811,992)	(811,992)	–	(811,992)
Dividends paid by subsidiary companies to minority shareholders	–	–	–	–	–	–	–	–	(428,752)	(428,752)
<b>Total contributions and distributions, recognised directly in equity</b>	–	–	–	–	–	–	(811,992)	(811,992)	(428,752)	(1,240,744)
<b>Balance as at 30th June 2014</b>	<b>2,135,140</b>	<b>127,521</b>	<b>6,390,190</b>	<b>6,541,269</b>	<b>811,935</b>	<b>(2,953)</b>	<b>16,173,629</b>	<b>32,176,731</b>	<b>7,057,511</b>	<b>39,234,242</b>

For the three months ended 30th June 2013

	Attributable to equity holders of the parent						Retained earnings	Total	Non-controlling interests	Total equity
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve				
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 01st April 2013 (Re-stated) *</b>	2,135,140	127,521	6,359,580	5,478,094	707,064	23,534	13,222,324	28,053,257	6,029,302	34,082,559
Profit for the period	–	–	–	–	–	–	666,942	666,942	186,126	853,068
Other comprehensive income for the period	–	–	–	–	94,201	3,935	–	98,136	52,585	150,721
<b>Total comprehensive income for the period</b>	–	–	–	–	94,201	3,935	666,942	765,078	238,711	1,003,789
Effect of acquisitions, disposals and change in percentage holding in subsidiaries	–	–	–	–	–	–	6,006	6,006	35,019	41,025
Dividends for 2012/2013	–	–	–	–	–	–	(608,994)	(608,994)	–	(608,994)
Dividends paid by subsidiary companies to minority shareholders	–	–	–	–	–	–	–	–	(77,204)	(77,204)
<b>Total contributions and distributions, recognised directly in equity</b>	–	–	–	–	–	–	(602,988)	(602,988)	(42,185)	(645,173)
<b>Balance as at 30th June 2013</b>	<b>2,135,140</b>	<b>127,521</b>	<b>6,359,580</b>	<b>5,478,094</b>	<b>801,265</b>	<b>27,469</b>	<b>13,286,278</b>	<b>28,215,347</b>	<b>6,225,828</b>	<b>34,441,175</b>

\* Refer note 8 of the financial statements.

## STATEMENT OF CHANGES IN EQUITY

### COMPANY

For the three months ended 30th June 2014

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance as at 01st April 2014</b>	2,135,140	6,363,478	(6,374)	4,437,146	12,929,390
Profit for the period	–	–	–	463,494	463,494
Other comprehensive income for the period	–	–	(6,634)	–	(6,634)
<b>Total comprehensive income for the period</b>	–	–	(6,634)	463,494	456,860
Dividends for 2013/2014	–	–	–	(811,992)	(811,992)
<b>Balance as at 30th June 2014</b>	<b>2,135,140</b>	<b>6,363,478</b>	<b>(13,008)</b>	<b>4,088,648</b>	<b>12,574,258</b>

For the three months ended 30th June 2013

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance as at 01st April 2013</b>	2,135,140	6,332,868	(3,898)	4,669,527	13,133,637
Profit for the period	–	–	–	287,311	287,311
Other comprehensive income for the period	–	–	(747)	–	(747)
<b>Total comprehensive income for the period</b>	–	–	(747)	287,311	286,564
Dividends for 2012/2013	–	–	–	(608,994)	(608,994)
<b>Balance as at 30th June 2013</b>	<b>2,135,140</b>	<b>6,332,868</b>	<b>(4,645)</b>	<b>4,347,844</b>	<b>12,811,207</b>

## CASH FLOW STATEMENTS

<i>For the three months ended 30th June</i>	<b>Group</b>		<b>Company</b>	
	<b>2014</b> <b>Rs. '000</b>	<b>2013</b> <b>Rs. '000</b> <b>(Re-stated)</b>	<b>2014</b> <b>Rs. '000</b>	<b>2013</b> <b>Rs. '000</b>
<b>Cash flow from operating activities</b>				
Net profit before taxation	<b>1,216,090</b>	1,008,016	<b>463,827</b>	287,627
<b>Adjustments for</b>				
Depreciation and amortisation	<b>360,005</b>	343,115	<b>16,129</b>	15,416
Interest expense	<b>230,576</b>	360,418	<b>103,095</b>	134,073
Gain on disposal of property plant & equipment	<b>(5,057)</b>	(4,665)	<b>–</b>	–
Gain on disposal of available-for-sale financial assets reclassified from equity	<b>(11,089)</b>	(26,438)	<b>(6,212)</b>	–
Interest income	<b>(182,893)</b>	(201,917)	<b>(117,093)</b>	(176,573)
Share of equity-accounted investees' profit after tax	<b>(28,619)</b>	(26,491)	<b>–</b>	–
Impairment of trade & other receivables	<b>13,747</b>	17,749	<b>–</b>	–
Net foreign exchange gain	<b>(1,115)</b>	(79,939)	<b>(1,076)</b>	(12,192)
Provision for retirement benefit obligations	<b>36,546</b>	31,037	<b>4,940</b>	4,148
	<b>412,101</b>	412,869	<b>(217)</b>	(35,128)
<b>Operating profit before working capital changes</b>	<b>1,628,191</b>	1,420,885	<b>463,610</b>	252,499
(Increase)/decrease in trade and other receivables	<b>(70,832)</b>	831,546	<b>(383,349)</b>	(92,229)
(Increase)/decrease in inventories	<b>95,600</b>	(162,695)	<b>(642)</b>	(350)
(Increase)/decrease in deposits & prepayments	<b>(395,338)</b>	170,218	<b>15,917</b>	(20,157)
Increase/(decrease) in trade and other payables	<b>1,109,644</b>	(779,974)	<b>195,056</b>	154,803
Increase/(decrease) in provisions	<b>(58,673)</b>	63,224	<b>–</b>	–
	<b>680,401</b>	122,319	<b>(173,018)</b>	42,067
<b>Cash generated from / (used in) operations</b>	<b>2,308,592</b>	1,543,204	<b>290,592</b>	294,566
Interest paid	<b>(227,915)</b>	(360,418)	<b>(100,433)</b>	(134,073)
Income tax paid	<b>(160,145)</b>	(69,760)	<b>(9,155)</b>	(19,538)
Retirement benefit obligations paid	<b>(27,268)</b>	(7,629)	<b>–</b>	–
	<b>(415,328)</b>	(437,807)	<b>(109,588)</b>	(153,611)
<b>Net cash flow from operating activities</b>	<b>1,893,264</b>	1,105,397	<b>181,004</b>	140,955
<b>Cash flow from investing activities</b>				
Interest received from deposits	<b>184,347</b>	201,917	<b>121,586</b>	173,526
Purchase of equity and debt securities	<b>(218)</b>	–	<b>–</b>	–
Purchase of property, plant and equipment	<b>(3,747,482)</b>	(264,469)	<b>(16,211)</b>	(1,185)
Purchase of intangible assets	<b>–</b>	(221)	<b>–</b>	(52)
Proceeds from disposal of property, plant and equipment	<b>149,058</b>	36,995	<b>–</b>	–
Receipts of finance lease receivables	<b>34,050</b>	33,209	<b>–</b>	–
Proceeds from sale of equity and debt securities	<b>27,424</b>	295,183	<b>19,905</b>	11,927
Proceeds/(purchase) of other financial assets & liabilities (net)	<b>495,968</b>	(1,390,584)	<b>(122,524)</b>	(417,870)
Dividends and dividend taxes paid by subsidiary companies to outside shareholders	<b>(428,752)</b>	(77,204)	<b>–</b>	–
Dividends received from equity-accounted investees	<b>21,600</b>	–	<b>–</b>	–
<b>Net cash flow from investing activities</b>	<b>(3,264,005)</b>	(1,165,174)	<b>2,756</b>	(233,654)



## CASH FLOW STATEMENTS – CONTD.

<i>For the three months ended 30th June</i>	<b>Group</b>		<b>Company</b>	
	<b>2014</b> <b>Rs. '000</b>	<b>2013</b> <b>Rs. '000</b> <b>(Re-stated)</b>	<b>2014</b> <b>Rs. '000</b>	<b>2013</b> <b>Rs. '000</b>
<b>Cash flow from financing activities</b>				
Proceeds from interest bearing liabilities	<b>3,185,510</b>	44,031	–	–
Repayment of interest-bearing liabilities	<b>(362,776)</b>	(388,155)	<b>(67,500)</b>	(15,000)
<b>Net cash flow from financing activities</b>	<b>2,822,734</b>	(344,124)	<b>(67,500)</b>	(15,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,451,993</b>	(403,901)	<b>116,260</b>	(107,699)
Cash and cash equivalents at the beginning of the period (Note A)	<b>(1,784,861)</b>	(3,320,778)	<b>(252,731)</b>	(24,802)
<b>Cash and cash equivalents at the end of the period</b>	<b>(332,868)</b>	(3,724,679)	<b>(136,471)</b>	(132,501)
<b>Cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand & deposits	<b>4,752,142</b>	1,581,866	<b>160,566</b>	165,431
Short-term bank borrowings	<b>(5,085,010)</b>	(5,306,545)	<b>(297,037)</b>	(297,932)
<b>Cash and cash equivalent at the end of the period</b>	<b>(332,868)</b>	(3,724,679)	<b>(136,471)</b>	(132,501)
<b>Note A</b>				
<b>Cash and cash equivalents at the beginning of the period</b>				
Cash at bank and in hand & deposits	<b>2,931,674</b>	2,453,706	<b>62,504</b>	62,885
Short-term bank borrowings	<b>(4,717,974)</b>	(5,831,030)	<b>(312,410)</b>	(99,881)
<b>Cash and cash equivalent as previously reported</b>	<b>(1,786,300)</b>	(3,377,324)	<b>(249,906)</b>	(36,996)
Effect of exchange rate changes	<b>1,439</b>	56,546	<b>(2,825)</b>	12,194
<b>Cash and cash equivalent as restated</b>	<b>(1,784,861)</b>	(3,320,778)	<b>(252,731)</b>	(24,802)

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Segment analysis

#### 1.1 Segment analysis of Group revenue and profit

For the three months ended 30th June	Tourism sector		Maritime cargo logistics sector		Strategic investments		Services sector		Total	
	2014 Rs. '000	2013 Rs. '000 (Re-stated)	2014 Rs. '000	2013 Rs. '000 (Re-stated)	2014 Rs. '000	2013 Rs. '000 (Re-stated)	2014 Rs. '000	2013 Rs. '000 (Re-stated)	2014 Rs. '000	2013 Rs. '000 (Re-stated)
Total revenue generated	3,991,720	3,780,701	2,096,112	1,509,077	5,020,876	3,616,282	246,879	241,150	11,355,587	9,147,210
Inter - segmental revenue	13,202	20,520	88,193	71,609	55,532	85,881	56,707	51,915	213,634	229,925
Intra-segmental revenue	436,400	550,567	54,964	43,173	12,935	22,100	7,202	7,199	511,501	623,039
Total revenue with equity-accounted investees	3,542,118	3,209,614	1,952,955	1,394,295	4,952,409	3,508,301	182,970	182,036	10,630,452	8,294,246
Share of equity-accounted investees' revenue	—	—	(132,333)	(124,600)	(172,757)	(154,609)	—	—	(305,090)	(279,209)
<b>Revenue from external customers</b>	<b>3,542,118</b>	<b>3,209,614</b>	<b>1,820,622</b>	<b>1,269,695</b>	<b>4,779,652</b>	<b>3,353,692</b>	<b>182,970</b>	<b>182,036</b>	<b>10,325,362</b>	<b>8,015,037</b>
Profit from operations	646,931	606,099	171,846	112,255	395,667	360,049	54,928	76,211	1,269,372	1,154,614
Finance income	98,813	74,396	11,137	13,821	68,954	108,458	3,989	5,242	182,893	201,917
Finance expenses	(70,453)	(62,830)	(14,834)	(14,447)	(177,047)	(295,519)	(2,460)	(2,210)	(264,794)	(375,006)
Share of profit of equity- accounted investees (net of tax)	2,325	14,079	15,127	18,570	14,942	(2,185)	(3,775)	(3,973)	28,619	26,491
<b>Profit before tax</b>	<b>677,616</b>	<b>631,744</b>	<b>183,276</b>	<b>130,199</b>	<b>302,516</b>	<b>170,803</b>	<b>52,682</b>	<b>75,270</b>	<b>1,216,090</b>	<b>1,008,016</b>
Income tax expense	(143,552)	(108,590)	(34,709)	(22,730)	(3,570)	(8,826)	(8,238)	(14,802)	(190,069)	(154,948)
<b>Profit for the year</b>	<b>534,064</b>	<b>523,154</b>	<b>148,567</b>	<b>107,469</b>	<b>298,946</b>	<b>161,977</b>	<b>44,444</b>	<b>60,468</b>	<b>1,026,021</b>	<b>853,068</b>

#### 1.2 Segment analysis of Group assets

Segment assets	Tourism sector		Maritime cargo logistics sector		Strategic investments		Services sector		Total	
	30.06.14 Rs. '000	31.03.14 Rs. '000 (Re-stated)	30.06.14 Rs. '000	31.03.14 Rs. '000 (Re-stated)	30.06.14 Rs. '000	31.03.14 Rs. '000 (Re-stated)	30.06.14 Rs. '000	31.03.14 Rs. '000 (Re-stated)	30.06.14 Rs. '000	31.03.14 Rs. '000 (Re-stated)
Segment assets	30,626,621	26,725,540	7,241,457	7,178,928	22,853,823	21,949,348	2,959,121	2,990,213	63,681,022	58,844,029
Investments in equity -accounted investees	1,342,818	1,340,495	617,421	623,894	768,943	754,001	104,386	108,160	2,833,568	2,826,550
Goodwill on consolidation	—	—	—	—	—	—	—	—	497,821	497,821
Assets classified as held for sale	—	—	—	—	—	—	—	—	149,125	149,125
<b>Total assets</b>	<b>31,969,439</b>	<b>28,066,035</b>	<b>7,858,878</b>	<b>7,802,822</b>	<b>23,622,766</b>	<b>22,703,349</b>	<b>3,063,507</b>	<b>3,098,373</b>	<b>67,161,536</b>	<b>62,317,525</b>

- The Financial Statements of the company and those consolidated with such for the interim period have been prepared on the same basis as the most recent audited financial statements and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.
- A first & final ordinary dividend of Rs. 2.00 per share for the year ended 31st March 2014 was paid on 09th July 2014, after it was approved at the Annual General Meeting on the 30th June 2014. The total dividend payment for the year ended 31st March 2014 amounted to Rs. 811,992,090.
- During the period under review Aitken Spence Hotel Management (South India) Private Limited, a subsidiary company purchased a 143 room five star hotel property in Chennai for a consideration of US\$ 25 million.
- There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.
- During the period under review there were no material change in the nature of contingent liabilities disclosed in the annual report for the year ended 31st March 2014.
- The accounting policies adopted by the Group are consistent with those adopted in the previous financial year except for changes described in note 8. These changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31st March 2015.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 8. Changes in accounting policies

#### 8.1. SLFRS 10 - Consolidated financial statements

With the adoption of SLFRS 10 in Sri Lanka with effect from 1st January 2014, the Group changed its accounting policy for determining whether an investee is a subsidiary based on the definition of control. The Group considers that control exists when the Company has power over an investee; has exposure or rights to variable returns from its involvement with the investee and when it has ability to use its power over the investee to affect the amount of the Company's returns.

With the adoption of SLFRS 10, the Group reassessed the control conclusion for its investees and changed the control conclusion for Aitken Spence Travels Ltd and its subsidiaries, Shipping & Cargo Logistics (Pvt) Ltd., Spence Maldives (Pvt) Ltd., Ace Aviation Services Maldives (Pvt) Ltd., Aitken Spence Garments Ltd., and MMBL Money Transfer (Pvt) Ltd., and treated them as subsidiaries based on de facto circumstances. These investees where applicable were previously accounted for as Joint Ventures using proportionate consolidation method.

#### 8.2. SLFRS 11 - Joint arrangements

With the adoption of SLFRS 11 in Sri Lanka, the Group changed its accounting policy for its interests in joint arrangements. Under SLFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group re-evaluated its involvement in its joint arrangements and identified the investments in Ace Bangladesh Ltd., Delta Shipping (Pvt) Ltd., Colombo International Nautical & Engineering College., and Aitken Spence C & T Investments (Pvt) Ltd., as joint ventures. Application of this standard impacted the Group financial statements by replacing proportionate consolidation of these companies with the equity method of accounting.

Changes to the basis of accounting of the companies mentioned in 8.1 and 8.2 above were applied with retrospective effect as per the transitional provisions under the relevant standards.

#### 8.3. SLFRS 12 - Disclosure of interests in other entities

SLFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Non of these disclosure requirements are applicable for interim financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made such disclosures.

#### 8.4. SLFRS 13 - Fair value measurement

SLFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other SLASs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Application of this standard has not materially impacted the fair value measurements carried out by the Group.

#### 8.5. Summary of quantitative impact

The following tables summarise the material impacts for the comparative periods resulting from the above changes in accounting policies on the Group's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

(a) Impact on consolidated income statement for the three months ended 30th June 2013.

	Application of SLFRS 10 Rs. '000	Application of SLFRS 11 Rs. '000
<b>Revenue</b>	682,180	(304,363)
Revenue tax	(455)	1,471
<b>Net revenue</b>	681,725	(302,892)
Other operating income	17,467	(698)
Changes in inventories of finished goods and work-in-progress	40,505	–
Raw materials and consumables used	(87,283)	–
Employee benefits expense	(81,091)	29,222
Depreciation amortisation and impairment expense	(9,853)	6,142
Other operating expenses-direct	(438,961)	208,157
Other operating expenses-indirect	(54,262)	41,772
<b>Profit from operations</b>	68,247	(18,297)
Finance income	(1,264)	(940)
Finance expenses	6,232	2,297
Net finance income / (expense)	4,968	1,357
Share of profit of equity-accounted investees (net of tax)	–	14,597
<b>Profit before tax</b>	73,215	(2,343)
Income tax expenses	(6,969)	2,343
<b>Net Profit for the period</b>	66,246	–
<b>Attributable to:</b>		
Equity holders of the parent	–	–
Minority interest	66,246	–
<b>Profit for the period</b>	66,246	–

(b) Impact on consolidated statements of financial position

	As at 31.03.2014		As at 01.04.2013	
	Application of SLFRS 10 Rs. '000	Application of SLFRS 11 Rs. '000	Application of SLFRS 10 Rs. '000	Application of SLFRS 11 Rs. '000
Property, plant & equipment	204,505	(359,942)	194,505	(439,767)
Investment property	–	(89,274)	–	–
Intangible assets	2,504	(299,583)	3,399	(301,015)
Investments in equity-accounted investees	–	732,054	–	659,508
Deferred tax assets	5,062	–	4,124	–
Inventories	93,734	(1,438)	56,327	(699)
Trade and other receivables	537,554	(50,839)	577,049	(24,315)
Current tax receivable	2,694	(14)	1,685	(14)
Deposits and prepayments	213,902	(5,209)	134,063	(5,829)
Other financial assets	52,444	(69,026)	48,137	(39,267)
Cash and short-term deposits	204,306	(1,146)	273,975	(38,263)
<b>Total Assets</b>	1,316,705	(144,417)	1,293,264	(189,661)
Interest bearing liabilities	23,980	(41,838)	14,370	(49,727)
Deferred tax liabilities	4,579	(2,450)	4,574	(7,906)
Employee benefits	65,803	(12,878)	49,272	(12,958)
Trade and other payables	359,024	(76,879)	374,426	(102,083)
Current tax payable	7,716	(4,800)	14,899	(3,399)
Other financial liabilities	–	–	–	–
Bank overdrafts and other short-term borrowings	166,379	(5,572)	255,865	(13,588)
<b>Total Liabilities</b>	627,481	(144,417)	713,406	(189,661)
Non-controlling interests	689,224	–	579,858	–
<b>Total Equity</b>	689,224	–	579,858	–

There is no material impact on interim consolidated other comprehensive income and cash flows.

## NON FINANCIAL INFORMATION

30.06.2014

### 1. Stated Capital

Number of shares represented by the stated capital (31.03.2014 - 405,996,045)	405,996,045
Percentage of shares held by the Public	38.78%

### 2. Shares Traded

Market Price per Share - Last traded (Rs.)	103.00
Market Price per Share - Highest (Rs.)	106.30
Market Price per Share - Lowest (Rs.)	95.50

### 3. Share Holding of Directors

The number of shares held by the Board of Directors are as follows ;

Name of Director	Position	30.06.2014	31.03.2014
1 D. H. S. Jayawardena	Chairman	Nil	Nil
2 J. M. S. Brito	Deputy Chairman/ Managing Director	304,495	304,495
3 R. M. Fernando	Director	Nil	Nil
4 M. P. Dissanayake	Director	Nil	Nil
5 D. S. T. Jayawardena	Director	27,839	27,839
6 G.C. Wickremasinghe	Director	7,308,240	7,308,240
7 C. H. Gomez	Director	Nil	Nil
8 N. J. de Silva Deva Aditya	Director	Nil	Nil
9 V. M. Fernando	Director	Nil	Nil
10 R. N. Asirwatham	Director	1,000	1,000

### 4. Substantial Shareholdings

The twenty largest shareholding as at 30th June 2014, are as follows ;

Name of the Shareholder	Share Holding	%
1 Melstacorp (Private) Limited	166,826,598	41.09
2 Rubicond Enterprises Limited	65,990,145	16.25
3 HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	33,145,934	8.16
4 HSBC International Nominees Limited -BPSS LDN- Aberdeen Asia Pacific Equity Fund	17,192,300	4.24
5 Mr. G.C. Wickremasinghe	7,308,240	1.80
6 Employees Provident Fund	6,922,452	1.71
7 HSBC International Nominees Limited -BP2S Luxembourg-Aberdeen Global-Frontier Markets Equity Fund	6,780,000	1.67
8 HSBC International Nominees Limited- SSBT-Aberdeen Institutional Commingled funds, LLC	5,795,500	1.43
9 Placidrange Holdings Limited	5,521,500	1.36
10 HSBC International Nominees Limited -BP2S London-Aberdeen New Dawn Investment Trust Xcc6	4,503,555	1.11
11 Milford Exports (Ceylon) (Private) Limited	4,321,500	1.06
12 HSBC International Nominees Limited -BP2S London-Aberdeen Asia Smaller Companies Investment Trust	3,400,000	0.84
13 Stassen Exports Limited	3,244,500	0.80
14 Ms. A.T. Wickremasinghe	3,211,975	0.79
15 Ms. K. Fernando	3,135,070	0.77
16 Mellon Bank N.A.-Florida Retirement System	3,100,000	0.76
17 Mr. G.Wickremasinghe	3,019,090	0.74
18 Employees Trust Fund Board	2,621,870	0.65
19 Seylan Bank PLC/ARC Capital (Pvt) Limited	1,989,009	0.49
20 HSBC International Nominees Limited -BP2S London-Aberdeen Asia Pacific and Japan Equity Fund	1,790,000	0.44

## **CORPORATE INFORMATION**

*as at 30th June 2014*

### **DIRECTORS**

Deshamanya D. H. S. Jayawardena - Chairman

Mr. J.M.S. Brito - Managing and Finance Director

Dr. R. M. Fernando

Dr. M. P. Dissanayake

Miss. D.S.T. Jayawardena

Mr. G. C. Wickremasinghe

Mr. C. H. Gomez

Mr. V. M. Fernando

Mr. N. J. de Silva Deva Aditya

Mr. R. N. Asirwatham

Mr. A. L. Gooneratne (Alternate Director to Mr. N.J. de Silva Deva Aditya)

### **SECRETARY**

Mr. R. E. V. Casie Chetty

### **REGISTERED OFFICE**

Aitken Spence Tower II

315, Vauxhall Street,

Colombo 02,

Sri Lanka.