

Aitken Spence

## **Interim Statements**

*for the nine months ended 31st December 2018*

Aitken Spence<sup>®</sup> 

**Aitken Spence PLC**

## CONSOLIDATED INCOME STATEMENTS

	Quarter ended 31st December		Nine months ended 31st December	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
<b>Revenue</b>	<b>13,718,712</b>	12,239,748	<b>36,694,897</b>	36,152,024
Revenue taxes	<b>(167,629)</b>	(150,460)	<b>(433,895)</b>	(404,507)
<b>Net revenue</b>	<b>13,551,083</b>	12,089,288	<b>36,261,002</b>	35,747,517
Other operating income	<b>455,800</b>	131,784	<b>917,207</b>	609,617
Changes in inventories of finished goods and work-in-progress	<b>418,493</b>	151,209	<b>554,121</b>	70,555
Raw materials and consumables used	<b>(2,157,124)</b>	(2,198,875)	<b>(6,495,656)</b>	(8,597,917)
Employee benefits expense	<b>(2,277,070)</b>	(2,098,119)	<b>(6,458,768)</b>	(6,052,356)
Depreciation and amortisation	<b>(739,850)</b>	(650,925)	<b>(2,156,910)</b>	(1,963,640)
Other operating expenses-direct	<b>(4,956,166)</b>	(4,110,687)	<b>(12,526,421)</b>	(10,702,845)
Other operating expenses-indirect	<b>(1,862,871)</b>	(1,684,169)	<b>(5,527,419)</b>	(5,268,850)
<b>Profit from operations</b>	<b>2,432,295</b>	1,629,506	<b>4,567,156</b>	3,842,081
Finance income	<b>181,752</b>	209,980	<b>552,302</b>	576,404
Finance expenses	<b>(481,724)</b>	(402,727)	<b>(1,403,085)</b>	(1,316,508)
<b>Net finance expense</b>	<b>(299,972)</b>	(192,747)	<b>(850,783)</b>	(740,104)
Share of profit of equity-accounted investees (net of tax)	<b>123,261</b>	38,205	<b>258,583</b>	174,416
<b>Profit before tax</b>	<b>2,255,584</b>	1,474,964	<b>3,974,956</b>	3,276,393
Income tax expenses	<b>(504,500)</b>	(300,362)	<b>(1,084,716)</b>	(775,310)
<b>Profit for the period</b>	<b>1,751,084</b>	1,174,602	<b>2,890,240</b>	2,501,083
<b>Attributable to:</b>				
Equity holders of the company	<b>1,267,246</b>	812,239	<b>2,194,880</b>	1,750,912
Non-controlling interests	<b>483,838</b>	362,363	<b>695,360</b>	750,171
<b>Profit for the period</b>	<b>1,751,084</b>	1,174,602	<b>2,890,240</b>	2,501,083
<b>Earnings per share</b>				
Basic/Diluted (Rs.)	<b>3.12</b>	2.00	<b>5.41</b>	4.31

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	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
<b>Profit for the period</b>	<b>1,751,084</b>	1,174,602	<b>2,890,240</b>	2,501,083
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	<b>1,581,918</b>	32,740	<b>2,581,678</b>	163,018
Net change in fair value of available-for-sale financial assets	<b>(3,299)</b>	750	<b>(10,050)</b>	2,915
Net movement on cash flow hedges	<b>(393,097)</b>	(2,395)	<b>(448,352)</b>	(746,894)
Share of other comprehensive income of equity-accounted investees (net of tax)	<b>114,149</b>	(45,026)	<b>184,765</b>	473
	<b>1,299,671</b>	(13,931)	<b>2,308,041</b>	(580,488)
<b>Other comprehensive income for the period, (net of tax)</b>	<b>1,299,671</b>	(13,931)	<b>2,308,041</b>	(580,488)
<b>Total comprehensive income for the period</b>	<b>3,050,755</b>	1,160,671	<b>5,198,281</b>	1,920,595
<b>Attributable to:</b>				
Equity holders of the company	<b>2,312,353</b>	801,759	<b>3,918,060</b>	1,543,784
Non-controlling interests	<b>738,402</b>	358,912	<b>1,280,221</b>	376,811
<b>Total comprehensive income for the period</b>	<b>3,050,755</b>	1,160,671	<b>5,198,281</b>	1,920,595

The above figures are subject to audit.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	<b>31.12.2018</b> Rs.'000	<b>31.03.2018</b> Rs.'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	69,071,469	59,274,780
Investment properties	1,632,209	1,632,360
Intangible assets	965,174	890,378
Biological assets	48,494	47,293
Leasehold properties	2,317,416	2,023,903
Pre-paid operating leases	2,461,566	2,241,358
Investments in equity-accounted investees	6,540,270	6,334,455
Deferred tax assets	597,143	563,391
Other financial assets	840,756	873,340
	<u>84,474,497</u>	<u>73,881,258</u>
<b>Current assets</b>		
Inventories	2,292,393	1,526,162
Pre-paid operating leases	79,000	67,466
Trade and other receivables	12,309,153	13,557,531
Current tax receivable	171,714	243,352
Deposits and prepayments	2,292,162	1,480,413
Other financial assets	9,733,036	7,300,814
Cash and short-term deposits	7,206,942	9,636,419
	<u>34,084,400</u>	<u>33,812,157</u>
Assets classified as held for sale	149,125	149,125
<b>Total Assets</b>	<u>118,708,022</u>	<u>107,842,540</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,135,140	2,135,140
Reserves	22,224,171	20,500,926
Retained earnings	23,590,902	22,163,669
<b>Total equity attributable to equity holders of the company</b>	<u>47,950,213</u>	<u>44,799,735</u>
Non-controlling interests	12,144,327	11,484,969
<b>Total Equity</b>	<u>60,094,540</u>	<u>56,284,704</u>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	28,966,893	19,683,396
Deferred tax liabilities	2,168,970	1,949,193
Employee benefits	1,197,005	1,046,605
Other liabilities	1,898,209	881,272
	<u>34,231,077</u>	<u>23,560,466</u>
<b>Current liabilities</b>		
Interest-bearing liabilities	3,610,308	5,780,868
Trade and other payables	13,021,873	12,604,616
Current tax payable	415,961	454,427
Bank overdrafts and other short-term borrowings	7,334,263	9,157,459
	<u>24,382,405</u>	<u>27,997,370</u>
<b>Total Equity and Liabilities</b>	<u>118,708,022</u>	<u>107,842,540</u>
<b>Net assets per share (Rs.)</b>	<u>118.11</u>	<u>110.35</u>

*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,  
07th February 2019

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

sgd.  
Ms. N. Sivapragasam  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2018

	Attributable to equity holders of the company										Total equity
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	
	Rs '000	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 2018</b>	2,135,140	148,440	9,669,422	8,610,352	2,467,348	34,604	(429,240)	22,163,669	44,799,735	11,484,969	56,284,704
Profit for the period	-	-	-	-	-	-	-	2,194,880	2,194,880	695,360	2,890,240
Other comprehensive income for the period	-	-	-	-	1,933,617	(10,050)	(200,387)	-	1,723,180	584,861	2,308,041
<b>Total comprehensive income for the period</b>	-	-	-	-	1,933,617	(10,050)	(200,387)	2,194,880	3,918,060	1,280,221	5,198,281
Share of net assets of equity-accounted investees	-	-	-	-	-	-	-	45,170	45,170	-	45,170
Acquisition and changes in non-controlling interest	-	-	-	-	35	-	-	(795)	(760)	760	-
Transfer to reserves	-	-	30	-	-	-	-	(30)	-	-	-
Final dividends for 2017/2018	-	-	-	-	-	-	-	(811,992)	(811,992)	-	(811,992)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(621,623)	(621,623)
<b>Total contributions and distributions, recognised directly in equity</b>	-	-	30	-	35	-	-	(767,647)	(767,582)	(620,863)	(1,388,445)
<b>Balance as at 31st December 2018</b>	<b>2,135,140</b>	<b>148,440</b>	<b>9,669,452</b>	<b>8,610,352</b>	<b>4,401,000</b>	<b>24,554</b>	<b>(629,627)</b>	<b>23,590,902</b>	<b>47,950,213</b>	<b>12,144,327</b>	<b>60,094,540</b>

For the nine months ended 31st December 2017

	Attributable to equity holders of the company										Total equity
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	
	Rs '000	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 2017</b>	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)
<b>Total comprehensive income for the period</b>	-	-	-	-	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)
<b>Total contributions and distributions, recognised directly in equity</b>	-	-	2,922	(44,190)	(1,298)	-	-	(108,236)	(150,802)	(378,393)	(529,195)
<b>Balance as at 31st December 2017</b>	<b>2,135,140</b>	<b>148,440</b>	<b>7,979,597</b>	<b>6,536,347</b>	<b>2,233,131</b>	<b>35,987</b>	<b>(333,817)</b>	<b>22,135,588</b>	<b>40,870,413</b>	<b>11,314,403</b>	<b>52,184,816</b>

## COMPANY INCOME STATEMENTS

	Quarter ended 31st December		Nine months ended 31st December	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
<b>Revenue</b>	<b>182,110</b>	171,129	<b>613,465</b>	570,457
Revenue taxes	<b>(2,959)</b>	(3,051)	<b>(10,215)</b>	(9,966)
<b>Net revenue</b>	<b>179,151</b>	168,078	<b>603,250</b>	560,491
Other operating income	<b>1,406,945</b>	859,314	<b>2,207,560</b>	1,376,687
Employee benefits expense	<b>(132,980)</b>	(143,381)	<b>(355,231)</b>	(368,839)
Depreciation and amortisation	<b>(10,018)</b>	(10,886)	<b>(32,891)</b>	(36,164)
Other operating expenses-indirect	<b>(58,784)</b>	(76,521)	<b>(232,335)</b>	(211,254)
<b>Profit from operations</b>	<b>1,384,314</b>	796,604	<b>2,190,353</b>	1,320,921
Finance income	<b>206,805</b>	197,303	<b>615,454</b>	589,721
Finance expenses	<b>(311,673)</b>	(230,033)	<b>(871,167)</b>	(703,590)
<b>Net finance expense</b>	<b>(104,868)</b>	(32,730)	<b>(255,713)</b>	(113,869)
<b>Profit before tax</b>	<b>1,279,446</b>	763,874	<b>1,934,640</b>	1,207,052
Income tax expenses	<b>(75,014)</b>	33,248	<b>(125,544)</b>	45,122
<b>Profit for the period</b>	<b>1,204,432</b>	797,122	<b>1,809,096</b>	1,252,174
<b>Earnings per share</b>				
Basic/Diluted (Rs.)	<b>2.97</b>	1.96	<b>4.46</b>	3.08

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	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
<b>Profit for the period</b>	<b>1,204,432</b>	797,122	<b>1,809,096</b>	1,252,174
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified to profit or loss</b>				
Net change in fair value of available-for-sale financial assets	<u>(4,495)</u>	117	<u>(6,026)</u>	(247)
<b>Other comprehensive income for the period, (net of tax)</b>	<u>(4,495)</u>	117	<u>(6,026)</u>	(247)
<b>Total comprehensive income for the period</b>	<u><u>1,199,937</u></u>	<u>797,239</u>	<u><u>1,803,070</u></u>	<u>1,251,927</u>

*The above figures are subject to audit.*

## COMPANY STATEMENT OF FINANCIAL POSITION

<i>As at</i>	<b>31.12.2018</b> <b>Rs.'000</b>	<b>31.03.2018</b> <b>Rs.'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	118,116	134,565
Investment properties	3,426,774	3,428,933
Intangible assets	8,947	5,592
Investments in subsidiaries	9,670,933	7,995,933
Investments in equity-accounted investees	2,713,379	2,711,379
Deferred tax assets	302,479	303,115
Other financial assets	<u>68,924</u>	<u>95,194</u>
	<b>16,309,552</b>	<b>14,674,711</b>
<b>Current assets</b>		
Inventories	4,425	2,179
Trade and other receivables	3,727,508	4,786,472
Current tax receivable	94,568	213,054
Deposits and prepayments	77,890	100,169
Other financial assets	9,358,152	6,459,242
Cash and short-term deposits	<u>2,193,841</u>	<u>1,094,468</u>
	<b>15,456,384</b>	<b>12,655,584</b>
Assets classified as held for sale	<u>57,237</u>	<u>57,237</u>
<b>Total Assets</b>	<b><u>31,823,173</u></b>	<b><u>27,387,532</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,135,140	2,135,140
Reserves	9,621,101	9,627,127
Retained earnings	<u>4,310,488</u>	<u>3,313,384</u>
<b>Total Equity</b>	<b><u>16,066,729</u></b>	<b><u>15,075,651</u></b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	3,372,199	1,254,628
Employee benefits	<u>156,758</u>	<u>134,999</u>
	<b>3,528,957</b>	<b>1,389,627</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	1,405,528	1,287,811
Trade and other payables	6,827,321	5,842,265
Bank overdrafts and other short-term borrowings	<u>3,994,638</u>	<u>3,792,178</u>
	<b>12,227,487</b>	<b>10,922,254</b>
<b>Total Equity and Liabilities</b>	<b><u>31,823,173</u></b>	<b><u>27,387,532</u></b>
<b>Net assets per share (Rs.)</b>	<b>39.57</b>	<b>37.13</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  
  
Colombo,  
07th February 2019

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 2018

	Stated capital	General reserve	Fair value reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April 2018</b>	2,135,140	9,639,788	(12,661)	3,313,384	15,075,651
Profit for the period	–	–	–	1,809,096	1,809,096
Other comprehensive income for the period	–	–	(6,026)	–	(6,026)
<b>Total comprehensive income for the period</b>	–	–	(6,026)	1,809,096	603,133
Final Dividends for 2017/2018	–	–	–	(811,992)	(811,992)
<b>Balance as at 31st December 2018</b>	<b><u>2,135,140</u></b>	<b><u>9,639,788</u></b>	<b><u>(18,687)</u></b>	<b><u>4,310,488</u></b>	<b><u>16,066,729</u></b>

For the nine months ended 31st December 2017

	Stated capital	General reserve	Fair value reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April 2017</b>	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)
<b>Total comprehensive income for the period</b>	–	–	(247)	1,252,174	1,251,927
Final dividends for 2016/2017	–	–	–	(202,998)	(202,998)
<b>Balance as at 31st December 2017</b>	<b><u>2,135,140</u></b>	<b><u>7,949,963</u></b>	<b><u>(12,720)</u></b>	<b><u>4,387,818</u></b>	<b><u>14,460,201</u></b>

## STATEMENTS OF CASH FLOWS

For the nine months ended 31st December	Group		Company	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
<b>Cash flow from operating activities</b>				
Profit before taxation	<b>3,974,956</b>	3,276,393	<b>1,934,640</b>	1,207,052
<b>Adjustments for</b>				
Depreciation and amortisation	<b>2,156,910</b>	1,963,640	<b>32,891</b>	36,164
Interest expense	<b>1,262,117</b>	1,213,026	<b>869,207</b>	701,422
Gain on disposal of property plant and equipment	<b>(52,318)</b>	(14,303)	<b>(2,234)</b>	(6,051)
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	-	-
Interest income	<b>(552,302)</b>	(576,404)	<b>(615,454)</b>	(589,721)
Share of profit of equity-accounted investees (net of tax)	<b>(258,583)</b>	(174,416)	-	-
Impairment losses and write offs of trade & other receivables	<b>19,068</b>	29,385	-	-
Net foreign exchange (gain) / loss	<b>589,087</b>	95,480	<b>342,653</b>	26,748
Provision for retirement benefit obligations	<b>178,648</b>	183,543	<b>22,570</b>	16,983
	<b>3,342,627</b>	2,412,651	<b>649,633</b>	(114,455)
<b>Operating profit before working capital changes</b>	<b>7,317,583</b>	5,689,044	<b>2,584,273</b>	1,092,597
(Increase)/decrease in trade and other receivables	<b>1,222,331</b>	826,816	<b>1,057,694</b>	(1,243,332)
(Increase)/decrease in inventories	<b>(766,231)</b>	(35,422)	<b>(2,246)</b>	(737)
(Increase)/ decrease in deposits & prepayments	<b>(811,749)</b>	(176,607)	<b>22,279</b>	17,995
Increase/(decrease) in trade and other payables	<b>473,613</b>	357,464	<b>996,616</b>	1,873,420
Increase/(decrease) in other liabilities	<b>626,281</b>	-	-	-
	<b>744,245</b>	972,251	<b>2,074,343</b>	647,346
<b>Cash generated from / (used in) operations</b>	<b>8,061,828</b>	6,661,295	<b>4,658,616</b>	1,739,943
Interest paid	<b>(1,771,741)</b>	(1,208,936)	<b>(834,609)</b>	(697,307)
Income tax paid	<b>(894,846)</b>	(755,259)	<b>(6,422)</b>	(40,759)
Retirement benefit obligations paid	<b>(46,993)</b>	(84,394)	<b>(811)</b>	(3,270)
	<b>(2,713,580)</b>	(2,048,589)	<b>(841,842)</b>	(741,336)
<b>Net cash flow from operating activities</b>	<b>5,348,248</b>	4,612,706	<b>3,816,774</b>	998,607
Interest received from deposits	<b>554,958</b>	550,852	<b>613,416</b>	564,195
Investment in subsidiaries and equity-accounted investees	<b>(2,000)</b>	-	<b>(1,677,000)</b>	(500,000)
Investment in equity and debt securities	<b>(20,080)</b>	(100,000)	<b>(20,080)</b>	-
Net cash flow on divestment of subsidiaries	-	722,725	-	-
Proceeds from transfer of investment to a wholly own subsidiary company	-	-	-	500,000
Purchase of property, plant and equipment	<b>(7,234,793)</b>	(4,157,273)	<b>(5,775)</b>	(13,920)
Purchase of intangible assets	<b>(20,252)</b>	(6,999)	<b>(5,275)</b>	(821)
Purchase of biological assets	<b>(4,547)</b>	(6,774)	-	-
Operating leases pre-paid	-	(137,714)	-	-
Proceeds from disposal of property, plant and equipment	<b>85,381</b>	31,533	<b>(4,354)</b>	13,006
Proceeds from disposal of intangible assets	-	10	-	-
Proceeds from sale of equity and debt securities	<b>33,359</b>	59,043	<b>20,833</b>	36,070
Proceeds / (purchase) of other financial assets and liabilities (net)	<b>(2,418,645)</b>	1,529,366	<b>(2,876,111)</b>	(29,174)
Final liquidation proceeds of subsidiary	-	-	-	-
Dividends paid to non-controlling interests	<b>(621,623)</b>	(367,795)	-	-
Dividends received from equity-accounted investees	<b>284,703</b>	267,641	-	-
<b>Net cash flow from investing activities</b>	<b>(9,363,539)</b>	(1,615,385)	<b>(3,954,346)</b>	569,356

## STATEMENTS OF CASH FLOWS – CONTD.

For the nine months ended 31st December	Group		Company	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
<b>Cash flow from operating activities</b>				
Profit before taxation	12,252,536	6,060,966	2,644,822	-
Repayment of interest-bearing liabilities	(8,096,338)	(7,053,423)	(824,204)	(890,841)
Dividends paid to equity holders of the parent	(807,666)	(704,947)	(807,666)	(704,947)
<b>Net cash flow from financing activities</b>	<b>3,348,532</b>	(1,697,404)	<b>1,012,952</b>	(1,595,788)
Net increase / (decrease) in cash and cash equivalents	(666,759)	1,299,917	875,380	(27,825)
Cash and cash equivalents at the beginning of the period (Note A)	539,438	(2,378,299)	(2,676,177)	(1,860,291)
<b>Cash and cash equivalents at the end of the period</b>	<b>(127,321)</b>	(1,078,382)	<b>(1,800,797)</b>	(1,888,116)
<b>Cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand & deposits	7,206,942	4,678,332	2,193,841	492,931
Short-term bank borrowings	(7,334,263)	(5,756,714)	(3,994,638)	(2,381,047)
Cash and cash equivalent at the end of the period	(127,321)	(1,078,382)	(1,800,797)	(1,888,116)
<b>Note A</b>				
<b>Cash and cash equivalents at the beginning of the period</b>				
Cash at bank and in hand & deposits	9,636,419	6,032,612	1,094,468	1,400,611
Short-term bank borrowings	(9,157,459)	(8,427,318)	(3,792,178)	(3,260,932)
Cash and cash equivalent as previously reported	478,960	(2,394,706)	(2,697,710)	(1,860,321)
Effect of exchange rate changes	60,478	16,407	21,533	30
Cash and cash equivalent as restated	539,438	(2,378,299)	(2,676,177)	(1,860,291)

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Segment analysis

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

	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
<i>For the nine months ended 31st December</i>	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Total revenue generated	<b>20,323,927</b>	18,334,427	<b>8,787,437</b>	7,980,620	<b>11,491,489</b>	13,816,479	<b>1,823,336</b>	1,420,109	<b>42,426,189</b>	41,551,635
Less: Inter-segmental revenue	<b>17,462</b>	9,268	<b>220,816</b>	255,211	<b>353,173</b>	313,238	<b>204,942</b>	160,923	<b>796,393</b>	738,640
Less: Intra-segmental revenue	<b>1,448,872</b>	1,528,552	<b>312,851</b>	231,348	<b>524,309</b>	524,354	<b>51,683</b>	56,146	<b>2,337,715</b>	2,340,400
Total revenue with equity-accounted investees	<b>18,857,593</b>	16,796,607	<b>8,253,770</b>	7,494,061	<b>10,614,007</b>	12,978,887	<b>1,566,711</b>	1,203,040	<b>39,292,081</b>	38,472,595
Share of equity-accounted investees' revenue	<b>(285,816)</b>	(244,420)	<b>(1,313,729)</b>	(1,021,176)	<b>(975,452)</b>	(1,050,926)	<b>(22,187)</b>	(4,049)	<b>(2,597,184)</b>	(2,320,571)
<b>Revenue from external customers</b>	<b>18,571,777</b>	16,552,187	<b>6,940,041</b>	6,472,885	<b>9,638,555</b>	11,927,961	<b>1,544,524</b>	1,198,991	<b>36,694,897</b>	36,152,024
Profit from operations	<b>1,377,488</b>	1,457,470	<b>1,211,362</b>	1,058,728	<b>1,704,768</b>	1,107,760	<b>273,538</b>	218,123	<b>4,567,156</b>	3,842,081
Finance income	<b>451,632</b>	464,089	<b>34,560</b>	45,414	<b>50,442</b>	59,188	<b>15,668</b>	7,713	<b>552,302</b>	576,404
Finance expenses	<b>(860,856)</b>	(867,179)	<b>(77,104)</b>	(91,428)	<b>(438,721)</b>	(346,839)	<b>(26,404)</b>	(11,062)	<b>(1,403,085)</b>	(1,316,508)
Share of profit / (loss) of equity-accounted investees (net of tax)	<b>(109,677)</b>	(128,027)	<b>282,998</b>	233,185	<b>89,914</b>	86,706	<b>(4,652)</b>	(17,448)	<b>258,583</b>	174,416
<b>Profit before tax</b>	<b>858,587</b>	926,353	<b>1,451,816</b>	1,245,899	<b>1,406,403</b>	906,815	<b>258,150</b>	197,326	<b>3,974,956</b>	3,276,393
Income tax expense	<b>(473,847)</b>	(379,105)	<b>(287,393)</b>	(284,467)	<b>(267,389)</b>	(51,362)	<b>(56,087)</b>	(60,376)	<b>(1,084,716)</b>	(775,310)
<b>Profit for the period</b>	<b>384,740</b>	547,248	<b>1,164,423</b>	961,432	<b>1,139,014</b>	855,453	<b>202,063</b>	136,950	<b>2,890,240</b>	2,501,083

#### 1.2 Segment analysis of Group assets

	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
<i>As at</i>	31.12.2018 Rs.'000	31.03.2018 Rs.'000	31.12.2018 Rs.'000	31.03.2018 Rs.'000	31.12.2018 Rs.'000	31.03.2018 Rs.'000	31.12.2018 Rs.'000	31.03.2018 Rs.'000	31.12.2018 Rs.'000	31.03.2018 Rs.'000
Segment assets	<b>69,151,725</b>	63,890,431	<b>11,384,034</b>	10,209,845	<b>32,749,887</b>	29,483,972	<b>4,840,125</b>	4,062,292	<b>118,125,771</b>	107,646,540
Investments in equity-accounted investees	<b>1,051,324</b>	1,161,000	<b>4,241,448</b>	3,988,331	<b>1,152,613</b>	1,087,587	<b>94,885</b>	97,537	<b>6,540,270</b>	6,334,455
Goodwill on consolidation	—	—	—	—	—	—	—	—	<b>923,262</b>	853,060
Assets classified as held for sale	—	—	—	—	—	—	—	—	<b>149,125</b>	149,125
Eliminations / adjustments	—	—	—	—	—	—	—	—	<b>(7,030,406)</b>	(7,140,640)
<b>Total assets</b>	<b>70,203,049</b>	65,051,431	<b>15,625,482</b>	14,198,176	<b>33,902,500</b>	30,571,559	<b>4,935,010</b>	4,159,829	<b>118,708,022</b>	107,842,540

## 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. 2.00 per share for the year ended 31st March 2018 was paid on 10th July 2018, after it was approved at the Annual General Meeting on the 29th June 2018. Total dividend paid was Rs. 811,992,090.
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 2018.
6. There were no material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.
7. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year except for changes described in notes 8 and 9. 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 2019.

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 current reporting.

### 8. Change of presentation currency

The offshore headquarter companies in the hotels sector, changed their presentation currency from Sri Lankan Rupees (LKR) to United States Dollar (USD) with effect from 1st April 2018 to reflect the companies predominant operating currency in their financial statements. The Group accounted for this change in accounting policy by the subsidiary companies on prospective basis as the effect of the application of this change on the group financial statements is not material for the comparative periods. The Group information presented for the quarter reflects the quarterly information of the companies presented in the new presentation currency.

### 9. New accounting standards and interpretations

#### 9.1. SLFRS 9 – Financial Instruments

The final version of SLFRS 9 - Financial Instruments that replaces LKAS 39 - Financial Instruments: Recognition and Measurement and all previous versions of SLFRS 9. This standard brings together all three aspects of the accounting for the financial instruments i.e. classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for financial periods beginning on or after 1st January 2018. SLFRS 9 requires retrospective application of the standard except for hedge accounting where requirements are generally applied prospectively with some limited exceptions.

However the Institute of Chartered Accountants of Sri Lanka has issued a "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" in which the companies were granted with an option to prepare interim financial statements continuing with the application of LKAS 39 with disclosures on impact to the statement of comprehensive income for the period if SLFRS 9 had been applied during financial year commencing on or after 1st January 2018.

The Group having opted to use the exemption granted under the above SoAT, prepared the Interim Financial Statements for the quarter ended 31st December 2018 based on LKAS 39.

Based on the high-level impact assessment of all three aspects of SLFRS 9 on the group companies, the Group concluded that the impact of the new standard on its financial statements are not material.

#### 9.2. SLFRS 15 – Revenue from Contracts with Customers

SLFRS 15 became effective for financial periods beginning on or after 1st January 2018. This accounting standard supersedes LKAS 11 Construction Contract, LKAS 18 Revenue and revenue relate IFRICs and SICs and establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted SLFRS 15 with effect from the beginning of the current financial year -1st April 2018 using the full retrospective method and has recognised revenue for the nine months ended 31st December 2017 (comparative period) and 2018 based on this standard.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim consolidated financial statements of the Group.

## NOTES TO THE FINANCIAL STATEMENTS - CONTD.

### NON FINANCIAL INFORMATION

**31.12.2018**

#### 1. Stated Capital

Number of shares represented by the stated capital (31.03.2018 - 405,996,045)	405,996,045
Number of Public Shareholders	4,841
Percentage of shares held by the Public	46.10%
Floated adjusted market capitalisation - Rs.'000	8,946,884

As the floated adjusted market capitalisation is over 7.5 billion, Aitken Spence PLC complies under option 2 with the minimum public holding requirement.

#### 2. Shares Traded

Market Price per Share - Last traded (Rs.)	47.80
Market Price per Share - Highest (Rs.)	51.00
Market Price per Share - Lowest (Rs.)	43.00

#### 3. Shareholding of Directors

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

Name of Director	Position	31.12.2018	31.03.2018
1 D.H.S. Jayawardena	Chairman	Nil	Nil
2 J.M.S. Brito	Deputy Chairman and Managing Director	505,495	505,495
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

#### 4. Substantial Shareholdings

The twenty largest shareholding as at 31st December 2018 are as follows ;

	Name of the Share Holder	Shareholding	%
1	Melstacorp PLC	203,414,171	50.10
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	9,775,090	2.41
5	Mr. G.C. Wickremasinghe	7,308,240	1.80
6	Placidrange Holdings Limited	5,521,500	1.36
7	Renuka Hotels Limited	5,479,990	1.35
8	Milford Exports (Ceylon) (Pvt) Limited	4,321,500	1.06
9	HSBC International Nominees Limited -BP2S London-Aberdeen Asia Smaller Companies Investment Trust	3,400,000	0.84
10	Stassen Exports (Pvt) Limited	3,244,500	0.80
11	Ms. A.T. Wickremasinghe	3,211,975	0.79
12	Seylan Bank PLC / W.D.N.H. Perera	3,175,484	0.78
13	Mrs. K. Fernando	3,135,070	0.77
14	Mr. G.Wickremasinghe	3,019,090	0.74
15	Northern Trust Company S/A Hosking Global Fund PLC	2,907,475	0.72
16	Employees Trust Fund Board	2,621,870	0.65
17	Bank of Ceylon No. 1 Account	2,596,230	0.64
18	National Savings Bank	2,493,516	0.61
19	The Ceylon Guardian Investment Trust PLC A/c No. 02	1,674,000	0.41
20	The Ceylon Investment PLC A/c No. 02	1,674,000	0.41

## NOTES TO THE FINANCIAL STATEMENTS - CONTD.

### CORPORATE INFORMATION

*as at 31st December 2018*

#### **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)

#### **SECRETARIES**

Aitken Spence Corporate Finance (Private) Limited.

#### **REGISTERED OFFICE**

Aitken Spence Tower II

315, Vauxhall Street,

Colombo 02,

Sri Lanka.