

Aitken Spence

Interim Statement

for the nine months ended 31st December 2017

Aitken Spence[®] 

Aitken Spence PLC

CONSOLIDATED INCOME STATEMENTS

	Quarter ended 31st December		Nine months ended 31st December	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Revenue	12,253,429	13,141,502	36,152,024	30,526,392
Revenue taxes	(164,141)	(138,285)	(404,507)	(350,175)
Net revenue	12,089,288	13,003,217	35,747,517	30,176,217
Other operating income	131,784	288,627	609,617	308,133
Changes in inventories of finished goods and work-in-progress	151,209	215,959	70,555	154,619
Raw materials and consumables used	(2,198,875)	(3,653,849)	(8,597,917)	(8,343,114)
Employee benefits expense	(2,098,119)	(1,846,608)	(6,052,356)	(5,179,769)
Depreciation, amortisation and impairment of non-financial assets	(650,925)	(697,573)	(1,963,640)	(1,688,527)
Other operating expenses-direct	(4,110,687)	(4,112,392)	(10,702,845)	(7,769,484)
Other operating expenses-indirect	(1,684,169)	(1,706,581)	(5,268,850)	(4,408,372)
Profit from operations	1,629,506	1,490,800	3,842,081	3,249,703
Finance income	209,980	180,800	576,404	529,971
Finance expenses	(402,727)	(453,441)	(1,316,508)	(1,201,637)
Net finance expense	(192,747)	(272,641)	(740,104)	(671,666)
Share of profit of equity-accounted investees (net of tax)	38,205	197,883	174,416	292,896
Profit before tax	1,474,964	1,416,042	3,276,393	2,870,933
Income tax expenses	(300,362)	(203,472)	(775,310)	(625,774)
Profit for the period	1,174,602	1,212,570	2,501,083	2,245,159
Attributable to:				
Equity holders of the company	812,239	870,096	1,750,912	1,659,583
Non-controlling interests	362,363	342,474	750,171	585,576
Profit for the period	1,174,602	1,212,570	2,501,083	2,245,159
Earnings per share - Basic/Diluted (Rs.)	2.00	2.14	4.31	4.09

The above figures are subject to audit.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 31st December		Nine months ended 31st December	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Profit for the period	1,174,602	1,212,570	2,501,083	2,245,159
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Share of other comprehensive income of equity-accounted investees (net of tax)	—	—	—	(80)
	—	—	—	(80)
Items that are or may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	32,740	443,502	163,018	623,692
Net change in fair value of available-for-sale financial assets	750	(2,185)	2,915	(73,140)
Net movement on cash flow hedges	(2,395)	—	(746,894)	—
Share of other comprehensive income of equity-accounted investees (net of tax)	(45,026)	(4,513)	473	60,070
	(13,931)	436,804	(580,488)	610,622
Other comprehensive income for the period, (net of tax)	(13,931)	436,804	(580,488)	610,542
Total comprehensive income for the period	1,160,671	1,649,374	1,920,595	2,855,701
Attributable to:				
Equity holders of the company	801,759	1,206,023	1,543,784	2,127,401
Non-controlling interests	358,912	443,351	376,811	728,300
Total comprehensive income for the period	1,160,671	1,649,374	1,920,595	2,855,701

The above figures are subject to audit.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>As at</i>	31.12.2017 Rs.'000	31.03.2017 Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	52,407,866	50,048,523
Investment properties	1,630,801	1,630,801
Intangible assets	877,936	886,103
Biological assets	47,011	43,583
Leasehold properties	2,009,551	2,042,459
Pre-paid operating leases	2,087,801	1,978,348
Investments in equity-accounted investees	6,009,688	6,060,842
Deferred tax assets	574,080	434,794
Other financial assets	303,083	285,629
	<u>65,947,817</u>	<u>63,411,082</u>
Current assets		
Inventories	1,686,811	1,655,875
Pre-paid operating leases	66,457	72,819
Trade and other receivables	10,789,454	11,664,152
Current tax receivable	191,115	210,095
Deposits and prepayments	1,955,258	1,781,102
Other current assets	8,754,290	10,318,598
Cash and short-term deposits	4,678,332	6,032,612
	<u>28,121,717</u>	<u>31,735,253</u>
Assets classified as held for sale	149,125	149,125
Total Assets	<u>94,218,659</u>	<u>95,295,460</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	2,135,140	2,135,140
Reserves	16,599,685	16,849,379
Retained earnings	22,135,588	20,492,912
Total equity attributable to equity holders of the company	<u>40,870,413</u>	<u>39,477,431</u>
Non-controlling interests	11,314,403	11,315,985
Total Equity	<u>52,184,816</u>	<u>50,793,416</u>
Non-current liabilities		
Interest-bearing liabilities	17,682,058	17,191,011
Deferred tax liabilities	1,001,354	863,958
Employee benefits	940,492	850,247
Other liabilities	801,565	597,833
	<u>20,425,469</u>	<u>19,503,049</u>
Current liabilities		
Interest-bearing liabilities	4,294,222	4,829,650
Trade and other payables	11,185,359	11,370,334
Current tax payable	372,079	371,693
Bank overdrafts and other short-term borrowings	5,756,714	8,427,318
	<u>21,608,374</u>	<u>24,998,995</u>
Total Equity and Liabilities	<u>94,218,659</u>	<u>95,295,460</u>
Net assets per share (Rs.)	100.67	97.24

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
Deputy Chairman and
Managing Director

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

Colombo,
08th February 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2017

	Attributable to equity holders of the company										
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Available for sale reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2017	2,135,140	148,440	7,976,675	6,580,537	2,110,655	33,072	-	20,492,912	39,477,431	11,315,985	50,793,416
Profit for the period	-	-	-	-	-	-	-	1,750,912	1,750,912	750,171	2,501,083
Other comprehensive income for the period	-	-	-	-	123,774	2,915	(333,817)	-	(207,128)	(373,360)	(580,488)
Total comprehensive income for the period	-	-	-	-	123,774	2,915	(333,817)	1,750,912	1,543,784	376,811	1,920,595
Share of net assets of equity-accounted investees	-	-	-	-	-	-	-	41,598	41,598	-	41,598
Transfer on disposal of subsidiary	-	-	-	(44,190)	-	-	-	44,190	-	-	-
Acquisition and changes in non-controlling interest	-	-	-	-	(1,298)	-	-	11,896	10,598	(10,598)	-
Transfer to reserves	-	-	2,922	-	-	-	-	(2,922)	-	-	-
Final dividends for 2016/2017	-	-	-	-	-	-	-	(202,998)	(202,998)	-	(202,998)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(367,795)	(367,795)
Total contributions and distributions, recognised directly in equity	-	-	2,922	(44,190)	(1,298)	-	-	(108,236)	(150,802)	(378,393)	(529,195)
Balance as at 31st December 2017	2,135,140	148,440	7,979,597	6,536,347	2,233,131	35,987	(333,817)	22,135,588	40,870,413	11,314,403	52,184,816

For the nine months ended 31st December 2016

	Attributable to equity holders of the company										
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Available for sale reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2016	2,135,140	148,440	7,298,726	6,387,900	1,318,925	94,432	-	19,262,056	36,645,619	7,554,724	44,200,343
Profit for the period	-	-	-	-	-	-	-	1,659,583	1,659,583	585,576	2,245,159
Other comprehensive income for the period	-	-	-	-	531,162	(63,285)	-	(59)	467,818	142,724	610,542
Total comprehensive income for the period	-	-	-	-	531,162	(63,285)	-	1,659,524	2,127,401	728,300	2,855,701
Share of net assets of equity accounted investees	-	-	-	-	-	-	-	27,277	27,277	(2,642)	24,635
Acquisition and changes in non-controlling interest	-	-	-	-	(133)	-	-	(14,481)	(14,614)	3,056,804	3,042,190
Dividends for 2015/2016	-	-	-	-	-	-	-	(608,994)	(608,994)	-	(608,994)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(348,118)	(348,118)
Total contributions and distributions, recognised directly in equity	-	-	-	-	(133)	-	-	(596,198)	(596,331)	2,706,044	2,109,713
Balance as at 31st December 2016	2,135,140	148,440	7,298,726	6,387,900	1,849,954	31,147	-	20,325,382	38,176,689	10,989,068	49,165,757

COMPANY INCOME STATEMENTS

	Quarter ended 31st December		Nine months ended 31st December	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Revenue	171,129	147,391	570,457	504,129
Revenue tax	(3,051)	(2,647)	(9,966)	(8,760)
Net revenue	168,078	144,744	560,491	495,369
Other operating income	859,314	198,264	1,376,687	767,279
Employee benefits expense	(143,381)	(126,116)	(368,839)	(345,325)
Depreciation and amortisation	(10,886)	(12,548)	(36,164)	(35,304)
Other operating expenses-indirect	(76,521)	(69,249)	(211,254)	(216,348)
Profit from operations	796,604	135,095	1,320,921	665,671
Finance income	197,303	175,651	589,721	510,960
Finance expenses	(230,033)	(211,783)	(703,590)	(583,905)
Net finance expense	(32,730)	(36,132)	(113,869)	(72,945)
Profit before tax	763,874	98,963	1,207,052	592,726
Income tax expenses	33,248	(32,502)	45,122	1,039
Profit for the period	797,122	66,461	1,252,174	593,765
Earnings per share - Basic/Diluted (Rs.)	1.96	0.16	3.08	1.46

The above figures are subject to audit.

COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 31st December		Nine months ended 31st December	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Profit for the period	797,122	66,461	1,252,174	593,765
Other comprehensive income				
<i>Items that are or may be reclassified to profit or loss</i>				
Net change in fair value of available-for-sale financial assets	<u>117</u>	(1,718)	<u>(247)</u>	(2,262)
Other comprehensive income for the period, (net of tax)	<u>117</u>	(1,718)	<u>(247)</u>	(2,262)
Total comprehensive income for the period	<u>797,239</u>	<u>64,743</u>	<u>1,251,927</u>	<u>591,503</u>

The above figures are subject to audit.

COMPANY STATEMENT OF FINANCIAL POSITION

<i>As at</i>	31.12.2017 Rs.'000	31.03.2017 Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	119,734	141,198
Investment properties	3,429,621	3,431,687
Intangible assets	6,187	11,036
Investments in subsidiaries	7,552,083	7,252,083
Investments in equity-accounted investees	2,755,184	2,755,184
Deferred tax assets	292,992	195,421
Other financial assets	<u>107,446</u>	<u>145,412</u>
	14,263,247	13,932,021
Current assets		
Inventories	2,920	2,183
Trade and other receivables	4,455,581	3,212,249
Current tax receivable	159,414	171,103
Deposits and prepayments	44,806	62,801
Other financial assets	6,238,740	6,182,392
Cash and short-term deposits	<u>492,931</u>	<u>1,400,611</u>
	11,394,392	11,031,339
Assets classified as held for sale	<u>57,237</u>	<u>57,237</u>
Total Assets	<u>25,714,876</u>	<u>25,020,597</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	2,135,140	2,135,140
Reserves	7,937,243	7,937,490
Retained earnings	<u>4,387,818</u>	<u>3,338,642</u>
Total Equity	<u>14,460,201</u>	<u>13,411,272</u>
Non-current liabilities		
Interest-bearing liabilities	1,724,924	2,489,974
Employee benefits	<u>118,960</u>	<u>105,246</u>
	1,843,884	2,595,220
Current liabilities		
Interest-bearing liabilities	1,256,041	1,350,941
Trade and other payables	5,773,703	4,402,232
Bank overdrafts and other short-term borrowings	<u>2,381,047</u>	<u>3,260,932</u>
	9,410,791	9,014,105
Total Equity and Liabilities	<u>25,714,876</u>	<u>25,020,597</u>
Net assets per share (Rs.)	35.62	33.03

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

Colombo,
08th February 2018

Sgd.
J.M.S. Brito
Deputy Chairman and Managing Director

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2017

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2017	2,135,140	7,949,963	(12,473)	3,338,642	13,411,272
Profit for the period	–	–	–	1,252,174	1,252,174
Other comprehensive income for the period	–	–	(247)	–	(247)
Total comprehensive income for the period	–	–	(247)	1,252,174	1,251,927
Final Dividends for 2016/2017	–	–	–	(202,998)	(202,998)
Balance as at 31st December 2017	<u>2,135,140</u>	<u>7,949,963</u>	<u>(12,720)</u>	<u>4,387,818</u>	<u>14,460,201</u>

For the nine months ended 31st December 2016

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2016	2,135,140	7,272,014	(12,106)	3,890,346	13,285,394
Profit for the period	–	–	–	593,765	593,765
Other comprehensive income for the period	–	–	(2,262)	–	(2,262)
Total comprehensive income for the period	–	–	(2,262)	593,765	591,503
Dividends for 2015/2016	–	–	–	(608,994)	(608,994)
Balance as at 31st December 2016	<u>2,135,140</u>	<u>7,272,014</u>	<u>(14,368)</u>	<u>3,875,117</u>	<u>13,267,903</u>

STATEMENTS OF CASH FLOWS

For the nine months ended 31st December	Group		Company	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Cash flow from operating activities				
Profit before taxation	3,276,393	2,870,933	1,207,052	592,726
Adjustments for				
Depreciation and amortisation	1,963,640	1,688,527	36,164	35,304
Interest expense	1,213,026	1,118,354	701,422	582,240
Gain on disposal of property plant and equipment	(14,303)	(18,804)	(6,051)	(2,561)
Gain on disposal of group investments	(307,616)	–	–	–
Gain on transfer of investment to a wholly own subsidiary company	–	–	(300,000)	–
Loss on disposal of equity securities classified as available-for-sale financial assets	316	–	–	–
Gain on retirement of assets held for sale	–	(3,356)	–	(3,356)
Interest income	(576,404)	(529,971)	(589,721)	(510,960)
Share of profit of equity-accounted investees (net of tax)	(174,416)	(292,896)	–	–
Impairment losses / (reversals) and write offs of trade & other receivables	29,385	9,352	–	–
Net foreign exchange (gain)/loss	95,480	217,612	26,748	127,812
Provision for retirement benefit obligations	183,543	138,947	16,983	17,343
	<u>2,412,651</u>	<u>2,327,765</u>	<u>(114,455)</u>	<u>245,822</u>
Operating profit before working capital changes	5,689,044	5,198,698	1,092,597	838,548
(Increase)/decrease in trade and other receivables	826,816	(1,957,057)	(1,243,332)	(177,582)
(Increase)/decrease in inventories	(35,422)	(576,893)	(737)	(7)
(Increase)/decrease in deposits and prepayments	(176,607)	(323,679)	17,995	(18,794)
Increase/(decrease) in trade and other payables	357,464	(1,226,608)	1,873,420	(1,032,469)
	<u>972,251</u>	<u>(4,084,237)</u>	<u>647,346</u>	<u>(1,228,852)</u>
Cash generated from/(used in) operations	6,661,295	1,114,461	1,739,943	(390,304)
Interest paid	(1,208,936)	(1,110,128)	(697,307)	(576,526)
Income tax paid	(755,259)	(900,415)	(40,759)	(30,870)
Retirement benefit obligations paid	(84,394)	(57,630)	(3,270)	(3,609)
	<u>(2,048,589)</u>	<u>(2,068,173)</u>	<u>(741,336)</u>	<u>(611,005)</u>
Net cash flow from operating activities	4,612,706	(953,712)	998,607	(1,001,309)
Cash flow from investing activities				
Interest received from deposits	550,852	529,971	564,195	510,960
Assets / liabilities acquired on business combination	–	3,110,578	–	–
Investment in subsidiaries and equity-accounted investees	–	(145,673)	(500,000)	(52)
Purchase of debt securities	(100,000)	(150,000)	–	(150,000)
Net cash inflow on divestment of subsidiaries (Note B)	722,725	–	–	–
Proceeds from transfer of investment to a wholly own subsidiary company	–	–	500,000	–
Purchase of property, plant and equipment	(4,157,273)	(4,237,342)	(13,920)	(65,371)
Purchase of intangible assets	(6,999)	(21,261)	(821)	(467)
Purchase of biological assets	(6,774)	(10,604)	–	–
Purchase of pre-paid operating leases	(137,714)	–	–	–
Proceeds from disposal of property, plant and equipment	31,533	55,694	13,006	14,162
Proceeds from disposal of intangible assets	10	–	–	–
Proceeds from sale of equity and debt securities	59,043	34,283	36,070	34,283
Proceeds / (purchase) of other financial assets and liabilities (net)	1,529,366	(1,384,699)	(29,174)	(971,374)
Final liquidation proceeds of subsidiary	–	3,356	–	3,356
Dividends paid to non-controlling interests	(367,795)	(348,118)	–	–
Dividends received from equity-accounted investees	267,641	158,634	–	–
	<u>(1,615,385)</u>	<u>(2,405,181)</u>	<u>569,356</u>	<u>(624,503)</u>
Net cash flow from investing activities	(1,615,385)	(2,405,181)	569,356	(624,503)

STATEMENTS OF CASH FLOWS – CONTD.

<i>For the nine months ended 31st December</i>	Group		Company	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Cash flow from financing activities				
Proceeds from interest-bearing liabilities	6,060,966	3,065,134	–	–
Repayment of interest-bearing liabilities	(7,053,423)	(3,277,905)	(890,841)	(1,138,775)
Issue of shares by subsidiaries	–	97,255	–	–
Dividends paid to equity holders of the parent	(704,947)	(604,983)	(704,947)	(604,983)
Net cash flow from financing activities	(1,697,404)	(720,499)	(1,595,788)	(1,743,758)
Net increase/(decrease) in cash and cash equivalents	1,299,917	(4,079,392)	(27,825)	(3,369,570)
Cash and cash equivalents at the beginning of the period (Note A)	(2,378,299)	3,223,981	(1,860,291)	1,214,665
Cash and cash equivalents at the end of the period	(1,078,382)	(855,411)	(1,888,116)	(2,154,905)
Cash and cash equivalents at the end of the period				
Cash at bank and in hand & deposits	4,678,332	5,262,628	492,931	589,183
Short-term bank borrowings	(5,756,714)	(6,118,039)	(2,381,047)	(2,744,088)
Cash and cash equivalent at the end of the period	(1,078,382)	(855,411)	(1,888,116)	(2,154,905)
Note A				
Cash and cash equivalents at the beginning of the period				
Cash at bank and in hand & deposits	6,032,612	4,653,788	1,400,611	1,397,670
Short-term bank borrowings	(8,427,318)	(1,439,684)	(3,260,932)	(183,416)
Cash and cash equivalent as previously reported	(2,394,706)	3,214,104	(1,860,321)	1,214,254
Effect of exchange rate changes	16,407	9,877	30	411
Cash and cash equivalent as restated	(2,378,299)	3,223,981	(1,860,291)	1,214,665

Note B Divestment of subsidiaries.

Aitken Spence Hotel Holdings PLC a subsidiary company divested its investments in M.P.S. Hotels (Pvt) Ltd., during the period under review. The fair values of assets and liabilities thus divested are as follows;

	Rs. '000
Property, plant & equipment	444,877
Inventories	4,486
Trade and other receivables	18,497
Deposits and prepayments	2,451
Deferred tax	(6,873)
Current tax receivable	1,655
Employee benefits	(9,494)
Trade and other payables	(40,490)
Cash and cash equivalent	(5,018)
Total identifiable net assets divested	410,091
Non-controlling interest divested	78,473
Gain on disposal	229,143
Cash and cash equivalents divested	5,018
Net cash inflow on divestment of subsidiaries	722,725

NOTES TO THE FINANCIAL STATEMENTS

1. Segment analysis

1.1 Segment analysis of Group revenue and profit

For the nine months ended 31st December	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Total revenue generated	18,334,427	14,986,622	7,980,620	7,418,664	13,413,377	12,703,730	1,420,109	1,243,541	41,148,533	36,352,557
Less: Inter-segmental revenue	9,268	9,359	255,211	226,132	313,238	249,251	160,923	171,737	738,640	656,479
Less: Intra-segmental revenue	1,528,552	1,107,957	231,348	240,278	524,354	452,296	56,146	30,018	2,340,400	1,830,549
Total revenue with equity-accounted investees	16,796,607	13,869,306	7,494,061	6,952,254	12,575,785	12,002,183	1,203,040	1,041,786	38,069,493	33,865,529
Share of equity-accounted investees' revenue	(244,420)	(1,576,634)	(1,021,176)	(921,672)	(647,824)	(836,458)	(4,049)	(4,373)	(1,917,469)	(3,339,137)
Revenue from external customers	16,552,187	12,292,672	6,472,885	6,030,582	11,927,961	11,165,725	1,198,991	1,037,413	36,152,024	30,526,392
Profit from operations	1,457,470	1,146,391	1,058,728	1,095,427	1,107,760	822,702	218,123	185,183	3,842,081	3,249,703
Finance income	464,089	344,151	45,414	44,075	59,188	134,679	7,713	7,066	576,404	529,971
Finance expenses	(867,180)	(771,832)	(91,427)	(64,566)	(346,839)	(355,521)	(11,062)	(9,718)	(1,316,508)	(1,201,637)
Share of profit / (loss) of equity-accounted investees (net of tax)	(128,027)	(14,307)	233,185	258,222	86,706	77,979	(17,448)	(28,998)	174,416	292,896
Profit before tax	926,352	704,403	1,245,900	1,333,158	906,815	679,839	197,326	153,533	3,276,393	2,870,933
Income tax expense	(379,104)	(315,614)	(284,468)	(231,463)	(51,362)	(30,074)	(60,376)	(48,623)	(775,310)	(625,774)
Profit for the period	547,248	388,789	961,432	1,101,695	855,453	649,765	136,950	104,910	2,501,083	2,245,159

1.2 Segment analysis of Group assets

As at	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
	31.12.2017 Rs.'000	31.03.2017 Rs.'000	31.12.2017 Rs.'000	31.03.2017 Rs.'000	31.12.2017 Rs.'000	31.03.2017 Rs.'000	31.12.2017 Rs.'000	31.03.2017 Rs.'000	31.12.2017 Rs.'000	31.03.2017 Rs.'000
Segment assets	58,163,567	56,494,140	6,592,228	8,880,141	26,272,770	24,613,100	3,468,542	3,330,551	94,497,107	93,317,932
Investments in equity-accounted investees	1,169,137	1,297,164	3,633,556	3,625,941	1,083,403	996,697	123,592	141,040	6,009,688	6,060,842
Goodwill on consolidation	–	–	–	–	–	–	–	–	846,690	843,470
Assets classified as held for sale	–	–	–	–	–	–	–	–	149,125	149,125
Eliminations / adjustments	–	–	–	–	–	–	–	–	(7,283,951)	(5,075,909)
Total assets	59,332,704	57,791,304	10,225,784	12,506,082	27,356,173	25,609,797	3,592,134	3,471,591	94,218,659	95,295,460

NOTES TO THE FINANCIAL STATEMENTS - CONTD.

2. 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.
3. The final ordinary dividend of Rs. 0.50 per share for the year ended 31st March 2017 was paid on 11th July 2017, after it was approved at the Annual General Meeting on the 30th June 2017. Total dividend paid was Rs. 202,998,022.50.
4. There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.
5. 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 2017.
6. **Disposal of subsidiary**
Aitken Spence Hotel Holdings PLC a Group company divested its entire holding in its fully owned subsidiary M.P.S. Hotels (Pvt) Ltd., on the 21st of September 2017. The resultant gain on disposal of this investment is reflected under other operating income.
7. **Cash flow hedging**
During the period under review Ahungalla Resorts Ltd., a Group company, designated its identified foreign currency loan as the hedging instrument in order to hedge against the company's exposure to the changes in foreign exchange rates on the variable cash flows from the highly probable future foreign currency revenue.
Consequently the effective portion of gain or loss on the hedging instrument will be recognised in the cash flow hedge reserve, through other comprehensive income while any ineffective portion will be recognised immediately in the statement of profit or loss.
8. **Tax Expense**
The Inland Revenue Act, No 24 of 2017 which was certified on the 24th of October 2017 will be effective from 1st April 2018 . The deferred tax asset/ liability of the Company and the Group for 2017/2018 is accounted based on the income tax rates that would be applicable as per the above Act, other than for any deferred tax impact arising from the revaluation of land pending further guidance and clarification.
The income tax provisions for the period ending 31st December 2017 were made based on the rates applicable for the year of assessment 2017/2018.
9. There were no material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.
10. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The presentation and classification of the financial statements of the previous period have been adjusted where relevant, for better presentation and to be comparable with year end reporting.

NON FINANCIAL INFORMATION

31.12.2017

1. Stated Capital

Number of shares represented by the stated capital (31.03.2017 - 405,996,045)	405,996,045
Number of Public Shareholders	4,711
Percentage of shares held by the Public	48.99%

2. Shares Traded

Market Price per Share - Last traded (Rs.)	54.60
Market Price per Share - Highest (Rs.)	62.00
Market Price per Share - Lowest (Rs.)	54.00

3. Shareholding of Directors

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

	Name of Director	Position	31.12.2017	31.03.2017
1	D.H.S. Jayawardena	Chairman	Nil	Nil
2	J.M.S. Brito	Deputy Chairman and Managing Director	409,495	309,495
3	R.M. Fernando	Director	Nil	Nil
4	D.S.T. Jayawardena	Director	27,839	27,839
5	G.C. Wickremasinghe	Director	7,308,240	7,308,240
6	C.H. Gomez	Director	Nil	Nil
7	N. J. de Silva Deva Aditya	Director	Nil	Nil
8	R.N. Asirwatham	Director	1,000	1,000
9	A.L. Gooneratne	Alternate Director to Mr. N.J. de Silva Deva Aditya	Nil	Nil
10	M.P. Dissanayake	Director	N/A	Nil

4. Substantial Shareholdings

The twenty largest shareholding as at 31st December 2017, are as follows ;

	Name of the Share Holder	Shareholding	%
1	Melstacorp Limited	191,498,490	47.17
2	Rubicond Enterprises Limited	65,990,145	16.25
3	Employees' Provident Fund	20,590,978	5.07
4	HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	20,215,873	4.98
5	Mr. G.C. Wickremasinghe	7,308,240	1.80
6	Placidrange Holdings Limited	5,521,500	1.36
7	Renuka Hotels Limited	5,005,000	1.23
8	HSBC International Nominees Limited -BP2S London-Aberdeen Asia Pasific Equity Fund	4,574,107	1.13
9	Milford Exports (Ceylon) (Pvt) Limited	4,321,500	1.06
10	HSBC International Nominees Limited -BP2S London-Aberdeen Asia Smaller Companies Investment Trust	3,400,000	0.84
11	Stassen Exports (Pvt) Limited	3,244,500	0.80
12	Ms. A.T. Wickremasinghe	3,211,975	0.79
13	Ms. K. Fernando	3,135,070	0.77
14	Mr. G.Wickremasinghe	3,019,090	0.74
15	Employees Trust Fund Board	2,621,870	0.65
16	Bank of Ceylon No. 1 Account	2,596,230	0.64
17	National Savings Bank	2,593,516	0.64
18	HSBC International Nominees Limited -BP2S London-Aberdeen New Dawn Investment Trust Xcc6	1,684,201	0.42
19	HSBC International Nominees Limited- SSBT-Aberdeen Institutional Commingled funds, LLC	1,676,654	0.41
20	The Ceylon Guardian Investment Trust PLC A/c No. 02	1,674,000	0.41

CORPORATE INFORMATION

as at 31st December 2017

DIRECTORS

Deshamanya D.H.S. Jayawardena - Chairman

Mr. J.M.S. Brito - Deputy Chairman and Managing Director

Dr. R.M. Fernando

Miss. D.S.T. Jayawardena

Mr. G.C. Wickremasinghe

Mr. C.H. Gomez

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)

Dr. M.P. Dissanayake (Resigned w.e.f. 01st June 2017)

SECRETARY

P W Corporate Secretarial (Pvt) Ltd.

REGISTERED OFFICE

Aitken Spence Tower II

315, Vauxhall Street,

Colombo 02,

Sri Lanka.