

Corporate Governance

In the present business context, stakeholder expectations of companies to deliver year on year growth in performance and simultaneously address the impact the businesses are creating on the environment has created tremendous pressure on the Board of Directors and the management of companies. Too much emphasis on profitability due to stakeholder pressure and due to poor governance structures adopted have resulted in many corporate failures worldwide. Analysis of some of the recent corporate failures revealed that most of the failed entities had very well documented governance structures but lacked the discipline in implementing such policies.

We at Aitken Spence believe that sound corporate governance principles are the foundation upon which the trust of investors

and stakeholders are built. In acknowledgement of this, we place a very strong emphasis on adopting and implementing sound principles and practices of good corporate governance. The Board's primary objective is to enhance long term shareholder value whilst being committed to upholding the highest standards of integrity, accountability, transparency and business ethics in the governance of the Company and its subsidiaries.

This report details the governance structure of the Company and the practices adopted based on the guidelines issued jointly by the Institute of Chartered Accountants of Sri Lanka, the Securities and Exchange Commission of Sri Lanka, the listing rules of the Colombo Stock Exchange and other Codes of Professional Institutes and the Chamber of Commerce.

	Reference to SEC & ICASL Code	Compliance	Details of Compliance																				
1. Company																							
A. Directors																							
A.1 The Board																							
The Board comprises of a Chairman, a Deputy Chairman & Managing Director, and eight other Directors, five of whom are Independent Non Executive Directors.																							
The names and profiles of each of the Directors are on pages 20 to 21 of this Annual Report. None of the Directors are related to each other which enables each of the Directors to express their views independently and objectively.																							
Board meetings	A.1.1	Complied	<p>Board Meetings were held five times during the financial year and were presided over by the Chairman other than at one meeting. The Board meetings are arranged in advance and all Directors are informed of the meetings. Any instance of non attendance at the meetings were due to personal commitments or illness.</p> <p>Number of meetings</p> <table border="0"> <tr><td>D.H.S. Jayawardena</td><td>4</td></tr> <tr><td>J.M.S. Brito</td><td>5</td></tr> <tr><td>R.M. Fernando</td><td>5</td></tr> <tr><td>G.M. Perera</td><td>4</td></tr> <tr><td>M.P. Dissanayake</td><td>5</td></tr> <tr><td>G.C. Wickremasinghe</td><td>4</td></tr> <tr><td>C.H. Gomez</td><td>2</td></tr> <tr><td>N.J. Deva Aditya</td><td>4</td></tr> <tr><td>V.M. Fernando</td><td>4</td></tr> <tr><td>R.N. Asirwatham</td><td>5</td></tr> </table> <p>The Directors are provided with minutes, the agenda and Board papers in advance giving them adequate time to study and formulate independent views which enable active and effective participation by each Board member. When decisions are taken via circular resolutions, all relevant information is sent together with the circular resolution to enable the Directors to clearly comprehend the purpose for which a resolution is being circulated, prior to obtaining their consent.</p>	D.H.S. Jayawardena	4	J.M.S. Brito	5	R.M. Fernando	5	G.M. Perera	4	M.P. Dissanayake	5	G.C. Wickremasinghe	4	C.H. Gomez	2	N.J. Deva Aditya	4	V.M. Fernando	4	R.N. Asirwatham	5
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	Reference to SEC & ICASL Code	Compliance	Details of Compliance
Responsibilities of the Board	A.1.2	Complied	<p>The Board is responsible for the formulation and implementation of the business strategies of the Group.</p> <p>Ensure the competencies of the Managing Director, the Board of Management and the senior management teams who are delegated with the authority to manage the operations of the Company and to ensure adherence to policies and procedures of the Group. It also ensures succession planning of the senior management team.</p> <p>Ensure that the company adopts and complies with all applicable statutes and accounting regulations.</p> <p>Recommend the appointment or removal of the external auditors subject to the approval of the shareholders at the Annual General Meeting.</p> <p>Responsible for appointing members to the Audit, Remuneration and Nomination committees, who possess the experience and expertise to add value to the committees to which they are appointed.</p> <p>Self evaluation of the Board is conducted on its own performance and that of its committees.</p> <p>The Board reviews and approves the operational and financial budgets and monitors the performance of the individual Strategic Business Units of the Group and introduces appropriate risk management systems to encompass all aspects of the businesses.</p> <p>The Board evaluates new businesses and investment proposals, in depth prior to commitment and restructures and re-engineers existing businesses of the Group where necessary.</p>
Compliance with laws and access to independent professional advice	A.1.3	Complied	<p>The Board ensures compliance with the applicable laws of the country, and institutes, best practices on ethical, health, environmental and safety standards for the Group. The Board further ensures that all stakeholders interests are considered in corporate decisions. When required, it obtains independent professional advice at the Company's expense in discharging its duties.</p>
Company Secretary	A.1.4	Complied	<p>All Directors have access to the advice and services of the Company Secretary. The Company Secretary is present at all Board meetings and ensures that Board procedures are followed, applicable rules and regulations are complied with and appropriate facilities are available for the proper conduct of meetings.</p>
Independent judgment of the Directors	A.1.5	Complied	<p>All Directors add value and give an independent opinion on issues of strategy, performance, key appointments, standards of business conduct and all other matters which are considered by the Board.</p>
Dedicating adequate time and effort	A.1.6	Complied	<p>The Chairman and the Board of Directors allocate adequate time for the fulfillment of their responsibilities as Directors of the Company. In addition to attending Board meetings, individual Directors are members of various subcommittees of the Board and attend meetings after due preparation prior to such meetings.</p>
Training for new and existing Directors	A.1.7	Complied	<p>Any new director who is appointed to the Board is given if necessary appropriate training. The Board has recognised that there is a need for continuous training and development of skill for better performance of their duties.</p>
A.2. Chairman and Chief Executive Office			
<p>There is clear distinction of responsibilities between the Chairman and the Managing Director. The functions performed by the Chairman and the Managing Director are distinct and separate, which ensure the balance of power and authority within the organisation, so that no person has unfettered powers of decision making. The Chairman controls and preserves order at Board meetings and provides the Board with strategic direction and guidance. The Managing Director is responsible for the performance of the day to day operation of the Company with the support of the Board of Management and the senior management team. The Managing Director acts as the Chief Executive Officer of the Company.</p>			
Clear division of responsibilities of the Chairman and the CEO	A.2.1	Complied	<p>As mentioned above the Company has segregated the duties between the Chairman and the Managing Director.</p>

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	Reference to SEC & ICASL Code	Compliance	Details of Compliance
A.3 Chairman's Role			
The Chairman of the Company who is one of the most successful and experienced business leaders in this country is responsible for guiding the Board in formulating the appropriate business strategies and gives direction to the Group. He is responsible for preserving good corporate governance in the Company.			
Role of Chairman	A.3.1	Complied	<p>The Chairman ensures that the Board effectively performs its functions, adheres to procedures and is in complete control of the affairs of the Company and its obligations to the various stakeholders and regulatory bodies are met. The Chairman encourages effective participation by the individual Directors on matters taken up for consideration, prior to taking decisions.</p> <p>The Chairman ensures that all Directors are adequately briefed on issues arising at Board Meetings.</p> <p>The Chairman ensures that shareholders are given adequate opportunity to raise relevant questions and seek clarifications at meetings of shareholders.</p>
A.4 Financial Acumen			
Financial acumen	A.4	Complied	The Managing Director is a fellow member of the Institute of Chartered Accountants of London & Wales and holds a Degree in Law and a Masters Degree in Business Administration. The Board includes two chartered accountants and an investment banker who are Non Executive Independent Directors. These Directors add substantial value and independent judgment to decision making on matters concerning finance and investment
A.5 Board Balance			
Presence of Non Executive Directors	A.5.1	Complied	Five out of the ten Directors on the Board are Non Executive Directors which is above the requirement of the code. In the Company, the Chairman and the Managing Director are not the same person.
Independence of Non Executive Directors	A.5.2 & 5.3	Complied	There are five Non Executive Directors namely, Mr. G.C. Wickremasinghe, Mr. C.H. Gomez, Mr. N.J. Deva Aditya, Mr. V.M. Fernando and Mr. R.N. Asirwatham. Mr. C.H. Gomez, and Mr. N.J. Deva Aditya, although Directors of the company and Directors of Institutions that hold over 15% of the shares of the company, are however determined as Independent Directors after taking into consideration all the relevant circumstances including the fact that they reside overseas. Further, the Institutions in which they are Directors do not directly or indirectly get involved in the day to day management of either the company or its subsidiaries. Mr. V.M. Fernando and Mr. R.N. Asirwatham were appointed to the Board as Independent Directors. The Board having considered the circumstances and the criterion on independence in relation to Mr. G.C. Wickremasinghe, construed Mr. G.C. Wickremasinghe to be independent.
Annual Declaration of Non Executive Directors	A.5.4	Complied	Each Non-Executive Director submits a declaration signed by him of his independence/non independence against the specific criteria. This information is made available to the Board.
Requirement to appoint a 'Senior Non Executive Director'	A.5.6 and A.5.7	Not applicable	This is not relevant to the company as the Chairman and the Managing Director roles are segregated.
Chairman conducting meetings with the Non Executive Directors	A.5.8	Complied	The Chairman meets with only the Independent non-Executive Directors when necessary.

	Reference to SEC & ICASL Code	Compliance	Details of Compliance
Recording of concerns in the Board minutes	A.5.9	Complied	Any concerns raised by the Directors which cannot be resolved unanimously are recorded in the Board minutes, if applicable.
A.6 Supply of Information			
Obligation of the Management to provide appropriate and timely information	A.6.1	Complied	The Group has a state of the art management information system to process and monitor the performance of the Group. The Board members have access to all the information at all times.
Adequate time for Board meetings	A.6.2	Complied	Board papers are circulated giving adequate time for individual Directors to study and formulate independent views which enable active and effective participation by each Board member.
A.7 Appointments to the Board			
Nomination Committee and the assessment of composition of the Board	A.7.1 and 7.2	Complied	<p>The Nomination Committee consists of three Independent Non Executive Directors, one of whom is the Chairman, the Chairman of the Company and the Managing Director.</p> <p>The names of the members of the Committee are listed on the inner back cover of the Annual Report.</p> <p>The function of the Nomination Committee is to recommend to the Board of Directors the suitability of the appointments and the re-appointments of Directors to the Company and to its Subsidiaries, and to regularly review the structure, size, composition and competencies of the Board and make recommendations to the Board.</p>
Disclosure to Shareholders	A.7.3	Complied	Upon the appointment of a new Director to the Board, the Company informs the Colombo Stock Exchange with a brief resume of such Director containing the nature of his expertise, other directorships held, memberships in Board Committees and the nature of the appointment.
A.8 Re Election			
Re election of Directors including Chairman	A.8.1 and 8.2	Complied	The Directors are elected by the shareholders of the Company in terms of the Articles of Association. The Articles of Association of the Company empower the Board of Directors to either fill a casual vacancy in the directorate or to appoint additional Directors. Directors so appointed hold office until the next annual general meeting at which they are eligible for re- election. The Company's Articles of Association provide for one third of the Directors for the time being, or if their number is not a multiple of three the number nearest to one third (but not exceeding one third) to retire from office by rotation other than the offices of the Chairman and the Managing Director, who are not subject to retirement by rotation. The retiring Directors are selected on the basis of those who have been longest in office since their last election. In the event more than one Director is appointed on the same date the retiring Director is determined either by agreement or by lot. A retiring Director is eligible for re-election. In order to ensure that the Board comprises of members who add value to the Group, the Board evaluates the contribution made by each retiring Director before recommending such Director for re-election.
A.9 Appraisal of Board performance			
Appraisals of the board and the sub committee	A.9.1, A.9.2 and A.9.3	Complied	The performance of the Board and the sub committee is reviewed and evaluated by the Board and Chairman based on a self appraisal basis.

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	Reference to SEC & ICASL Code	Compliance	Details of Compliance
A.10 Disclosure of information in respect of Directors			
Directors disclosures	A.10.1	Complied	The names of the Board of Directors, their qualification and expertise and the profiles are disclosed on pages 20 to 21 of this report. Directors' interest in contracts is given on page 169 of this annual report. The number of board meetings attended by the Directors is given on page 116 of this report. Names of the Chairman and the names of members of the Board Committees are provided in the inner back cover of the annual report.
A.11 Appraisal of Chief Executive			
Setting of the annual targets and the appraisal of the CEO	A.11.1 and A.11.2	Complied	The Board Reviews and approves the operational and financial budgets and monitors the performance. The evaluation of performance is conducted half yearly and at the end of the financial year.
B DIRECTORS REMUNERATION			
B.1 Remuneration Procedure			
Establishment of a remuneration committee and its composition	B.1.1 ,B.1.2 and B.1.3	Complied	The Remuneration Committee comprises of three Non Executive Directors one of whom is the Chairman. No Director is involved in determining his or her own remuneration.
Determination of the remuneration of the Non Executive Directors	B.1.4	Complied	The Board determines as per the Articles of Association of the Company the fees and reimbursable expenses payable to Non Executive Directors.
Consultation with the Chairman and the CEO	B.1.5	Complied	Remuneration Committee consults the Chairman and the Managing Director regarding the remuneration proposal to Executive Directors and the senior management. No Director is involved in determining his or her own remuneration.
B.2 Level and Make up of Remuneration			
Level and make up of the remuneration of Directors and comparison of remuneration with other Companies	B.2.1, 2.2 and 2.3	Complied	The Remuneration Committee is responsible for evaluating the performance of the Managing Director, Executive Directors and the individual and collective performance of the Directors and the Senior Management. The Committee structures remuneration packages to attract, retain, motivate Directors, the senior management and executives. The remuneration packages are based on comparative industry norms and the contribution of the individual to the Group and the respective subsidiary to which such individual is attached.
Performance based remuneration	B.2.4	Complied	The Remuneration Committee reviews the performance of the Executive Directors and senior management and the performance bonus is based upon the achievement of the goals and targets.
Executive share options	B.2.5	Not applicable	No share options are on offer.
Designing the remuneration.	B.2.6	Complied	The procedure followed in deciding of remuneration of employees is set out in the Remuneration Committee report which is given on page 129.
Early Termination of Directors	B.2.7 and B.2.8	Complied	Is determined by the Articles of Association.
Remuneration of non executive Directors	B.2.9	Complied	Non Executive Directors receive a fee for their participation in meetings as set out under B.1.4.

	Reference to SEC & ICASL Code	Compliance	Details of Compliance
B.3 DISCLOSURE OF REMUNERATION			
Disclosure of remuneration	B.3.1	Complied	The names of the members of the Remuneration Committee are listed on the inner back cover. The report of the Committee is given on page 129 of this Annual Report. Please refer note 8 to the financial statements for the details of remuneration paid to Board of Directors and key management personnel.
C. RELATIONS WITH SHAREHOLDERS			
C.1 Constructive use of Annual General Meeting			
Use of Proxy	C.1.1	Complied	The Company ensures that all proxy votes are counted and the level of proxies lodged on each resolution is conveyed to the Chairman.
Separate resolution for substantially separate issues	C.1.2	Complied	Separate resolutions are proposed at an Annual General Meeting on each substantially separate issues.
Chairman of Board committee to be present	C.1.3	Complied	At the Annual General Meeting the relevant Chairman of the Remuneration, Audit, Nomination Committees are present to answer queries and provide clarification to shareholders where necessary.
Adequate notice of Annual General Meeting and summary of Procedure	C.1.4 and C.1.5	Complied	The notice and the agenda for the annual general meeting together with the Annual Report of the Company containing the relevant documents are sent to the shareholders giving 15 working days notice prior to the date of the Annual General Meeting.
C.2 MAJOR TRANSACTION			
Disclosures of Major transactions	C.2.1	Complied	There were no major transactions during the financial year which materially altered the Company's net asset base or the consolidated Group net asset base.
D. ACCOUNTABILITY AND AUDIT			
D.1 Financial Reporting			
Board responsibility to present the financial statements	D.1.1	Complied	The Board of Directors confirm that the financial statements of the Company and its subsidiaries that are incorporated in this Annual report have been prepared in a meaningful manner and are in accordance with the Sri Lanka Accounting Standards and the Companies Act No 7 of 2007. The Company has duly complied with all the requirements prescribed by the regulatory authorities including the Colombo Stock Exchange and the Registrar of Companies. The consolidated financial statements and the financial statements of the Company were audited by Messrs. KPMG Ford, Rhodes, Thornton & Co., Chartered Accountants.
Annual report of the Directors	D.1.2	Complied	The Directors have made the required declaration in the Annual Report of the Directors on pages 124 to 128 of the Annual Report.
Statement by the Directors and the Auditors	D.1.3	Complied	The Directors responsibility statement is on page 132 of the Annual Report. The Auditors' Report on the financial statements for the year ended 31st March 2011 is presented on page 133 of this Annual Report.
Management discussion and analysis	D.1.4	Complied	The management discussion and analysis is presented as the operational review of the company and its subsidiaries on pages 30 to 51 of this Annual Report.

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	Reference to SEC & ICASL Code	Compliance	Details of Compliance
Declaration by the Board as to whether the business is a going concern.	D.1.5	Complied	The relevant declaration is presented in the Annual Report of the Directors on page 126 of this Annual Report.
Requirement for an Extraordinary General Meeting in a situation of serious loss of capital	D.1.6	Not applicable	This is not applicable to the Company but should the situation arise an Extraordinary General Meeting would be called upon and the shareholders would be notified.
D.2 Internal Control			
Directors to review internal Controls	D.2.1	Complied	The Board is responsible for formulating and implementing appropriate systems of internal control for the Group and in turn assess the effectiveness. The Groups internal audits division assist the Board of Directors and the Audit Committee in carrying out the above task. Any internal control system has its inherent limitations. The Board is aware of the inherent limitations and has taken appropriate steps to minimise such situations.
Requirement to review the need for an Internal Audit function	D.2.2	Not applicable	The Group has its own internal audit division.
D.3 Audit Committee			
Composition of the Audit Committee and the Duties	D.3.1 and D.3.2	Complied	The Audit Committee is a sub committee of the Board of Directors of Aitken Spence PLC. The Committee comprises of four Independent Non Executive Directors one of whom is a member of the Institute of Chartered Accountants and is the Chairman of the Committee. The duties and responsibilities of the Audit Committee are in accordance with the Code of best practice on Audit Committees issued by the Institute of Chartered Accountants of Sri Lanka and the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka. The annual audit plan is reviewed and approved by the Committee. The audit observations submitted to the Audit Committee are closely monitored together with remedial actions by circulating the minutes of the Committee meetings. The Audit Committee also reviews the management letters and special assignments by the Internal and external auditors and reviews and assesses risks.
Terms of Reference for Audit Committee	D.3.3	Complied	The Audit Committee assists the Board in discharging its duty in ensuring that the Group's internal controls and conduct of business are in accordance with the best practices appropriate to the Company and to the Group's Strategic Business Units. The Audit Committee evaluates the performance of the external auditors and makes its recommendation to the Board of Directors on their re appointment or removal which is subject to the approval of the shareholders at the Annual General Meeting.
Disclosures of names of the members of the Audit Committee	D.3.4	Complied	The Audit Committee monitors and guides the Internal Audit function. Report of the Audit Committee is on page 131 of this Annual Report.
D.4 Code Of Business Conduct and Ethics			
Disclosure on a presence of code of business conduct and ethics	D.4.1	Complied	The Company has developed a code of ethics which is circulated to Directors and all employees. The Board ensures that the Directors and employees strictly comply with the Code of Business Conduct and Ethics. The Violation of the code of ethics is an offence which is subject to disciplinary action.

	Reference to SEC & ICASL Code	Compliance	Details of Compliance
Affirmation of the code of conduct and ethics	D.4.2	Complied	Please refer Chairman's statement on Page 10 of the Annual Report
D.5 Corporate Governance Disclosures			
Disclosures of Corporate Governance	D.5.1	Complied	This report from 116 to 123 satisfies the above requirement
2. SHAREHOLDERS			
E. INSTITUTIONAL INVESTORS			
Shareholder voting	E.1.1	Complied	The company conducts regular discussions with Institutional Investors. All shareholders of the Company are welcomed at the AGM, and requested to cast their vote on applicable issues.
F. OTHER INVESTORS			
F.1 investing and divesting decision			
Investing and divesting decision	F.1	Complied	The Company has no restriction on any shareholder obtaining independent advice regarding their investment in the company.
F.2 Shareholder Voting			
Individual shareholders voting	F.2	Complied	All shareholders are encouraged to be present, actively participate and vote at General meetings. The Annual General Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company and to meet with the Directors after the meeting.

Annual Report of the Board of Directors

The details set out herein provide the pertinent information required by the Companies Act No 7 of 2007, the Colombo Stock Exchange Listing Rules and the recommended best accounting practices. The Board of Directors of Aitken Spence PLC, has pleasure in presenting the Annual Report together with the audited financial statements for the year ended 31st March 2011 which were approved by the Board of Directors on 27th of May 2011.

1. Principal Activities

Aitken Spence PLC, is the holding company that directly or indirectly owns investments in companies which form the Aitken Spence Group. In addition to the above, the Company provides management and related services to its Group Companies. During the year there were no significant changes in the principal activities of the Company and the Group. The activities of the Group are categorised into four main sectors namely Tourism, Cargo Logistics, Strategic Investments and Services. Companies within each sector and their principal activities are described on pages 185 to 189 of the Annual Report. The financial statements of the Company and the Group which include the income statements, balance sheets, cash flow statements, statements of changes in equity and notes to the financial statements for the year ended 31st March 2011 are given on pages 134 to 171.

2. Review of Operations

A review of performance, future plans of the Company and the Group Companies are described in greater detail in the Chairman's Report, the Managing Director's Review, Management Discussion and Analysis, and the Financial Review in the Annual Report. These reports together with

the financial statements reflect the state of affairs of the Company and the Group.

With the intention of facilitating greater liquidity, the shares of the company were subdivided on the basis of fifteen ordinary shares for one ordinary share held thereby increasing the number of shares in issue from 27,066,403 to 405,996,045 shares. The stated capital of the Company remains unchanged at Rs. 2,135 million.

The Company and the Group invested Rs. 2,868 million in new and existing ventures.

Aitken Spence Hotel Holdings PLC, which is a subsidiary of the Company had a successful rights issue in May 2010 of one new share for every 4 shares held at an issue price of Rs. 260.00 per share. The rights issue raised equity of Rs. 2.5 billion.

The objective of the rights issue was to finance new projects/ investments to maintain the company's leadership position in the tourism/ hotel industry which is expected to grow substantially as well as to provide investors an opportunity to participate further in the equity of the company and its growth prospects. Aitken Spence PLC, invested Rs.1.78 billion in the rights issue and retained the equity control in the Company.

Aitken Spence Hotel Holdings PLC., thereafter had a sub division of shares on the basis of seven shares for every one share held with a view to facilitating greater liquidity of the Company's shares.

Aitken Spence Hotel Holdings PLC invested Rs. 773 million in the rights issue of Browns Beach Hotel PLC increasing its equity holding of the Company from 28.69% to 33.22%. Hence

<i>For the year ended 31 March</i>	Group 2011 Rs.'000	Group 2010 Rs.'000 (Restated)
The net profit of the Group after providing for all expenses, all known liabilities and depreciation on property, plant and equipment	3,815,555	3,353,169
Provision for taxation including deferred tax	(387,335)	(366,193)
Net profit after tax	3,428,220	2,986,976
Profit attributable to minority shareholders	(892,264)	(927,340)
Profit attributable to equity shareholders	2,535,956	2,059,636
Income directly recognised in the equity statement	356,425	52,172
Adjusted balance brought forward from the previous year	18,894,470	17,039,793
Amount available for appropriation	21,786,851	19,151,601
Interim dividend for 2009/2010 (2008/2009)	(94,732)	(94,732)
Final dividend for 2009/10 (2008/09)	(175,932)	(162,399)
Balance carried forward	21,516,187	18,894,470

in accordance with the Takeovers and Mergers Code 1995, as amended in 2003 Aitken Spence Hotel Holdings PLC made a mandatory offer to purchase all the remaining ordinary shares of Browns Beach PLC at Rs. 21.70 per share and such offer was valid until the 29th of April 2011.

Six Senses Group and Aitken Spence Hotel Holdings PLC signed an agreement to commence construction of the first Six Senses property in Sri Lanka.

Aitken Spence PLC acquired Logilink (Pvt) Ltd., a company specialising in warehousing and garments on hangers by investing Rs. 222.6 million.

During the period under review the Aitken Spence PLC – China Merchants Holdings (International) Company Ltd., consortium was awarded the Letter of Intent by the Government of Sri Lanka, to build, operate and transfer a new deep water container terminal in the South Container Terminal at the Port of Colombo.

The Company divested its stake in Hayleys Plantation Services Ltd., the holding Company of Talawakelle Tea Estates PLC for Rs. 280 million.

Synopsis of the Income Statement of the Company and the Group

2.1. Group Revenue & Profits

Revenue generated by the Company during the year amounted to Rs. 377 million (2010 - Rs. 335 million). The Group revenue was Rs. 25,144 million (2010 - Rs. 24,169 million) which is an increase of 4.0% compared to the previous year. An analysis of Group revenue based on business and geographical segments is disclosed in note 6 to the financial statements on page 148.

The profit after tax of the Company was Rs. 1,657 million (2010 - Rs. 1,471 million) The Group's profit attributable to the equity shareholders of the parent company for the year was Rs. 2,536 million (2010 - Rs. 2,060 million) a 23.1% increase over the previous year. The segmental profits are disclosed in note 6 to the financial statements on page 148.

2.2. Donations

During the year, donations amounting to Rs. 275,000/- were made by the Company, while the donations made by the subsidiaries during the year amounted to Rs. 5,109,617/-.

2.3. Taxation

A detailed statement of the income tax rates applicable to the individual companies in the Group and a reconciliation of

the accounting profits with the taxable profits are given in note 12 to the financial statements.

It is the policy of the Group to provide for deferred taxation on all known timing differences on the liability method. The deferred tax balances of the Group are given in notes 22 and 30 to the financial statements.

2.4. Dividends

The Directors recommend a first and final dividend payment of Rs. 1.00 per share which is equivalent to Rs. 15.00 per share on the shares held prior to the subdivision. The dividend paid in respect of the previous year was Rs. 10.00 per share. Thus there is an increase of 50% in the current year's dividends over the previous year. The total dividend for the current year will be distributed entirely from exempt dividends received by the Company and will be exempt from tax in the hands of the shareholders. The Directors are confident that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No 7 of 2007 immediately after the payment of the final dividend.

3. Synopsis of the Balance Sheet of the Company and the Group

3.1 Stated Capital and Reserves

As at 31st March 2011 the Company had issued 405,996,045 ordinary shares and the stated capital of the Company was Rs. 2,135 million. The total Group reserves as at 31st March 2011 were Rs. 19,381 million (2010 - Rs. 16,759 million). This consisted of capital reserves of Rs. 5,186 million (2010 - Rs. 4,751 million) and revenue reserves of Rs. 14,195 million (2010 - Rs. 12,008 million). The movement in these reserves is shown in the Statement of Changes in Equity - Group on page 136.

3.2 Debentures

3.2.2. Unsecured Redeemable Debentures 2006-2012

The Company by a private placement raised Rs. 960 million by issuing 9,600,000 unsecured redeemable debentures at Rs.100/- each in the financial year 2006/2007. Fitch Rating Lanka Limited, granted a credit rating of AA (lka) on these debentures. The details of the debentures are given below:

(i) Fixed rate

3,000,000 fixed rate unsecured redeemable debentures of Rs.100/- each were issued on 25th October 2006 with interest payable annually at an interest rate of 13.75% p.a. The applicable interest rate on these debentures was duly paid on 23rd October 2010. In accordance with the terms of the issue, 30% of the face value (Rs.30/-) of these debentures was redeemed on 25th October 2010.

Annual Report of the Board of Directors

(ii) Floating rate

6,600,000 floating rate unsecured redeemable debentures of Rs. 100/- each were issued in tranches of 4,100,000 and 2,500,000 on 25th October 2006 and 24th November 2006 respectively with interest payable semi annually at an interest rate of six months gross treasury bill rate + 1.25% p.a. The applicable interest on these debentures was duly paid on 24th April 2010 and 23rd October 2010. In accordance with the terms of the issue, 30% of the face value (Rs.30/-) of these debentures was redeemed on 25th October 2010.

3.3. Property, Plant & Equipment

The carrying value of property, plant & equipment for the Company and the Group as at 31 st March 2011 amounted to Rs. 209 million and Rs. 23,926 million respectively.

The total expenditure on the acquisition of property, plant & equipment during the year in respect of new assets and replacements by the Company and the Group amounted to Rs. 150 million and Rs. 2,013 million respectively.

3.4. Investment Property

The carrying value of land and buildings classified as investment property of the Company and the Group as at 31st March 2011 amounted to Rs. 676 million and Rs. 103 million respectively.

3.5 Market Value of Freehold Properties

The freehold land owned by companies in the Group was revalued by professionally qualified independent valuers during the financial year 2008/2009, with the exception of those owned by Aitken Spence Hotel Holdings PLC and Ahungalla Resorts (Pvt) Ltd., which were revalued during the financial year 2006/2007 and the current financial year respectively.

The Group revalues its freehold land once in every five years. Land and buildings purchased during the last five years are recorded in the financial statements at cost. Details of the revaluation, written down value and the carrying amount at cost are given in note 15 to the financial statements.

3.6 Contingent Liabilities

Contingent liabilities exist in respect of guarantees given to third parties with regard to bank and credit facilities obtained by subsidiaries, joint ventures and associate companies. Details are given in note 36 to the financial statements.

4. Events Occurring after the Balance Sheet Date

No event of material significance that require adjustments to the financial statements has arisen that would require any

adjustments other than those disclosed in note 41 to the financial statements on page 171.

5. Accounting Policies

There were no changes to the accounting policies adopted by the Company or the Group during the financial year. The accounting policies adopted by the Company and the Group are disclosed in the financial statements on pages 140 to pages 147.

6. Going Concern

The Board of Directors is satisfied that the Company has adequate resources to continue its operations without any disruption in the foreseeable future. The Company's financial statements are prepared on a going concern basis.

7. Information on the Board of Directors and the Sub Committees

7.1 Board of Directors

The Board of Directors of the Company as at 31 st March 2011 comprised of,

D.H.S. Jayawardena. - Chairman
J.M.S. Brito. - Deputy Chairman and
Managing Director

R.M. Fernando.

G.M. Perera.

M.P. Dissanayake.

G.C. Wickremasinghe.

C.H. Gomez.

N.J. de S Deva Aditya.

V.M. Fernando.

R.N. Asirwatham.

All Directors of the Company held office during the entire year. The profiles of the Directors are given on page 20 and 21 of the Annual Report.

7.2 Board Sub Committees

The following Directors of the Board serve as members of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

R.N. Asirwatham. (Chairman)

G.C. Wickremasinghe.

C.H. Gomez.

N.J. de S. Deva Aditya.

Remuneration Committee

G.C. Wickremasinghe (Chairman)

V.M. Fernando.

R.N. Asirwatham.

Nomination Committee

G.C. Wickremasinghe (Chairman)

D.H.S. Jayawardena.

J.M.S. Brito.

V.M. Fernando.

R.N. Asirwatham.

7.3 Recommendation for re election

Dr. R.M. Fernando and Mr. V.M. Fernando retire by rotation in terms of Article 84 of the Articles of Association of the Company and being eligible for re-election are recommended by the Board for re-election at the forthcoming Annual General Meeting.

Mr. G.C. Wickremasinghe attained the age of 70 years on 15th August 2003 and in accordance with Section 210(2) of the Companies Act No. 7 of 2007, he vacates office at the forthcoming Annual General Meeting. A notice of a resolution has been received from a shareholder that the age limit of 70 years referred to in Section 210(1) of the said Companies Act shall not apply to Mr. G.C. Wickremasinghe, and that he be re-elected as a Director at the Annual General Meeting.

7.4 Directors' Shareholding and their Interests

The Directors shareholdings and their interest is provided in the Investor Information section on page 176 of the Annual Report.

7.5 Interest Register

An Interest Register is maintained by the Company as per the Companies Act No. 7 of 2007.

7.6 Directors Remuneration

The Directors remuneration and fees in respect of the Company and the Group for the financial year ended 31st March 2011 are disclosed on page 149 of the financial statements.

7.7 Related party transactions

Related party transactions of the Group are disclosed on pages 169 to 170 of the Annual Report. These interests have been declared at Director's meetings.

7.8 Boards of Directors of Subsidiaries and Joint ventures

The names of Directors of the subsidiary and joint venture companies who held office as at 31st March 2011 and Directors who ceased to hold office during the accounting period are reflected on pages 185 and 189 of the Annual Report.

8. Human Resources

Our HR strategies and practices have translated into the creation of a dynamic and competent human resource team with sound succession planning and remarkably low attrition rate. Our employment strategies are reviewed periodically by the relevant committees and the Board of Directors. The Human Resources report is set out on pages 68 to 73 of the Annual Report

9. Corporate Governance

The Company complies with the Listing Rules of the Colombo Stock Exchange, and the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka. The Company's corporate governance practices are set out on pages 116 to 123 of the Annual Report.

10. Risk and Internal Control

The Directors accept ultimate responsibility for the Group's system of internal control. The systems are geared to provide with reasonable assurance that the assets of the Group are safeguarded and that all transactions are relevant, properly authorised and duly recorded.

The Group adopts a well structured and disciplined approach to risk management aligning strategy, processes, human technology and knowledge in evaluating and managing risks of the Group. The Board of Directors review this process through the Audit Committee.

The internal control systems in operation are contained in the Statement of Directors' Responsibilities on page 132 and the Audit Committee Report is set out on page 131 of the Annual Report.

11. Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory obligations due to the Government and to the employees have been either duly paid or adequately provided for in the financial statements. A confirmation of same is included in the Statement of Directors' Responsibilities on page 132 of this Annual Report.

12. Environmental Protection

The Board of Directors to the best of its ability has applied very high standards to protect and nurture the environment in which the Group operates and ensures strict adherence to all environmental laws. The Group has received numerous awards for best environmental practices which are ample testimony to this aspect of the Group's corporate

Annual Report of the Board of Directors

governance systems. The Group has not engaged in any activity which is harmful and dangerous to the environment. The corporate sustainability report of the Group is included on pages 74 to 113 of the Annual Report.

13. Shareholder Information

There were 5,045 shareholders as at 31st March 2011. The distribution schedule of the number of shareholders and their share holdings are detailed in pages 174 to 176. The details of the twenty largest shareholders as at 31st March 2011 are given on page 177. The percentage of the shares held by the public as at 31st March 2011 was 57.53%.

Information relating to earnings per share, net assets per share for the Company and the Group, dividend per share and the market price per share is given in pages 174 to 175 of the Annual Report.

14. Auditors

The independent auditors' report on the financial statements is given on page 133 of the Annual Report. The retiring auditors Messrs KPMG Ford, Rhodes, Thornton & Co., have stated their willingness to continue in office and a resolution to re-appoint them as auditors and granting authority to the Board to decide on their remuneration will be proposed at the Annual General Meeting.

The fees payable to the Company auditors Messrs KPMG Ford, Rhodes, Thornton & Co., is Rs. 682,000/-.

In addition to the above Rs. 1,785,771/- was payable by the Company for permitted non audit services including tax advisory services.

Messrs KPMG Ford, Rhodes, Thornton & Co., who is the auditors of the Company are also the auditors of certain subsidiaries, joint ventures and associate companies of the Group. The list of the subsidiaries, joint ventures and associate companies audited by them are included on pages

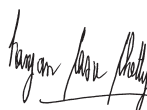
185 to 189 of the Annual Report. The amount payable by the Group to Messrs KPMG Ford, Rhodes, Thornton & Co., as audit fees is Rs. 7,717,842/- while a further Rs. 3,249,863/- was payable for permitted non audit related services including tax advisory services. In addition to the above Rs. 4,827,176/- is payable to other auditors for carrying out audits in the subsidiaries and joint ventures where the audits were not carried out by Messrs KPMG Ford, Rhodes, Thornton & Co. The amount payable to such other auditors for permitted non audit related services including tax advisory services was Rs. 3,812,606/-. As far as the Directors are aware the auditors neither have any other relationship with the Company nor any of its subsidiaries, joint ventures or associates that would have an impact on their independence.



D.H.S. Jayawardena
Chairman



J.M.S. Brito
Deputy Chairman & Managing Director



R.E.V. Casie Chetty
Company Secretary

27 th May 2011
Colombo

Remuneration Committee Report

The Remuneration Committee consists of three Non-Executive Independent Directors one of whom functions as the Chairman of the Committee. The three Non-Executive Independent Directors are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgment. The Chairman and the Managing Director of Aitken Spence PLC attend the meetings by invitation. The Remuneration committee formally met twice during the year under review.

The Group policy on remuneration packages is to attract and retain the best professional and managerial talent to the Group and also to motivate and encourage them to perform at the highest level. The Group has a structured and professional methodology to evaluate the performance of employees. The policy ensures that internal equity and fairness between the various employees is maintained, no discrimination is practised on account of gender, age, ethnicity or religion, recognises the basic needs of employees and the compensation packages address cost of living, inflation and industry norms.

The Remuneration Committee having considered the performance of the directors and executives of various Group Companies, approved promotions, the revision of individual remuneration packages based on comparative industry norms and the contribution of the individual to the Group and the respective subsidiary to which such individual is attached. No director is involved in deciding his or her own remuneration.



G. C. Wickremasinghe
Chairman
Remuneration Committee

Colombo
3rd May 2011

Here Today.

Nominations Committee Report

The Nomination Committee consist of three Independent Non Executive Directors one of whom acts as the Chairman of the Committee; whilst the Chairman of Aitken Spence PLC., and the Deputy Chairman and Managing Director of the Company are also members of the Committee. The members of the Committee individually and jointly possess a large reservoir of knowledge, experience and entrepreneurial skills which enables them to perform their responsibilities and duties effectively.

The Committee formally met once during the year under review. The primary function of the Committee is to evaluate the performance of the existing Directors, the suitability of new appointments and the re-appointments of existing Directors to Boards of Group Companies. Accordingly, the Committee reviewed and recommended changes considered necessary to the Board of Directors, on the composition of Boards of Group Companies. The Nomination Committee further evaluated the suitability of promotions of employees to higher levels of management and made recommendations to the Board of Directors.

The Nomination Committee's decisions were fair, free from any bias and were not influenced by personal or business relationships. This enabled the Committee to make sound and measured judgments in order to attract the best talent to the Group and also retain the services of the current employees by giving them fair and equal opportunities.



G.C. Wickremasinghe
Chairman
Nomination Committee

Colombo
30th March 2011

Audit Committee Report

Committee Composition

The Audit Committee comprises of four independent non – executive Directors, one of whom is the Chairman.

Meetings and Attendance

The Committee formally met 8 times during the year ended 31st March 2011.

The Managing Director, The Chief Corporate Officer, the Chief Financial Officer, the Company Secretary and the Chief Internal Auditor attended the meetings by invitation. The Management of the Strategic Business Units, whose audit reports were being reviewed and discussed, were also invited to attend these meetings, when ever the Committee considered it necessary.

Functions of the Committee

Reviewed and discussed with the Management, the annual and quarterly financial statements prior to their release, which were prepared in strict compliance with the Companies Act No 7 of 2007, the Sri Lanka Accounting Standards, appropriate statutes and regulations of relevant Institutes and Organisations .

Approved the Internal Audit Department’s Plan of Activities, and monitoring its execution.

Reviewed and discussed the audit reports of Strategic Business Units within the Group, performed by the Group Internal Audit Division. Such audits covered financial & operational matters, risk assessments and IT security reviews.

Using their extensive experience, knowledge and specialised expertise, recommended additional controls and risk mitigation strategies , with a view to strengthening existing controls and strategies.

Assisted the Board in the discharge of its duties, by ensuring that adequate systems of internal control were in place.

Ensured that appropriate processes were in place for the identification, evaluation and management of significant risks faced by the Group.

Approved the appointment of a suitable firm of external consultants, to advice and assist the Group, in the implementation of the International Financial Reporting Standards.

Internal Audit

The activities of the Internal Audit Department were approved, reviewed and monitored at the meetings. The achievement of the Departments plan for the year ended 31st March 2011, was evaluated. The Committee also advised the Board, on the resource requirements of the Internal Audit Department.

External Audit

The Management Letter issued for the year ended 31st March 2010, the Managements responses thereto and the remedial actions taken, were reviewed and evaluated.

The Audit Committee met the External Auditors Messrs KPMG Ford, Rhodes, Thornton & Co., on the progress and conduct of the statutory audit and discussed audit related issues with them. The Audit Committee also negotiated with the external auditors the quantum of their fees and out of pocket expenses.

The Audit Committee having looked into the independence and performance of the external auditors Messrs Ford Rhodes Thornton and Co. and also having received a certificate from them confirming their independence decided to recommend to the Board of Aitken Spence PLC their reappointment as auditors of the Company for the current financial year, subject to the approval of the shareholders at the Annual General Meeting.



R.N. Asirwatham
Chairman
Audit Committee

Colombo
25th May 2011.

Statement of Directors' Responsibility

The Companies Act No.7 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the financial statements and other statutory reports. These documents need to be prepared in accordance with the relevant provisions of the Companies Act No.7 of 2007, the Sri Lanka Accounting and Auditing Standards Act No 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Directors confirm that the financial statements and other statutory reports of the Company and its subsidiaries and joint ventures for the year ended 31st March 2011 incorporated in this report have been prepared in accordance with the Companies Act No.7 of 2007, the Sri Lanka Accounting and Auditing Standards Act No 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

In the preparation of the financial statements, the Directors have selected the appropriate accounting policies and have applied them consistently. Material departures if any from accounting policies have been disclosed and explained in the financial statements.

The Directors have adopted the going concern basis in preparing the financial statements. The Directors having considered the Group's business plans, and a review of its current and future operations, are of the view that the Company has adequate resources to continue in operation.

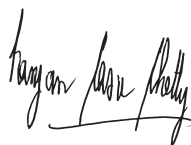
The Directors accept the responsibility of ensuring that the companies within the Group maintain adequate and accurate records which reflect the true financial position of each such company and hence the Group.

The Directors have taken appropriate and reasonable steps to safeguard the assets of the Company and the Group. The Directors have instituted appropriate systems of internal controls in order to minimise and detect fraud, errors and other irregularities.

The Directors have provided the Auditors with every opportunity to carry out any reviews and tests that they consider appropriate and necessary for the performance of their responsibilities.

The Directors confirm to the best of their knowledge and belief that all payments due to employees, regulatory and statutory authorities due and payable by the Company, its subsidiaries and joint ventures have been either duly paid or adequately provided for in the financial statements.

By Order of the Board,



R.E.V. Casie Chetty
Company Secretary

Colombo
27th May 2011

Independent Auditors' Report



KPMG Ford, Rhodes, Thornton & Co.
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
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Internet : www.lk.kpmg.com

TO THE SHAREHOLDERS OF AITKEN SPENCE PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Aitken Spence PLC (the "Company"), and the consolidated financial statements of the Company and its subsidiaries (the "Group") as at 31st March, 2011, which comprise the balance sheet as at that date, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 134 to 171 of this Annual Report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2011 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2011 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at March 31, 2011 and the profit and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 153(2) to 153(7) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS

Colombo

27th May 2011

Income Statements

For the year ended 31st March		Group		Company	
	Notes	2011 Rs.'000	2010 Rs.'000 (Re-stated)	2011 Rs.'000	2010 Rs.'000
Revenue	6	25,143,811	24,168,970	377,485	335,379
Revenue tax		(414,820)	(373,692)	(10,141)	(9,753)
Net revenue		24,728,991	23,795,278	367,344	325,626
Other operating income	7	254,205	149,596	1,825,023	1,572,825
Changes in inventories of finished goods and work-in-progress		20,402	(9,998)	-	-
Raw materials and consumables used		(6,641,636)	(7,497,448)	-	-
Employee benefits expense		(3,055,354)	(2,624,483)	(221,813)	(197,083)
Depreciation, amortisation and impairment of goodwill	8	(2,094,440)	(1,672,653)	(44,047)	(28,541)
Other operating expenses - direct	9	(5,659,838)	(4,763,820)	-	-
Other operating expenses - indirect		(3,595,814)	(3,344,591)	(256,600)	(191,408)
Profit from operations	6	3,956,516	4,031,881	1,669,907	1,481,419
Finance income		494,963	289,070	348,846	346,403
Finance expenses	10	(731,228)	(986,884)	(361,591)	(357,263)
Net finance expense		(236,265)	(697,814)	(12,745)	(10,860)
Share of associate companies profit (net of tax)	11	95,304	19,102	-	-
Profit before tax	6 & 8	3,815,555	3,353,169	1,657,162	1,470,559
Income tax expense	12	(387,335)	(366,193)	-	-
Profit for the year		3,428,220	2,986,976	1,657,162	1,470,559
Attributable to:					
Equity holders of the company		2,535,956	2,059,636	1,657,162	1,470,559
Minority interest		892,264	927,340	-	-
Profit for the year		3,428,220	2,986,976	1,657,162	1,470,559
Earnings per Share - Basic/Diluted (Rs.) *	13	6.25	5.07	4.08	3.62
Dividends per Share (Rs.) *	14	1.00	0.67	1.00	0.67

The notes on pages 140 through 171 form an integral part of these financial statements.

* Information for the previous year has been restated to reflect the subdivision of shares in October 2010.


Figures in brackets indicate deductions.

Balance Sheets

As at 31 March	Notes	Group		Company	
		2011 Rs.'000	2010 Rs.'000 (Re-stated)	2011 Rs.'000	2010 Rs.'000
ASSETS					
Non-Current Assets					
Property, plant & equipment	15	23,925,653	23,328,896	209,129	100,177
Leasehold properties	16	1,359,483	1,468,449	-	-
Intangible assets	17	134,026	154,185	-	-
Investment property	18	102,799	28,936	675,888	688,486
Investments in subsidiaries and joint ventures - unquoted	19	-	-	4,599,972	4,368,728
Investments in subsidiaries - quoted	19	-	-	2,458,287	679,300
Investments in associates	20	1,335,002	767,498	165,000	335,515
Long-term investments	21	473,945	483,580	167,873	167,873
Deferred tax assets	22	138,314	56,823	-	-
		27,469,222	26,288,367	8,276,149	6,340,079
Current Assets					
Inventories	23	1,607,724	1,393,586	1,755	1,791
Trade and other receivables	24	4,148,373	5,344,272	274,359	157,922
Amounts due from subsidiaries & joint ventures		-	-	2,003,004	2,338,273
Amounts due from associates		23,326	125,309	8,143	111,282
Current investments	25	261,436	4,619	436	436
Deposits and prepayments		547,022	490,378	23,205	34,075
Current tax receivable		122,298	158,160	109,659	81,271
Short-term deposits		5,047,926	2,752,209	2,700,285	2,146,059
Cash at bank and in hand		736,009	824,915	20,554	13,816
		12,494,114	11,093,448	5,141,400	4,884,925
Assets classified as held for sale	26	181,489	161,663	70,837	57,337
Total Assets	27	40,144,825	37,543,478	13,488,386	11,282,341
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the company					
Stated capital	28	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	28	11,071,652	9,317,199	5,737,726	4,352,211
Retained earnings		8,309,395	7,442,131	1,067,320	1,066,337
		21,516,187	18,894,470	8,940,186	7,553,688
Minority interest		5,129,687	4,566,388	-	-
Total Equity		26,645,874	23,460,858	8,940,186	7,553,688
Non-Current Liabilities					
Interest-bearing liabilities	29	4,143,648	5,156,762	844,000	1,112,000
Deferred tax liabilities	30	267,078	278,408	-	-
Employee benefits	31	335,637	295,266	46,936	41,674
		4,746,363	5,730,436	890,936	1,153,674
Current Liabilities					
Trade and other payables	32	3,942,187	4,190,966	334,209	432,669
Interest-bearing liabilities repayable within one year	29	1,718,328	1,541,047	568,000	508,000
Amounts due to subsidiaries & joint ventures		-	-	1,940,706	1,172,263
Amounts due to associates		482	2,956	45	209
Current tax payable		179,647	147,326	-	-
Short-term bank borrowings		2,911,944	2,469,889	814,304	461,838
		8,752,588	8,352,184	3,657,264	2,574,979
Total Equity and Liabilities		40,144,825	37,543,478	13,488,386	11,282,341

The above balance sheet is to be read in conjunction with the notes to the financial statements on page 140 to 171.

I certify that the financial statements for the year ended 31st March 2011 are in compliance with the requirements of Companies Act No. 7 of 2007.



Ms. N. Sivapragasam
Chief Financial Officer

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

For and on behalf of the Board:



D.H.S. Jayawardena
Chairman



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

27th May 2011
Colombo, Sri Lanka

Statement of Changes in Equity - Group

For the year ended 31st March 2011										
	Attributable to equity holders of the company						Retained earnings	Total	Minority interest	Total equity
	Stated capital	Revaluation reserve	Other reserves	Capital reserves	General reserves	Exchange fluctuation reserve				
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 31st March 2009	2,135,140	4,623,582	127,521	2,143,527	332,915	7,715,269	17,077,954	4,553,439	21,631,393	
Prior period adjustments (Note 42.1)	-	-	-	-	-	(38,161)	(38,161)	-	(38,161)	
Balance as at 31st March 2009 (Restated)	2,135,140	4,623,582	127,521	2,143,527	332,915	7,677,108	17,039,793	4,553,439	21,593,232	
Currency translation differences	-	-	-	-	48,004	-	48,004	9,814	57,818	
Effect of acquisitions, disposals and change in percentage holdings in subsidiaries	-	-	-	-	-	4,168	4,168	4,910	9,078	
Net income recognised directly in equity	-	-	-	-	48,004	4,168	52,172	14,724	66,896	
Profit for the year	-	-	-	-	-	2,059,636	2,059,636	927,340	2,986,976	
Total recognised income and expenses for the year	-	-	-	-	48,004	2,063,804	2,111,808	942,064	3,053,872	
Transfer to general reserve	-	-	-	2,041,650	-	(2,041,650)	-	-	-	
Dividends for 2008/2009 (Note 14)	-	-	-	-	-	(257,131)	(257,131)	-	(257,131)	
Dividends paid by subsidiary companies to minority shareholders	-	-	-	-	-	-	-	(929,115)	(929,115)	
Balance as at 31st March 2010	2,135,140	4,623,582	127,521	4,185,177	380,919	7,442,131	18,894,470	4,566,388	23,460,858	
Currency translation differences	-	-	-	-	(66,000)	-	(66,000)	(41,968)	(107,968)	
Share of net assets of associate companies	-	-	-	-	-	2,566	2,566	(1,208)	1,358	
Surplus on revaluation	-	434,938	-	-	-	-	434,938	149,656	584,594	
Issue of shares by subsidiaries	-	-	-	-	-	-	-	637,286	637,286	
Direct cost on share issue	-	-	-	-	-	(14,610)	(14,610)	(5,027)	(19,637)	
Effect of acquisitions, disposals and change in percentage holdings in subsidiaries	-	-	-	-	-	(469)	(469)	(557)	(1,026)	
Net income recognised directly in equity	-	434,938	-	-	(66,000)	(12,513)	356,425	738,182	1,094,607	
Profit for the year	-	-	-	-	-	2,535,956	2,535,956	892,264	3,428,220	
Total recognised income and expenses for the year	-	434,938	-	-	(66,000)	2,523,443	2,892,381	1,630,446	4,522,827	
Transfer to general reserve	-	-	-	1,385,515	-	(1,385,515)	-	-	-	
Dividends for 2009/2010 (Note 14)	-	-	-	-	-	(270,664)	(270,664)	-	(270,664)	
Dividends paid by subsidiary companies to minority shareholders	-	-	-	-	-	-	-	(1,067,147)	(1,067,147)	
Balance as at 31st March 2011	2,135,140	5,058,520	127,521	5,570,692	314,919	8,309,395	21,516,187	5,129,687	26,645,874	

The notes on pages 140 through 171 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Changes in Equity - Company

For the year ended 31st March 2011					
	Stated capital Rs.'000	Revaluation reserve Rs.'000	General reserves Rs.'000	Retained earnings Rs.'000	Total Rs.'000
Balance as at 31st March 2009	2,135,140	193,746	2,116,815	1,894,559	6,340,260
Profit for the year	-	-	-	1,470,559	1,470,559
Total recognised income and expenses for the year	-	-	-	1,470,559	1,470,559
Transfer to general reserve	-	-	2,041,650	(2,041,650)	-
Dividends for 2008/2009 (Note 14)	-	-	-	(257,131)	(257,131)
Balance as at 31st March 2010	2,135,140	193,746	4,158,465	1,066,337	7,553,688
Profit for the year	-	-	-	1,657,162	1,657,162
Total recognised income and expenses for the year	-	-	-	1,657,162	1,657,162
Transfer to general reserve	-	-	1,385,515	(1,385,515)	-
Dividends for 2009/2010 (Note 14)	-	-	-	(270,664)	(270,664)
Balance as at 31st March 2011	2,135,140	193,746	5,543,980	1,067,320	8,940,186

The notes on pages 140 through 171 form an integral part of these financial statements.
 Figures in brackets indicate deductions.

Cash Flow Statements

For the year ended 31st March	Group		Company	
	2011 Rs.'000	2010 Rs.'000	2011 Rs.'000	2010 Rs.'000
Cash flows from operating activities				
Net profit before taxation	3,815,555	3,353,169	1,657,162	1,470,559
Adjustments for				
Depreciation & amortisation	2,070,436	1,652,628	44,047	28,541
Impairment of goodwill	24,004	20,025	-	-
Interest expense	660,440	902,200	355,705	356,563
Gain on sale of property plant & equipment	(41,925)	(19,786)	(10,070)	(700)
Loss on disposal of investment property	-	-	23,711	-
Gain on sale of investments	(10,691)	-	(180,564)	-
Interest income	(494,963)	(289,070)	(348,846)	(346,403)
Surplus on acquisition of companies	(30,127)	(33,785)	-	-
Share of associate companies' profit after tax	(95,304)	(19,102)	-	-
Provision / (write-back) of bad and doubtful debts	(3,894)	10,194	987	(15,146)
Effect of changes in percentage holding in subsidiaries	(8,814)	4,077	-	-
Movement in assets held for sale	(19,826)	(12,539)	-	-
Provision for fall in value of investments	(995)	4,712	4,488	150
Foreign exchange gain / (loss)	(137,068)	(69,808)	13	-
Provision for retirement benefit obligations	80,020	79,807	9,163	10,094
	1,991,293	2,229,553	(101,366)	33,099
Operating profit before working capital changes	5,806,848	5,582,722	1,555,796	1,503,658
(Increase)/decrease in trade and other receivables	1,301,776	515,318	320,984	(90,755)
(Increase)/decrease in inventories	(214,138)	(109,975)	36	3
Increase/(decrease) in trade and other payables	(251,976)	284,083	669,096	285,965
(Increase)/ decrease in deposits & prepayments	(56,644)	42,142	10,870	10,704
	779,018	731,568	1,000,986	205,917
Cash generated from operations	6,585,866	6,314,290	2,556,782	1,709,575
Interest paid	(660,440)	(902,200)	(355,705)	(356,563)
Income tax paid	(406,612)	(442,295)	(28,388)	(37,686)
Retirement benefit obligations paid	(39,863)	(32,804)	(3,901)	(1,472)
	(1,106,915)	(1,377,299)	(387,994)	(395,721)
Net cash generated from operating activities	5,478,951	4,936,991	2,168,788	1,313,854
Cash flows from investing activities				
Investments made during the year	(1,030,107)	(102,353)	(2,028,726)	(441,007)
Acquisition of subsidiaries (Note A)	(224,132)	(458,553)	-	-
Purchase of property, plant and equipment	(2,012,935)	(1,938,023)	(150,163)	(72,559)
Purchase of investment property	(56,612)	-	(14,941)	-
Purchase of leasehold rights	(5,547)	(51,341)	-	-
Proceeds from disposal of property, plant and equipment	115,896	137,694	11,062	2,167
Proceeds from disposal of investments	289,440	15,000	351,586	15,000
Dividends and dividend taxes paid by subsidiary companies to outside shareholders	(1,067,147)	(929,115)	-	-
Dividends received from associate companies	34,066	7,443	-	-
Net cash used in investing activities	(3,957,078)	(3,319,248)	(1,831,182)	(496,399)

(carried forward to next page)

The notes on pages 140 through 171 form an integral part of these financial statements.
Figures in brackets indicate deductions.

For the year ended 31st March	Group		Company	
	2011 Rs.'000	2010 Rs.'000	2011 Rs.'000	2010 Rs.'000
(brought forward from previous page)				
Cash flows from financing activities				
Interest received from deposits	494,963	289,070	348,846	346,403
Proceeds from interest-bearing liabilities	1,244,137	616,271	300,000	-
Repayment of interest-bearing liabilities	(1,891,150)	(1,978,703)	(508,000)	(370,000)
Issue of shares by subsidiaries	637,286	-	-	-
Direct cost on share issue by a subsidiary company	(19,637)	-	-	-
Dividends paid	(269,941)	(256,715)	(269,941)	(256,715)
Net cash generated from / (used in) financing activities	195,658	(1,330,077)	(129,095)	(280,312)
Net increase in cash and cash equivalents	1,717,531	287,666	208,511	537,143
Cash and cash equivalents at the beginning of the year	1,154,460	866,794	1,698,024	1,160,881
Cash and cash equivalents at the end of the year (Note B)	2,871,991	1,154,460	1,906,535	1,698,024

A Acquisition of subsidiaries

During the year the Group acquired total control of Logilink (Pvt) Ltd., and balance control of Aitken Spence Hotel Managements (South India) Pvt Ltd. The fair value of assets acquired and liabilities assumed of these acquisitions are as follows;

	Rs.'000
Property, plant & equipment	(253,968)
Trade and other receivables	(1,952)
Deposits and prepayments	(2,923)
Interest bearing liabilities	521
Deferred taxation	(5,011)
Employee benefits	255
Trade and other payables	12,447
Cash and cash equivalents	(406)
Net assets acquired	(251,037)
Goodwill on acquisition of companies	(3,628)
Surplus on acquisition of companies	30,127
Purchase consideration paid on acquisition	(224,538)
Cash and cash equivalents acquired	406
Net cash outflow on acquisition of companies	(224,132)

B Cash and cash equivalents at the end of the year

For the year ended 31st March	Group		Company	
	2011 Rs.'000	2010 Rs.'000	2011 Rs.'000	2010 Rs.'000
Cash at bank and in hand	736,009	824,915	20,554	13,816
Short term deposits	5,047,926	2,752,209	2,700,285	2,146,059
Short-term bank borrowings	(2,911,944)	(2,469,889)	(814,304)	(461,838)
Cash and cash equivalent as previously reported	2,871,991	1,107,235	1,906,535	1,698,037
Effect of exchange rate changes	-	47,225	-	(13)
Cash and cash equivalents as restated	2,871,991	1,154,460	1,906,535	1,698,024

The notes on pages 140 through 171 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1 REPORTING ENTITY

Aitken Spence PLC., (the “Company”) is a company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The company’s registered office and the principal place of business is located at “Aitken Spence Tower II”, 315 Vauxhall Street, Colombo 02.

The principal activities of the Company and the other entities consolidated with it are disclosed in page nos. 185 to 189 of this report.

Aitken Spence PLC does not have an identifiable parent.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of Aitken Spence PLC., and those consolidated with such comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes to the financial statements. These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act. No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 19 of 1995.

2.2 Approval of financial statements by Directors

The financial statements for the year ended 31st March 2011 were authorised for issue by the Board of Directors on the 27th of May 2011.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain investments, and items of property, plant & equipment which are measured at fair value and defined benefit plans which are measured at the present value of the defined benefit obligations as explained in notes 3.2, 3.3 and 3.4.1 to the financial statements.

Functional currency

The financial statements are presented in Sri Lankan rupees, which is the Company’s functional currency. All financial information presented in rupees has been rounded to the nearest thousand.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and

reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that financial year, or the period of the revision and future periods if the revision affects both current and future financial years.

2.5 Going concern

The Directors have made an assessment of the Group’s ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or to cease operations.

3 SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by the entities in the Group.

3.1 Basis of consolidation

The consolidated financial statements (referred to as the “Group”) comprise the financial statements of the Company and its subsidiaries and the Group’s interest in associate companies and jointly controlled entities.

Subsidiaries, joint ventures and associates consolidated are disclosed in notes 19 and 20 to the financial statements.

3.1.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Control also exists when the company controls the composition of the board of directors or equivalent body, holds more than half of the issued shares of the entity, or controls more than half of the voting rights of the entity, or where control is provided by virtue of contractual arrangements.

Entities that are subsidiaries of another entity which is a subsidiary of the company are also treated as subsidiaries of the company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.1.2 Minority interest

The proportion of the profit or loss after taxation applicable to outside shareholders of subsidiary companies is reflected under “Minority interest” in the consolidated income statement.

The interest of the outside shareholders in the net assets employed of those companies are reflected under the heading “Minority interest” in the balance sheet.

3.1.3 Associates

Associates are those entities in which the Group has significant influence, but does not have control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% - 50% of the voting rights of another entity.

Investments in associates are recognised initially at cost. The results of the associate companies are accounted for in the consolidated financial statements using the equity method, where the Group’s share of profits and losses is incorporated in the consolidated income statement, and the related investments are carried forward in the consolidated balance sheet at values adjusted to reflect the Group’s share of retained assets. Dividends declared by the associates are recognised against the equity value of the Group’s investment.

3.1.4 Jointly controlled operations

Entities in which the Group has joint control over the financial and operating policies are termed joint ventures. The Group’s interests in such jointly controlled entities are accounted for on a proportionate consolidation basis. The Group’s share of the assets and liabilities of such entities are included in the consolidated balance sheet and the Group’s share of their profits and losses are included in the consolidated income statement in accordance with the Sri Lanka Accounting Standard 31 - Financial Reporting of Interests in Joint Ventures.

3.1.5 Goodwill

Goodwill represents the excess of the cost of an acquisition of a subsidiary or a joint venture over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is initially recognised at cost. Such goodwill is identified into cash generating units and is annually tested for impairment as described in note 3.3.9 to the

financial statements. After initial recognition goodwill is stated at cost less accumulated impairment losses.

The goodwill arising on acquisition of subsidiaries and joint ventures is presented as an intangible asset.

If the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceed the cost of the acquisition of the entity, it is recognised immediately in the consolidated income statement.

3.1.6 Reporting date

All the Group’s subsidiaries, jointly controlled entities and associate companies have a common financial year other than, Business Travels LLC which is a joint venture company whose financial year ends on the 31st December. The difference between the reporting date of the above subsidiaries and that of the parent does not exceed three months.

3.1.7 Intra-group transactions

Pricing policies of all intra-group sales are identical to those adopted for normal trading transactions, which are at market prices.

3.1.7.1 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Transactions in foreign exchange

3.2.1 All foreign exchange transactions in individual companies are translated at the rate of exchange prevailing at the time the transaction was effected. All monetary assets and liabilities in foreign currency at year end are translated at the rate prevailing on the reporting date. Non-monetary assets and liabilities which are carried in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to reporting currency using the exchange rate that was prevailing on the date the fair value was determined. The resulting gains or losses on translations are dealt with in the income statement, except in the case of cash flow hedges, which are accounted as stated below.

Notes to the Financial Statements

3.2.2 In respect of transactions which meet the conditions for special hedge accounting in relation to cash flow hedges, the portion of the exchange gain or loss on the hedge instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity and the ineffective portion is recognised in the income statement.

3.2.3 Subsidiaries incorporated outside Sri Lanka are treated as foreign entities. Assets and liabilities both monetary and non-monetary of foreign entities are translated at the rate of exchange prevailing on the reporting date. Income, expenses and cash flows of such foreign entities are translated at exchange rates approximating to the actual rate at the time of the transaction. For practical purposes this is presumed to be the average rate during each month. Exchange differences arising on translating the financial statements of foreign entities are recognised directly under equity in the consolidated financial statements.

Goodwill arising on the acquisition of foreign entities is reported using the exchange rate that prevailed at the date of acquisition in accordance with the Sri Lanka Accounting Standard No.21 – Effects of Changes in Foreign Exchange Rates.

3.3 Assets and bases of their valuation

3.3.1 Property, plant & equipment

3.3.1.1 Recognition and measurement

Property, plant and equipment other than land, are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring them in the site on which they are located.

All items of property, plant and equipment are recognised initially at cost. The Group revalues land at least once in every five years which is measured at its fair value at the date of revaluation less any subsequent impairment losses. On revaluation of land any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognised in the income statement. A decrease in value is recognised in the income

statement where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal. The details of land revaluation are disclosed in note 15.3.1 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.3.1.2 Subsequent cost

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the parts that are replaced is derecognised from the cost of the asset.

The Group also recognises the costs of major planned overhauls to the power generation plants in the carrying amount of the plant as a replacement when the above recognition criteria are satisfied.

3.3.1.3 Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation of property, plant and equipment of the Group is recognised in the income statement on a consistent basis, over the period appropriate to the estimated useful lives of each part of the asset.

Depreciation is not provided on land and assets under construction.

Generally assets are depreciated on a straight-line method over the following periods.

Leased Assets	Over the periods of the lease
Buildings	20 - 50 years
Plant & Machinery	10 - 20 years
Equipment	04 - 05 years
Power Generation Plants	10 - 20 years
Motor Vehicles	04 - 10 years
Furniture & Fittings	10 years
Computer Equipment	3-5 years

Crockery, Cutlery & Glassware	3-5 years
Speed Boats & Supply crafts	5 years
Soft Furnishing	5-10 years

Buildings of some of the Group's resorts in the Maldives that are not depreciated as above, are depreciated on an annuity method over the period of the leases.

Cost of replacement of components of assets recognised in the carrying amount of property, plant and equipment is depreciated over the balance useful life of the asset.

The cost of major planned overhauls capitalised are depreciated over the period until the next planned maintenance.

Power generation plants are depreciated from the date of first commercial operation of the plant.

3.3.2 Leases

3.3.2.1 Finance leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as leased assets under property, plant and equipment and are stated at an amount equal to the lower of its fair value and the present value of minimum lease payments. Leased assets are depreciated over the remaining lease period or the useful life of the asset whichever is shorter.

3.3.2.2 Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership over the assets are classified as operating leases. Lease payments under operating leases are recognised as an expense in the income statement on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

3.3.2.3 Leasehold property

The initial cost of acquiring leasehold property is treated as an operating lease and is amortised over the period of the lease in accordance with the pattern of benefits expected to be derived from the lease. Cost of leasehold property is tested for impairment annually.

3.3.3 Investments

3.3.3.1 Unquoted investments are treated as long-term investments and measured at cost in the financial statements. Investments in preference shares are treated as long-term investments and measured at cost in the financial statements.

3.3.3.2 Investments in subsidiary companies and jointly controlled entities are measured at cost less provision for fall in value of investments and treated as non-current investments in the parent company's financial statements.

3.3.3.3 Investments in associate companies are treated as long-term assets and measured as explained in paragraph 3.1.3 above in the consolidated financial statements. In the parent company's financial statements, the investments are measured at cost.

3.3.3.4 All other quoted investments are treated as current investments and measured at the lower of cost and market value on a portfolio basis, with any resultant gains or losses recognised in the income statement.

3.3.4 Investment properties

Investments in land and buildings that are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes are treated as investment properties and measured at cost less aggregate depreciation in the balance sheet. However, if there is impairment in value, other than of a temporary nature, the carrying amount is reduced to recognise the decline.

Certain items of land and building that had been revalued to fair value prior to 1st April 2005, the date of transition to the Sri Lanka Accounting Standard No 40 - Investment Property, are measured on the basis of deemed cost, being the revalued amount at the date of last revaluation.

3.3.4.1 Depreciation

No depreciation is provided on land treated as investment property.

Depreciation of other investment property of the Group is provided for on a consistent basis, over the period appropriate to the estimated useful lives of the assets on a straight-line method.

Leased Assets	Over the periods of the lease
Buildings	Over 20 - 50 years

3.3.4.2 In the consolidated financial statements, properties which are occupied by companies within the Group for the production or supply of goods and services or for administrative purposes is treated as property, plant and equipment while these properties are treated as investment property in the financial statements of the company owning the asset.

Notes to the Financial Statements

3.3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on a weighted average cost. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of factory overheads based on normal operating capacity.

3.3.6 Receivables

Receivables are measured at the amounts estimated to be realised. Provision has been made in the financial statements for bad and doubtful debts.

3.3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks, short-term liquid money market investments, bank overdrafts and short-term borrowings repayable on demand. These are included as components of cash and cash equivalents for purpose of cash flow disclosures.

3.3.8 Assets held for sale

Assets that are expected to be recovered primarily through a disposal rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, these assets are re-measured in accordance with the Group's accounting policies. Thereafter the assets are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on the above assets is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which are continued to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

3.3.9 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of goodwill is estimated at each reporting date, or as and when an indication of impairment is identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets. Impairment losses are recognised in the income statement.

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

3.3.9.1 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

3.3.9.2 Reversal of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in the income statement.

3.4 Liabilities and provisions

Liabilities classified as current liabilities on the balance sheet are those which fall due for payment on demand of the creditor or within one year of the reporting date. Non-current liabilities are those balances repayable one year from the reporting date..

All known liabilities have been accounted for in preparing the financial statements.

3.4.1 Employee benefits

3.4.1.1 Defined benefit plan - retiring gratuity

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees, in conformity with SLAS 16 (Revised 2006) on Retirement Benefit Costs.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

3.4.1.2 Defined contribution plan

Defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

The Group contributes a sum not less than 12% of the gross emoluments of employees as provident fund benefits and 3% as trust fund benefits respectively.

3.4.1.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee and the obligation can be measured reliably.

3.4.3 Provisions

A provision is recognised in the balance sheet, if as a result of a past event, the Group has a present legal or

constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.5 Income statement

3.5.1 Revenue

Group revenue represents sales to customers outside the Group and excludes value added tax and intra-group sales.

3.5.2 Profit

The profit earned by the Group before taxation as shown in the consolidated income statement is after making provision for bad and doubtful debts, all known liabilities and depreciation of property, plant & equipment except as referred to under note 3.3.1.3 above.

3.5.3 Expenditure

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit for the year.

3.5.4 Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the asset. Borrowing costs capitalised are disclosed in note 10 to the financial statements.

3.5.5 Revenue recognition

Revenue is recognised on an accrual basis from the sale of goods when all significant risks and rewards of ownership have been transferred to the buyer.

Revenue on rendering of services is recognised on a job completion basis.

In respect of the Group's hotel operations, apartment revenue is recognised on the rooms occupied on a daily basis, and food & beverage sales are accounted for at the time of sale.

Dividends from investments are recognised when the right to receive such is established.

3.5.6 Disposal of property, plant & equipment

Gains or losses on the disposal of property, plant & equipment have been accounted for in the income statement.

Notes to the Financial Statements

3.5.7 *Grants and subsidies*

Grants and subsidies which are intended to compensate a related cost are recognised in the income statement on a systematic basis over the period necessary to match the grant with the related cost.

Grants and subsidies which intend to compensate an expense or loss already incurred or received for the purpose of immediate financial support with no future related costs are recognised in the income statement in the period in which the grant becomes receivable.

Grants and subsidies related to assets are immediately recognised in the balance sheet as a deferred income and recognised in the income statement on a systematic and rational basis over the useful life of the asset.

3.5.8 *Income tax expense*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to the items recognised directly in equity, in which case it is recognised in statement of changes in equity.

3.5.8.1 *Current Tax*

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Companies incorporated in Sri Lanka

Provision for current tax for companies incorporated in Sri Lanka has been computed in accordance with the Inland Revenue Act No. 10 of 2006 and its amendments thereto.

Companies incorporated outside Sri Lanka

Provision for current tax for companies incorporated outside Sri Lanka have been computed in accordance to the relevant tax statutes as disclosed in note 12 to the financial statements.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods the excess is recognised as an asset in the financial statements.

3.5.8.2 *Deferred taxation*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the

amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities recognised by individual companies within the Group are disclosed separately as assets and liabilities in the group balance sheet and are not offset against each other.

3.5.8.3 *Economic service charge*

As per the provisions of the Economic Service Charge Act No 13 of 2006, ESC is payable on the liable turnover at specified rates. ESC is deductible from the income tax liability. Any unclaimed liability can be carried forward and set off against the income tax payable as per the relevant provisions in the Act.

3.5.9 *Segment information*

A segment is a distinguishable component of the Group engaged either in providing products or services (business segment) or in providing products or services in a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of other segments. The business segment has been identified as the primary segment of the Group and the geographical segment has been considered the secondary segment. The business segments are determined based on the Group's management and internal structure.

Segment results, assets and liabilities include items that are directly attributed to a segment or a relevant portion of results, assets and liabilities that can be allocated on a reasonable basis as determined by the management.

3.5.9.1 Business segment

The activities of the Group have been broadly classified into four main segments according to the nature of the product or service provided.

3.5.9.2 Geographical Segment

The activities of the Group have been broadly classified into two segments, namely, operations within Sri Lanka and those outside Sri Lanka, that is, Asia & Africa. Geographical Segment is identified by the location of assets.

Segment information analysed by business and geographical segments are disclosed in notes to the accounts 6 & 27 on pages 148, 163 and 164.

3.6 Other general accounting policies

3.6.1 Movement of reserves

Movements of reserves are disclosed in the statement of changes in equity.

3.6.2 Cash flow

3.6.2.1 Cash and cash equivalents

The cash flow statement has been prepared using the “indirect method”.

Cash and cash equivalents are defined as cash in hand and demand deposits, readily converted to known amounts of cash and subject to insignificant risk of changes in value.

Interest paid is classified under operating cash flows for the purpose of presentation of Cash Flow Statement and reported based on the indirect method.

3.6.3 Commitments and contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Group’s control.

Commitments and Contingent liabilities are disclosed in Note 34, 35 and 36 to the financial statements.

3.6.4 Related Party transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged.

3.6.5 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

All material post balance sheet events have been considered, disclosed and adjusted where applicable.

5. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT BALANCE SHEET DATE

5.1 The Institute of Chartered Accountants of Sri Lanka issued a new volume of Sri Lanka Accounting Standards, which will become applicable for annual periods beginning on or after 01st January 2012. Accordingly these Standards have not been applied in preparing these financial statements as they are not effective for the year ended 31st March 2011.

5.2 These Sri Lanka Accounting Standards comprise Accounting Standard prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS). Application of Sri Lanka Accounting Standards prefixed SLFRS and LKAS for the first time shall be deemed to be an adoption of SLFRSs.

5.3 The Group is currently in the process of evaluating the potential effect of the adoption of these Standards on its financial statements. Such impact has not been quantified as at the reporting date.

Notes to the Financial Statements

6 Segment analysis of group revenue and profit

6.1 Business segment

a. Revenue

	Total revenue generated		Inter - segmental revenue		Intra-segmental revenue		Revenue from external customers	
	2010/2011 Rs'.000	2009/2010 Rs'.000	2010/2011 Rs'.000	2009/2010 Rs'.000	2010/2011 Rs'.000	2009/2010 Rs'.000	2010/2011 Rs'.000	2009/2010 Rs'.000
Tourism sector*	10,779,827	9,233,205	23,726	25,178	788,830	697,789	9,967,271	8,510,238
Cargo logistics sector	4,604,821	4,138,939	296,774	346,626	180,044	230,141	4,128,003	3,562,172
Strategic investments*	10,312,991	11,979,612	133,980	120,540	37,153	27,452	10,141,858	11,831,620
Services sector	2,251,756	1,898,570	169,456	128,136	14,238	11,485	2,068,062	1,758,949
Total segment revenue	27,949,395	27,250,326	623,936	620,480	1,020,265	966,867	26,305,194	25,662,979
Share of associate company revenue	(1,161,383)	(1,494,009)	-	-	-	-	(1,161,383)	(1,494,009)
Total revenue	26,788,012	25,756,317	623,936	620,480	1,020,265	966,867	25,143,811	24,168,970

* Includes associate companies

b. Profit

	Profit from operations		Profit before tax *		Non cash expenses		Income tax expense	
	2010/2011 Rs'.000	2009/2010 Rs'.000	2010/2011 Rs'.000	2009/2010 Rs'.000	2010/2011 Rs'.000	2009/2010 Rs'.000	2010/2011 Rs'.000	2009/2010 Rs'.000
Tourism sector	1,602,206	1,173,069	1,564,264	791,354	44,734	62,873	48,382	48,548
Cargo logistics sector	601,670	623,401	594,566	630,374	21,380	30,302	192,751	222,834
Strategic investments	961,046	1,453,062	861,922	1,147,742	25,256	4,914	109,840	62,044
Services sector	791,594	782,349	794,803	783,699	2,256	14,525	36,362	32,767
	3,956,516	4,031,881	3,815,555	3,353,169	93,626	112,614	387,335	366,193

* Includes associate companies

Profits from operations and profits before tax of the strategic investments segment is after recognising Rs. 24 million as impairment of goodwill. There were no impairment losses recognised directly to the equity during the year and no reversals of impairment losses recognised in profits or directly in equity during the year.

6.2 Geographical segment

	Total revenue generated		Revenue from external customers		Profit before tax	
	2010/2011 Rs'.000	2009/2010 Rs'.000	2010/2011 Rs'.000	2009/2010 Rs'.000	2010/2011 Rs'.000	2009/2010 Rs'.000
Sri Lanka	19,483,953	18,725,161	18,321,249	17,625,187	2,738,078	2,235,724
Asia & Africa	7,304,059	7,031,156	6,822,562	6,543,783	1,077,477	1,117,445
	26,788,012	25,756,317	25,143,811	24,168,970	3,815,555	3,353,169

7 Other operating income

	Group		Company	
	2010/2011 Rs.'000	2009/2010 Rs.'000	2010/2011 Rs.'000	2009/2010 Rs.'000
Gain on sale of property, plant & equipment	41,925	19,786	10,070	700
Loss on disposal of investment property	-	-	(23,711)	-
Gain on sale of investments *	10,691	-	180,564	-
Dividend from investments	7,902	10,244	1,656,179	1,571,100
Foreign exchange profit	137,068	69,808	(13)	-
Proceeds from insurance claims	12,849	4,467	1,772	-
Government grants **	4,747	5,000	-	-
Surplus on acquisition of companies	30,127	33,785	-	-
Sundry income	8,896	6,506	162	1,025
	254,205	149,596	1,825,023	1,572,825

* The profits resulting from the divestment of investment in Hayleys Plantation Services Ltd., an associate company, amounting to Rs. 11.6 million (Company - Rs. 109.5 million) is included under current year profit on sale of investments.

** Government grants refer to the grant received under the Export Development Reward Scheme by the companies in the apparel industry.

8 Profit before tax

Profit before tax is stated after charging the following :

	Group		Company	
	2010/2011 Rs.'000	2009/2010 Rs.'000	2010/2011 Rs.'000	2009/2010 Rs.'000
Cost of inventories and services	15,792,050	15,661,748	212,650	186,989
Directors' remuneration & fees	193,544	167,242	22,896	22,108
Auditors' remuneration				
- KPMG Ford, Rhodes, Thornton & Co.	7,718	6,834	682	620
- Other auditors	4,827	4,141	-	-
Fees paid to Auditors for non-audit services				
- KPMG Ford, Rhodes, Thornton & Co.	3,250	3,664	1,786	1,048
- Other auditors	3,813	3,160	554	-
Depreciation	2,001,576	1,582,157	44,047	28,541
Amortisation	68,860	70,471	-	-
Impairment of goodwill	24,004	20,025	-	-
Operating lease payments	394,720	523,648	-	-
Provision / (write-back) of bad and doubtful debts	(3,894)	10,194	987	(15,146)
Provision for fall in value of investment	(995)	4,712	4,488	150
Legal Expenses	3,953	3,816	45	440
Defined contribution plan cost - EPF & ETF	205,988	170,322	22,880	19,404
Defined benefit plan cost - Retirement benefits	80,020	79,807	9,163	10,094

9 Other operating expenses-direct

Direct operating expenses as disclosed in the income statement refers to the cost of services other than staff costs which are directly related to revenue. Since most of the companies in the Group operate in service industries, other direct operating expenses represents a substantial portion of the total operating costs.

Notes to the Financial Statements

10 Finance expenses

	Group		Company	
	2010/2011 Rs.'000	2009/2010 Rs.'000	2010/2011 Rs.'000	2009/2010 Rs.'000
Interest on long-term borrowings	433,756	676,123	177,642	279,221
Interest on short-term borrowings	226,684	226,077	178,063	77,342
Bank charges	44,954	53,135	5,886	700
Finance charges on leases	25,834	31,549	-	-
	<u>731,228</u>	<u>986,884</u>	<u>361,591</u>	<u>357,263</u>

Borrowing costs capitalised by the Group on qualifying assets during the financial year amounted to Rs. 3.3 million (2009/2010 - nil). (Company-nil)

11 Share of associate companies profit after tax (net of tax)

	Group	
	2010/2011 Rs.'000	2009/2010 Rs.'000
Aitken Spence Plantation Managements (Pvt) Ltd. (consolidated with Elpitiya Plantations PLC.)	93,643	9,495
Hayleys Plantation Services Ltd. * (consolidated with Talawakelle Tea Estates PLC.)	-	5,470
M.P.S. Hotels Ltd.	6,289	(931)
Browns Beach Hotels PLC.	(4,628)	5,068
	<u>95,304</u>	<u>19,102</u>

* During the period under review the Group disposed of its investment in Hayleys Plantation Services Ltd.

12 Income tax expense

Income tax provision of Aitken Spence PLC., its subsidiaries, joint venture companies and associate companies which are resident in Sri Lanka have been calculated on their adjusted profits at 35% in terms of Inland Revenue Act No. 10 of 2006 and amendments thereto.

The taxation details of other companies which are non resident, exempt or enjoying a concessionary tax rate in the Group are disclosed below.

12.1 Subsidiaries/ Joint ventures

Companies exempt from tax

Company	Statute	Period
Ace Power Generation Matara (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	10 years ending 2011/2012
Ace Power Generation Horana (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	10 years ending 2011/2012
Ace Power Embilipitiya (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	10 years ending 2014/2015
Branford Hydropower (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	3 years from 1st year of profit
Aitken Spence Property Developments (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	3 Years ending 2011/2012
Aitken Spence Apparels (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	5 Years ending 2012/2013
Golden Sun Resorts (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	10 years ending 2012/2013
Logilink (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	5 Years ending 2014/2015
Spence International (Pvt) Ltd	Section 17 of BOI Law No. 4 of 1978	3 Years ended 2010/2011
Aitken Spence Hotels (International) Ltd	Section 13 (b) of the Inland Revenue Act No. 10 of 2006	Indefinite
Ace Ayurvedic (Pvt) Ltd	Section 13 (b) of the Inland Revenue Act No. 10 of 2006	Indefinite

12.1 Subsidiaries/ Joint ventures (Contd.)

Companies liable to tax at concessionary rates

Company	Tax rate & statute	Period
Aitken Spence Hotels Ltd	15% Under Section 46 of the Inland Revenue Act No. 10 of 2006	Indefinite
Aitken Spence Hotel Holdings PLC	15% Under Section 46 of the Inland Revenue Act No. 10 of 2006	Indefinite
Aitken Spence Hotel Managements (Pvt) Ltd	15% Under Section 46 of the Inland Revenue Act No. 10 of 2006	Indefinite
Hethersett Hotels Ltd	15% Under Section 46 of the Inland Revenue Act No. 10 of 2006	Indefinite
Kandalama Hotels Ltd	15% Under Section 46 of the Inland Revenue Act No. 10 of 2006	Indefinite
Neptune Ayurvedic Village (Pvt) Ltd	15% Under Section 46 of the Inland Revenue Act No. 10 of 2006	Indefinite
Ace Container Repair (Pvt) Ltd	15% Under Section 52 of the Inland Revenue Act No. 10 of 2006	ending 2014/2015
Ace Exports (Pvt) Ltd	15% Under Section 52 & 56 of the Inland Revenue Act No. 10 of 2006	ending 2014/2015
Aitken Spence (Garments) Ltd	15% Under Section 52 of the Inland Revenue Act No. 10 of 2006	Indefinite
Vauxhall Property Developments Ltd	2% of Turnover under Section 17 of BOI Law No. 4 of 1978	15 years ending 2018/2019

In addition to the above, the profits and income earned in foreign currency from services rendered in or outside Sri Lanka to a party outside Sri Lanka by companies in the Group is exempt from income tax in terms of section 13 (dddd) of the Inland Revenue Act No. 10 of 2006.

Companies incorporated in Sri Lanka and operated outside Sri Lanka

Company	Countries operated	Tax Status
Port Management Container Services (Pvt) Ltd	South Africa	Business profits liable to tax at 33% in South Africa and exempt from tax in Sri Lanka, under Section 13 (b) of the Inland Revenue Act No. 10 of 2006
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Oman	Business profits liable tax at 12% in Oman and exempt from tax in Sri Lanka, under Section 17 of BOI Law No. 4 of 1978

Companies incorporated and operated outside Sri Lanka

Company	Country	Tax status
Jetan Travel Services Company (Pvt) Ltd	Republic of Maldives	Nil
Cowrie Investments (Pvt) Ltd	Republic of Maldives	Nil
Crest Star Ltd	Hong Kong	Nil
Crest Star (BVI) Ltd	British Virgin Islands	Nil
ADS Resorts (Pvt) Ltd	Republic of Maldives	Nil
Unique Resorts (Pvt) Ltd	Republic of Maldives	Nil
Spence Maldives (Pvt) Ltd	Republic of Maldives	Nil
Aitken Spence Hotel Services (Pvt) Ltd	India	Liabile at 30.9% as per Indian Tax Law
Aitken Spence Hotel Managements (South India) Pvt Ltd	India	Liabile at 30.9% as per Indian Tax Law
PR Holiday Homes (Pvt) Ltd	India	Liabile at 30.9% as per Indian Tax Law
Ace Bangladesh Ltd	Bangladesh	Liabile at 37.5% as per as per Bangladesh Tax Law
Spence Mac Bangladesh (Pvt) Ltd	Bangladesh	Liabile at 37.5% as per as per Bangladesh Tax Law
Business Travel Services LLC	Oman	Liabile at 12% as per as per Oman Tax Law

Notes to the Financial Statements

12.2 Associate companies

Company	Tax Rate & Statute	Period
Aitken Spence Plantation Managements Ltd	15% Under Section 46 of Inland Revenue Act No. 10 of 2006	Indefinite
Elpitiya Plantations PLC	Agricultural Profits Exempt Under Section 16 of Inland Revenue Act No. 10 of 2006	5 years commencing 2006/2007
Browns Beach Hotels PLC	15% Under Section 46 of Inland Revenue Act No. 10 of 2006	Indefinite
MPS Hotels Ltd	15% Under Section 46 of Inland Revenue Act No. 10 of 2006	Indefinite

12.3 Social Responsibility Levy of 1.5% which is payable on the income tax liability of the companies in Sri Lanka, as per the Finance Act No. 05 of 2005 has been accounted for and included in the income tax expense.

12.4 The companies in the Group have carried forward losses amounting to Rs. 2,196 million (2009/10 - Rs. 2,151 million) which are available to be set off against the future tax profits of those companies. Deferred tax assets not accounted on these losses amounts to Rs. 102 million (2009/10 - Rs. 194 million). Aitken Spence PLC has a carried forward tax loss of Rs. 188 million (2009/10 - Rs. 89 million) which is available to be set off against the future tax profits of the company. Deferred tax asset not accounted on these losses amounts to Rs. 53 million (2009/10 - Rs. 34 million).

12.5 Income tax expense

	Group		Company	
	2010/2011 Rs.'000	2009/2010 Rs.'000 (Re-stated)	2010/2011 Rs.'000	2009/2010 Rs.'000
Tax on current year profits (Note 12.6)	351,055	236,009	-	-
Deferred tax expense (Note 12.7)	(87,136)	30,315	-	-
Tax on dividends paid by subsidiaries	138,342	99,869	-	-
Over provision in respect of previous year	(14,926)	-	-	-
	387,335	366,193	-	-

12.6 Reconciliation of the accounting profit and tax on current year

	Group		Company	
	2010/2011 Rs.'000	2009/2010 Rs.'000 (Re-stated)	2010/2011 Rs.'000	2009/2010 Rs.'000
Profit before tax	3,815,555	3,353,169	1,657,162	1,470,559
Consolidation adjustments	(6,123)	(13,760)	-	-
Profit from operations after adjustments	3,809,432	3,339,409	1,657,162	1,470,559
Income not liable for income tax	(2,897,029)	(3,089,280)	(1,652,452)	(1,561,589)
Accounting (gain) / losses adjusted for tax purposes	5,625	(9,756)	5,625	(9,756)
Adjusted profit / (loss)	918,028	240,373	10,335	(100,786)
Non - taxable receipts / gains	(16,776)	(20,886)	(184,292)	-
Aggregate disallowed expenses	983,596	657,955	170,633	116,922
Capital allowances	(471,682)	(417,417)	(38,777)	(18,836)
Aggregate allowable deductions	(230,734)	(102,775)	(48,677)	(8,225)
Utilisation of tax losses	(144,809)	(18,708)	-	-
Current year tax losses not utilised	194,157	365,184	90,778	10,925
Taxable income	1,231,780	703,726	-	-
Income tax charged at ;				
Standard rate of 35%	210,534	170,457	-	-
Concessionary rate of 15%	75,107	19,913	-	-
Income taxed at other rates	500	600	-	-
Off - shore profits at varying rates	64,914	45,039	-	-
	351,055	236,009	-	-

12.7 Deferred tax expense

	Group		Company	
	2010/2011 Rs.'000	2009/2010 Rs.'000 (Re-stated)	2010/2011 Rs.'000	2009/2010 Rs.'000
Origination / (reversal) of temporary differences	33,959	35,533	-	-
Impact of tax rate changes	(24,330)	-	-	-
Change in unrecognised other temporary differences	166,327	(5,218)	-	-
Recognition of previously unrecognised tax losses	(263,092)	-	-	-
	(87,136)	30,315	-	-

13 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Number of ordinary shares for the year 2009/2010 has been adjusted to reflect the increase in number of shares consequent to the subdivision on 5th October 2010. Accordingly Earnings per share has been adjusted retrospectively as per SLAS 34 Earnings per Share (Revised 2005).

The following reflects the income and share data used in the basic earnings per share computations.

	Group		Company	
	2010/2011	2009/2010 (Re-stated)	2010/2011	2009/2010
Net profit attributable to ordinary shareholders of the parent (Rs.)	2,535,955,572	2,059,636,018	1,657,162,313	1,470,559,119
Weighted average number of ordinary shares in issue	405,996,045	405,996,045	405,996,045	405,996,045
Earnings per Share (Rs.)	6.25	5.07	4.08	3.62

As there were no options outstanding at year end Diluted Earnings per Share is equal to the Basic Earnings per Share for the year.

14 Dividends

	2010/2011 Rs.'000	2009/2010 Rs.'000
Interim ordinary dividend declared (2009/10 - 3.50- per share*)	-	94,732
Final ordinary dividend recommended Rs. 1.00 per share (2009/10 - 6.50 per share*)	405,996	175,932
	405,996	270,664

Directors have recommended a Rs. 1.00 per share final dividend payment for the year ended 31st March 2011 to be approved at the Annual General Meeting on the 29th June 2011.

The entire dividend for the year will be paid out of tax exempt dividends received by the company and will be exempt in the hands of the shareholders.

In compliance with Sri Lanka Accounting Standards No. 12- Events after the Balance Sheet Date (Revised 2005), the final dividend recommended are not recognised as a liability in the financial statement as at 31st March 2011.

* The dividend per share is based on the share capital prior to the subdivision of shares.

Notes to the Financial Statements

15 Property, plant & equipment

15.1 Group

	Freehold land Rs.'000	Freehold buildings Rs.'000	Plant machinery & equipment Rs.'000	Motor vehicles Rs.'000	Furniture & fittings Rs.'000	Leased assets Rs.'000	Capital work-in-progress Rs.'000	Total Rs.'000
Cost or valuation								
Balance as at 01.04.2010	5,630,087	10,933,187	12,121,581	876,083	1,221,109	4,854	163,769	30,950,670
Surplus on revaluation	584,594	-	-	-	-	-	-	584,594
Companies acquired during the year	82,491	147,168	38,291	1,805	2,518	-	-	272,273
Exchange difference	(3,703)	(185,580)	(35,755)	(3,209)	(10,572)	-	(862)	(239,681)
Additions	59,328	31,233	966,958	397,562	57,900	127	499,827	2,012,935
Transfers	(17,500)	-	16,768	-	(12)	-	(16,756)	(17,500)
Disposals / write-off	-	(48,466)	(70,069)	(48,739)	(6,027)	(72)	(13,573)	(186,946)
Balance as at 31.03.2011	6,335,297	10,877,542	13,037,774	1,223,502	1,264,916	4,909	632,405	33,376,345
Accumulated depreciation								
Balance as at 01.04.2010	-	2,112,128	4,420,529	484,906	594,425	2,183	7,603	7,621,774
Companies acquired during the year	-	6,745	10,077	801	682	-	-	18,305
Exchange difference	-	(48,628)	(20,112)	(2,253)	(6,746)	-	-	(77,739)
Charge for the year	-	486,442	1,317,499	97,291	98,679	676	740	2,001,327
Transfers	-	-	28	(28)	-	-	-	-
Disposals / write-off	-	(17,042)	(47,224)	(37,870)	(3,664)	(56)	(7,119)	(112,975)
Balance as at 31.03.2011	-	2,539,645	5,680,797	542,847	683,376	2,803	1,224	9,450,692
Carrying amount as at 31.03.2011	6,335,297	8,337,897	7,356,977	680,655	581,540	2,106	631,181	23,925,653
Carrying amount as at 31.03.2010	5,630,087	8,821,059	7,701,052	391,177	626,684	2,671	156,166	23,328,896

The value of property, plant & equipment pledged by the Group as security for facilities obtained from banks amounted to Rs.8,906 million (2009/2010-Rs. 8,168 million).

Capital work-in-progress represents the amount of expenditure recognised under property plant & equipment during the construction of a capital asset.

The exchange difference has arisen as a result of the translation of property, plant & equipment of foreign entities which are accounted for in foreign currencies and translated to the reporting currency at the closing date.

In compliance with the accounting policy, the Group revalues land owned by the Group companies by an independent, professional valuers at least once in every five years. Details of the revalued land are given in the Note 15.3.1 to the financial statements. There were no tax implications or tax liabilities arising due to the revaluation of land.

On re-assessment of the fair value of the group's assets, it has been identified that there is no permanent impairment of property plant & equipment which requires provision in the financial statements.

15.2 Company

	Plant machinery & equipment Rs.'000	Motor vehicles Rs.'000	Furniture & fittings Rs.'000	Total Rs.'000
Cost or valuation				
Balance as at 01.04.2010	155,034	48,931	43,452	247,417
Additions	64,000	48,402	37,761	150,163
Disposals	(13,048)	(3,300)	-	(16,348)
Balance as at 31.03.2011	205,986	94,033	81,213	381,232
Accumulated depreciation				
Balance as at 01.04.2010	116,618	17,831	12,791	147,240
Charge for the year	24,929	9,881	5,409	40,219
Disposals	(12,956)	(2,400)	-	(15,356)
Balance as at 31.03.2011	128,591	25,312	18,200	172,103
Carrying amount as at 31.03.2011	77,395	68,721	63,013	209,129
Carrying amount as at 31.03.2010	38,416	31,100	30,661	100,177

There were no assets pledged by the Company as security for facilities obtained from the banks.

15.3 Freehold land

15.3.1 Land carried at revalued amount

Company	Location	Last revaluation date	Extent	Carrying amount as at 31.03.2011 Rs.'000	Revaluation surplus Rs.'000	Carrying amount at cost Rs.'000
Aitken Spence PLC. 1	315, Vauxhall Street, Colombo 02	31.03.2009	1 A 1 R 0 P	900,000	898,843	1,157
Aitken Spence PLC. 1	316, K. Cyril C. Perera Mw., Colombo 13	31.03.2009	1 A 0 R 20.40 P	223,650	218,659	4,991
Aitken Spence PLC. 1	170, Sri Wickrema Mw., Colombo 15	31.03.2009	3 A 3 R 31.00 P	188,000	145,039	42,961
Aitken Spence PLC. 1	Neptune Hotel, Moragalla, Beruwala	31.03.2009	10 A 1 R 23.97 P	499,200	498,246	954
Aitken Spence PLC. 1	290/1, Inner Harbour Road, Trincomalee	31.03.2009	0 A 1 R 10.92 P	12,700	12,700	-
Aitken Spence Hotel Holdings PLC. 3	"Heritance Ahungalla", Galle Road, Ahungalla	26.03.2007	11 A 3 R 34.02 P	261,600	244,159	17,441
Ace Containers (Pvt) Ltd.1	775/5, Negombo Road, Wattala	31.03.2009	22 A 0 R 24.88 P	1,240,700	1,145,309	95,391
Ace Containers (Pvt) Ltd.1	385, Colombo Road, Welisara	31.03.2009	8 A 3 R 12.23 P	424,000	337,327	86,673
Vauxhall Property Developments Ltd. 1	305, Vauxhall Street, Colombo 02	31.03.2009	0 A 2 R 37.50 P	529,000	514,269	14,731
Vauxhall Investments Ltd. 1	316, K. Cyril C. Perera Mw., Colombo 13	31.03.2009	0 A 1 R 21.08 P	76,287	54,448	21,839
Aitken Spence (Garments) Ltd.1	222, Agalawatte Road, Matugama	31.03.2009	2 A 3 R 0 P	8,800	6,220	2,580
Clark Spence & Co., Ltd. 1	24-24/1, Church Street, Galle	31.03.2009	0 A 1 R 27.90 P	67,900	67,865	35
Ace Power Generation Matara (Pvt) Ltd. 1	Hittetiya - Matara	31.03.2009	0 A 0 R 5.68 P	284	84	200
Aitken Spence Property Developments Ltd. 1	"Creamland Farm", Mawaramandiya.	31.03.2009	3 A 0 R 25.08 P	30,300	5,872	24,428
Heritence (Pvt) Ltd. 2	Moragalla, Beruwala	31.03.2009	5 A 3 R 6.80 P	194,500	183,420	11,080
Ahungalla Resorts Ltd. 2	"Ahungalla Resorts", Galle Road, Ahungalla	15.06.2010	10 A 2 R 39.25 P	509,039	470,001	39,038
Ahungalla Resorts Ltd. 2	Meeraladuwa Island, Ahungalla	15.06.2010	26 A 2 R 10.40 P	423,525	333,093	90,432
Kandalama Hotels Ltd. 2	Kandalama, Dambulla	31.03.2009	169 A 2 R 22.00 P	9,000	1,616	7,384
Neptune Ayurvedic Village (Pvt) Ltd. 2	Ayurvedic village - Moragalla, Beruwala	31.03.2009	0 A 0 R 19.30 P	4,425	362	4,063
				5,602,910	5,137,532	465,378

The above land have been revalued by independent, qualified valuers on the basis of current market value.

1. Valuation of the land was carried out by Mr. Arthur Perera, A.M.I.V. (Sri Lanka)
2. Valuation of the land was carried out by Mr. K.C.B Condegama, A.I.V (Sri Lanka)
3. Valuation of the land was carried out by Mr. J. Rajasooriya H.N.D (Valuation) A.I.V (Sri Lanka) A.I.Q.S (Sri Lanka) M.P.V.A (Sri Lanka)

15.3.2 Land carried at cost

Company	Location	Acquisition date Rs.'000	Extent	Carrying amount as at 31.03.2011 Rs.'000
PR Holiday Homes (Pvt) Ltd.	Cochin - Kerala	31.03.2007	16 A 3 R 24.00 P	144,140
Ace Distriparks (Pvt) Ltd.	80, Negombo Road, Wattala	29.09.2009	2 A 2 R 17.03 P	421,992
Golden Sun Resorts (Pvt) Ltd.	418, Parellel Road, Kudawaskaduwa, Kalutara	19.03.2010	5 A 2 R 0 P	21,253
Branford Hydropower (Pvt) Ltd.	263, 1st lane, Kaludewala, Matale	11.05.2009	2 A 0 R 23.32 P	3,183
Branford Hydropower (Pvt) Ltd.	263, Gangabada Road, Kaludewala, Matale	02.11.2010	1 A 0 R 1.31 P	7,350
Logilink (Pvt) Ltd.	309/4 a, Negombo Road, Welisara	16.07.2010	2 A 1 R 9.50 P	82,491
Aitken Spence Resorts Ltd.	Kudawaskaduwa, Kaluthara	27.08.2010	1 A 3 R 23.20 P	51,978
				732,387
15.3.3 Total carrying amount of land				
Land carried at revalued amount				5,602,910
Land carried at cost				774,058
				6,335,297

Notes to the Financial Statements

16 Leasehold properties

	Group	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Cost		
Balance as at 1st April	1,597,261	1,564,704
Exchange difference	(50,820)	(18,784)
Additions / transfers	5,547	51,341
Balance as at 31st March	1,551,988	1,597,261
Accumulated amortisation		
Balance as at 1st April	128,812	59,553
Exchange difference	(5,167)	(1,212)
Amortisation during the year	68,860	70,471
Balance as at 31st March	192,505	128,812
Carrying amount as at 31st March	1,359,483	1,468,449

The acquisition cost of the leasehold rights of the Island of Vadoo in the Republic of Maldives and prepaid lease rentals for the properties at Biyagama, Katunayake & Seethawake is recognised under leasehold properties.

17 Intangible assets

	Group	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Goodwill on consolidation		
Balance as at 1st April	154,185	109,164
Addition on acquisitions	3,628	63,790
Addition on change in percentage holdings	217	1,256
Impairment during the year	(24,004)	(20,025)
Carrying amount as at 31st March	134,026	154,185

The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering five year periods. The key assumptions used are given below;

Business growth – Based on the long term average growth rate for each business unit. The weighted average growth rate used is consistent with the forecast included in industry reports.

Inflation – Based on current inflation rate.

Discount rate – Risk free rate adjusted for the specific risk relating to the industry.

Margin – Based on past performance and budgeted expectations.

18 Investment property

18.1 Movement during the year

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Cost or valuation				
Balance as at 1st April	28,936	28,936	747,464	776,371
Additions	56,612	-	14,941	-
Transferred from property, plant & equipment	17,500	-	-	-
Disposals	-	-	(38,243)	(28,907)
Balance as at 31st March	103,048	28,936	724,162	747,464
Accumulated depreciation				
Balance as at 1st April	-	-	58,978	82,386
Charge for the year	249	-	3,828	4,246
Disposals	-	-	(14,532)	(27,654)
Balance as at 31st March	249	-	48,274	58,978
Carrying amount as at 31st March	102,799	28,936	675,888	688,486

18.2 Details of land under investment property

Location	Extent	Value of investment property		Number of buildings
		Group Rs.'000	Company Rs.'000	
315, Vauxhall Street, Colombo 02	1 A 1 R 0 P	-	160,000	2
316, K. Cyril C. Perera Mw., Colombo 13	1 A 0 R 20.37 P	-	76,379	3
170, Sri Wickrema Mw., Colombo 15	3 A 3 R 31.00 P	-	97,101	8
Neptune Hotel, Moragalla, Beruwala	10 A 1 R 23.97 P	-	298,780	9
290/1, Inner Harbour Road, Trincomalee	0 A 1 R 10.92 P	-	-	1
Irakkakandi Village, VC road, Nilaweli	113 A 1 R 1.00 P	85,299	43,628	4
3/2, Seewali lane, Kudaedanda, Wattala	0 A 0 R 36.10 P	17,500	-	-
		102,799	675,888	

Properties which are occupied by the companies within the group for the production or supply of goods and services or for administration purposes are treated as property plant and equipment in the consolidated financial statements while these properties are treated as investment property in the relevant company's balance sheet.

Value of land and buildings that had been revalued to fair value prior to 1st April 2005, the date these were identified as investment property in the company financial statements is treated as deemed cost of the asset as at this date.

18.3 Market value

Investment properties in the group are accounted for on the cost model. The open market value of the above property based on the Directors valuation as at 31st March 2011 for the Group was Rs. 1,676 million (2009/2010 - Rs. 779 million), and for the company was Rs. 3,461 million (2009/2010 - Rs. 2,696 million).

18.4 Income earned from investment property

Total rent income earned by the company from the investment property during the year was Rs. 10.4 million (2009/2010 - Rs.10.6 million) (Group-nil). There were no direct operating expenses arising on any of the above investment properties.

19 Investments

19.1 Investments in subsidiaries and joint ventures - unquoted

	Number of shares	Company holding %	Group holding %	31.03.2011 Rs.'000	31.03.2010 Rs.'000
a) Ordinary Shares					
Subsidiary companies					
Aitken Spence Exports (Pvt) Ltd. (a)	52,500	100.0	100.0	514	514
Aitken Spence Cargo (Pvt) Ltd. (a) (d)	10,000	100.0	100.0	820	820
Aitken Spence Insurance (Pvt) Ltd. (a)	10,000	100.0	100.0	100	100
Ace Container Repair (Pvt) Ltd. (a) (d)	2,250,000	100.0	100.0	22,500	22,500
Aitken Spence Printing (Pvt) Ltd. (a)	4,760,000	100.0	100.0	47,600	47,600
Ace Exports (Pvt) Ltd. (a) (d)	1,400,000	100.0	100.0	14,000	14,000
Aitken Spence Apparels (Pvt) Ltd.	1,500,000	100.0	100.0	15,000	15,000
Ace Containers (Pvt) Ltd. (a) (d)	4,010,000	100.0	100.0	40,100	40,100
Aitken Spence Developments (Pvt) Ltd. (d)	46,000	92.0	92.0	1,825	1,825
Ace Container Terminals (Pvt) Ltd. (a) (d)	1,550,002	100.0	100.0	15,500	15,500
Vauxhall Investments Ltd. (a)	1,320,000	100.0	100.0	13,200	13,200
Aitken Spence Hotel Managements (Pvt) Ltd. (a)	4,020,000	100.0	100.0	40,200	40,200
Aitken Spence Hotel Management Asia (Pvt) Ltd. (b)*	4,924,500	49.0	86.9	49,245	49,245
Aitken Spence Group Ltd. (a) (b) (c) (d)	10,000	100.0	100.0	100	100
Ace Distriparks (Pvt) Ltd. (a) (d)	8,900,000	100.0	100.0	89,000	89,000
Vauxhall Property Developments Ltd. (a)	11,270,000	100.0	100.0	153,401	153,401
Kandalama Hotels Ltd. (a)	6,000,000	37.0	82.8	182,050	182,050

Notes to the Financial Statements

19.1 Investments in subsidiaries and joint ventures - unquoted (Contd.)

	Number of shares	Company holding %	Group holding %	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Ace Freight Management (Pvt) Ltd. (a) (d)	5,222,500	100.0	100.0	36,307	36,307
Elevators (Pvt) Ltd. (a)	133,400	66.7	66.7	7,269	7,269
Triton Ltd. (a)	10,000	100.0	100.0	50	50
Ace Power Generation Horana (Pvt) Ltd. (a) (b)	20,046,998	51.0	51.0	200,470	200,470
Ace Power Generation Matara (Pvt) Ltd. (a) (b)	21,523,362	51.0	51.0	215,234	215,234
Ace Power Embilipitiya (Pvt) Ltd. (a)	124,033,413	74.0	74.0	1,404,415	1,404,415
Aitken Spence Hotels (International) Ltd. (a)*	10,323,225	49.0	86.9	99,000	99,000
Aitken Spence Moscow (Pvt) Ltd. (a) (c)	37,500	75.0	75.0	375	375
Aitken Spence Corporate Finance (Pvt) Ltd. (a)	2	100.0	100.0	-	-
Ace Cargo (Pvt) Ltd. (d)	922,500	93.2	93.2	231,547	231,547
Ace International (Pvt) Ltd.	280,000	100.0	100.0	2,800	2,800
Aitken Spence Property Developments (Pvt) Ltd. (a) (b)	74,865,000	90.0	100.0	748,650	748,650
Ace International Express (Pvt) Ltd. (a)	10,000	100.0	100.0	100	100
Aitken Spence Maritime Ltd. (a) (d)	140,000	100.0	100.0	1,400	1,400
Ace Aviation Services (Pvt) Ltd. (a) (d)*	10,001	50.0	100.0	263	100
Ace Printing & Packaging (Pvt) Ltd. (a)	10,000	100.0	100.0	100	100
Spence International (Pvt) Ltd. (a)	1,500,000	100.0	100.0	15,000	15,000
Aitken Spence Insurance Brokers (Pvt) Ltd. (a)	150,000	100.0	100.0	1,500	1,500
Royal Spence Aviation (Pvt) Ltd. (a) (c)	50,000	100.0	100.0	500	500
Branford Hydropower (Pvt) Ltd. (a)	15,100,100	100.0	100.0	210,000	210,000
Spence Mac Holdings (Pvt) Ltd. (a) (d)	10,000,000	100.0	100.0	50,000	50,000
Aitken Spence Shipping Ltd. (a) (d)	2,038,072	100.0	100.0	132,717	132,717
Spence Logistics (Pvt) Ltd. (a) (d)	25,000	100.0	100.0	650	650
Logilink (Pvt) Limited	30,000,000	100.0	100.0	222,690	-
A E Lanka (Pvt) Ltd.	2	100.0	100.0	-	-
Clark Spence & Company (Pvt) Ltd. (a) (d)	-	-	-	-	357
Aitken Spence Shipping Services Ltd. (a) (d)*	-	-	-	-	1
Heritage (Pvt) Ltd. (a)*	-	-	72.7	-	-
Ahungalla Resorts Ltd. (a)*	-	-	74.4	-	-
PR Holiday Homes (Pvt) Ltd. (a)*	-	-	73.0	-	-
Ace Haulage (Pvt) Ltd. (a) (d)*	-	-	100.0	-	-
Aitken Spence Hotels Ltd. (a)*	-	-	72.7	-	-
Aitken Spence Aviation (Pvt) Ltd. (a) (c)*	-	-	100.0	-	-
Jetan Travel Services Company (Pvt) Ltd. (a)*	-	-	70.7	-	-
Hethersett Hotels Ltd. (a)*	-	-	65.1	-	-
Crest Star Ltd. (a)*	-	-	74.4	-	-
Crest Star (BVI) Ltd. (a)*	-	-	74.4	-	-
Cowrie Investments (Pvt) Ltd. (a)*	-	-	44.6	-	-
Neptune Ayurvedic Village (Pvt) Ltd. (a)*	-	-	74.4	-	-
ADS Resorts (Pvt) Ltd. (a)*	-	-	86.9	-	-
Port Management Container Services (Pvt) Ltd. (a) (d)*	-	-	100.0	-	-
Aitken Spence Resources (Pvt) Ltd. (a)*	-	-	100.0	-	-
Unique Resorts (Pvt) Ltd. (a)*	-	-	86.9	-	-
Aitken Spence Hotel Services (Pvt) Ltd.*	-	-	86.9	-	-
Golden Sun Resorts (Pvt) Ltd. (a)*	-	-	74.4	-	-
Aitken Spence Hotel Managements (South India) Pvt Ltd.*	-	-	86.9	-	-
Aitken Spence Resorts (Pvt) Ltd. (a) *	-	-	74.4	-	-

19.1 Investments in subsidiaries and joint ventures - unquoted (Contd.)

	Number of shares	Company holding %	Group holding %	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Joint ventures					
Aitken Spence Travels (Pvt) Ltd. (a) (c)	1,704,000	50.0	50.0	60,876	60,876
MMBL Money Transfer (Pvt) Ltd. (a)	750,000	50.0	50.0	35,566	35,566
Aitken Spence (Garments) Ltd. (a)	998,750	50.0	50.0	26,257	26,257
Calspence Technologies (Pvt) Ltd.	188,753	50.0	50.0	1,888	-
San Spence Ltd. (a) (b)	-	-	-	-	13,500
Vauxhall Shipping (Pvt) Ltd.	-	-	-	-	150
Spence Shipping (Pvt) Ltd. (a) (d)*	-	-	60.0	-	-
Clark Spence Garments Ltd. (a)*	-	-	50.0	-	-
Ace Travels & Conventions (Pvt) Ltd. (c) *	-	-	50.0	-	-
Aitken Spence Overseas Travel Services (Pvt) Ltd. (c) *	-	-	50.0	-	-
Shipping & Cargo Logistics (Pvt) Ltd. (a) (d)*	-	-	50.0	-	-
Delta Shipping (Pvt) Ltd. (a)*	-	-	51.0	-	-
Ace Bangladesh Ltd. *	-	-	45.7	-	-
Spence Maldives (Pvt) Ltd. (a)*	-	-	55.9	-	-
Business Travels Services LLC. (b)*	-	-	43.5	-	-
				4,390,778	4,180,046
b) Preference Shares					
Aitken Spence (Garments) Ltd. (a)	4,000,000	72.7	72.7	40,000	15,000
Kandalama Hotels Ltd. (a)	17,500,000	100.0	100.0	175,000	175,000
Aitken Spence Hotel Holdings PLC. (a)	16,500,000	100.0	100.0	165,000	165,000
Aitken Spence Aviation (Pvt) Ltd. (a) (c)	500,000	100.0	100.0	5,000	5,000
Hethersett Hotels Ltd. (a)*	-	-	74.4	-	-
Unique Resorts (Pvt) Ltd. (a)*	-	-	74.4	-	-
				385,000	360,000
Provision for fall in value of Investments				(175,806)	(171,318)
Carrying amount as at 31st March				4,599,972	4,368,728

19.2 Investment in subsidiaries - quoted

	Number of shares	Company holding %	Group holding %	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Aitken Spence Hotel Holdings PLC. (a) (Ordinary Shares)	239,472,667	71.2	74.4	2,458,287	679,300
Carrying amount as at 31st March				2,458,287	679,300
Market value as at 31st March				21,839,907	10,536,729

* Investments are held by one of the following companies - Aitken Spence Hotel Holdings PLC., Aitken Spence Hotels Ltd., Aitken Spence Travels (Pvt) Ltd., Aitken Spence (Garments) Ltd., Spence Mac Holdings (Pvt) Ltd., Ace Cargo (Pvt) Ltd., Triton Ltd., Ace Containers (Pvt) Ltd., Aitken Spence Shipping Ltd., Aitken Spence Cargo (Pvt) Ltd., Aitken Spence Maritime Ltd., Aitken Spence Hotels (International) Ltd., Crest Star (BVI) Ltd., Aitken Spence Hotel Management Asia (Pvt) Ltd., Clark Spence & Company Ltd., Aitken Spence Hotel Management (Pvt) Ltd., or Port Management Container Services (Pvt) Ltd.

Jetan Travel Services Company (Pvt) Ltd., Cowrie Investments (Pvt) Ltd., ADS Resorts (Pvt) Ltd., Unique Resorts (Pvt) Ltd., and Spence Maldives (Pvt) Ltd. are incorporated in the Republic of Maldives, Crest star (BVI) Ltd. is incorporated in the British Virgin Islands, Crest star Ltd. is incorporated in Hongkong, Ace Bangladesh Ltd., is incorporated in Bangladesh, PR Holiday Homes (Pvt) Ltd., Aitken Spence Hotel Services (Pvt) Ltd. and Aitken Spence Hotel Management (South India) (Pvt) Ltd. are incorporated in India and Business Travels LLC. is incorporated in Oman, while all other companies are incorporated in Sri Lanka.

a, b, c, d - refer note 38.

Notes to the Financial Statements

20 Investment in associates

20.1 Investment in associates - unquoted

	Group				Company			
	No. of shares	Holding %	31.03.2011 Rs.'000	31.03.2010 Rs.'000	No. of shares	Holding %	31.03.2011 Rs.'000	31.03.2010 Rs.'000
M.P.S. Hotels Ltd. (a) (c) (Ordinary shares)	985,000	22.6	36,114	36,114	-	-	-	-
Aitken Spence Plantation Managements Ltd. (a) (b) (Ordinary shares)	8,300,000	39.0	165,000	165,000	8,300,000	39.0	165,000	165,000
Hayleys Plantation Services Ltd. (a) (b) (Ordinary shares)	-	-	-	170,515	-	-	-	170,515
Elpitiya Plantations PLC. (a) (b) (Ordinary shares) (Subsidiary of Aitken Spence Plantation Managements Ltd.)	-	24.0	-	-	-	-	-	-
Carrying amount as at 31st March			201,114	371,629			165,000	335,515
Share of movement in equity value			215,936	242,698			-	-
Equity value of investments			417,050	614,327			165,000	335,515

a, b, c - refer note 38.

20.2 Investment in associates - quoted

	Group				Company			
	No. of shares	Holding %	31.03.2011 Rs.'000	31.03.2010 Rs.'000	No. of shares	Holding %	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Browns Beach Hotels PLC. (a) (Ordinary shares)	44,215,764	25.4	841,101	67,810			-	-
Carrying amount as at 31st March			841,101	67,810			-	-
Share of movement in equity value			76,851	85,361			-	-
Equity value of Investments			917,952	153,171			-	-
Market value of quoted investments as at 31st March			941,796	206,025			-	-
Equity value - unquoted			417,050	614,327	Net book value - unquoted		165,000	335,515
Equity value - quoted			917,952	153,171	Net Book Value - quoted		-	-
Equity value as at 31st March			1,335,002	767,498	Net book value as at 31st March		165,000	335,515

20.3 Summarised financial information of associates

Group share of balance sheet

Total assets	2,494,656	3,459,562
Total liabilities	(1,159,654)	(2,692,064)
	1,335,002	767,498

Group share of revenue and profit

Revenue	1,161,383	1,494,009
Profit (net of tax)	95,304	19,102
Dividends	34,066	7,443

21 Long-term investments

	No. of shares	Group		No. of shares	Company	
		31.03.2011 Rs.'000	31.03.2010 Rs.'000		31.03.2011 Rs.'000	31.03.2010 Rs.'000
Sumiko Lanka Hotels (Pvt) Ltd. (Preference shares)	7,500,000	75,000	75,000	7,500,000	75,000	75,000
Sumiko Lanka Hotels (Pvt) Ltd. (Secured Redeemable Debentures of Rs.100/- each)	557,000	55,700	55,700	557,000	55,700	55,700
Rainforest Ecolodge (Pvt) Ltd. (Ordinary shares)	2,500,000	25,000	25,000	2,500,000	25,000	25,000
Palm Village Hotels Ltd. (Ordinary shares)	1,815,674	10,070	10,070	934,707	3,533	3,533
Business Process Outsourcing LLC. (Ordinary shares)	7,500	8,640	8,640	7,500	8,640	8,640
Poovar Island Resorts (Ordinary shares)	988,764	126,650	126,650	-	-	-
Barefoot Resorts & Leisure (Pvt) Ltd. (Ordinary shares)	25,000	86,590	86,590	-	-	-
San Spence Construction LLC. (Ordinary shares)	-	-	10,630	-	-	-
Cargo Village Ltd. (Ordinary shares)	38,571	357	357	-	-	-
Ingrin Institute of Printing & Graphics Sri Lanka Ltd. (Ordinary shares)	10,000	100	100	-	-	-
Skyнет Worldwide Express Management Company Ltd. (Ordinary shares)	1,000	99	99	-	-	-
Colombo International Nautical and Engineering College (Pvt) Ltd. (Ordinary shares)	63,333	90,450	90,450	-	-	-
		478,656	489,286		167,873	167,873
Provision for fall in value of investments		(4,711)	(5,706)		-	-
Carrying amount as at 31st March		473,945	483,580		167,873	167,873

22 Deferred tax assets

	Group	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000
22.1 Movement in deferred tax assets		
Balance at the beginning of the year	56,823	74,008
Companies acquired during the year	5,011	2,716
Exchange gain	674	13,058
Impact of rate change transferred from/ (to) income statement	(27,845)	-
Reversal of temporary differences transferred from/ (to) income statement	103,651	(32,959)
Balance at the end of the year	138,314	56,823
22.2 Composition of deferred tax assets		
Deferred tax assets attributable to ;		
Defined benefit obligations	40,955	40,658
Tax losses carried forward	212,868	362
Other items	23,849	22,815
Companies acquired during the year	5,011	2,716
Property, plant & equipment	(144,369)	(9,728)
Net deferred tax assets	138,314	56,823

Notes to the Financial Statements

22 Deferred tax assets (contd.)

22.3 Movement in tax effect of temporary differences - Group

	As at 31st March 2011 Rs.'000	Recognised in income statement Rs.'000	Subsidiaries acquired Rs.'000	Exchange gain Rs.'000	As at 31st March 2010 Rs.'000	Recognised in income statement Rs.'000	Subsidiaries acquired Rs.'000	Exchange gain Rs.'000	As at 1st April 2009 Rs.'000
Deferred tax assets									
Defined benefit obligations	40,955	297	-	-	40,658	8,236	-	-	32,422
Other items	23,849	360	-	674	22,815	(34,614)	-	13,058	44,371
Tax losses carried forward	212,868	212,506	-	-	362	72	-	-	290
Companies acquired/ (transferred) during the year	5,011	(2,716)	5,011	-	2,716	-	2,716	-	-
	282,683	210,447	5,011	674	66,551	(26,306)	2,716	13,058	77,083
Deferred tax liability									
Property, plant & equipment	(144,369)	(134,641)	-	-	(9,728)	(6,653)	-	-	(3,075)
	(144,369)	(134,641)	-	-	(9,728)	(6,653)	-	-	(3,075)
Net Deferred tax assets	138,314	75,806	5,011	674	56,823	(32,959)	2,716	13,058	74,008

23 Inventories

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Raw materials	1,446,068	1,229,147	-	-
Work in progress and finished goods	79,244	50,803	-	-
Consumables	82,412	113,636	1,755	1,791
	1,607,724	1,393,586	1,755	1,791

Value of inventories pledged as security for facilities obtained from banks by the Group amounted to Rs.683 million (2009/2010-Rs. 636 million) (Company-nil)

24 Trade & other receivables

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Trade receivables	3,466,261	4,603,511	-	-
Other receivables	776,592	850,740	257,517	157,341
Provision for bad and doubtful debts	(113,685)	(133,894)	-	(14,086)
	4,129,168	5,320,357	257,517	143,255
Loans to employees	19,205	23,915	16,842	14,667
	4,148,373	5,344,272	274,359	157,922

The movement of loans above Rs.20,000/- given to executive staff is as follows:

Loan to company officers - summary

	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Balance as at the beginning of the year	14,667	9,816
Loans granted during the year	7,510	8,149
	22,177	17,965
Recoveries during the year	(5,335)	(3,298)
Loans as at 31st March	16,842	14,667

No loans have been given to the Directors of the company.

25 Current investments

	No. of Shares	Group		No. of Shares	Company	
		31.03.2011 Rs.'000	31.03.2010 Rs.'000		31.03.2011 Rs.'000	31.03.2010 Rs.'000
DFCC Bank (Ordinary shares)	12,385	399	399	12,385	399	399
Overseas Realty (Ceylon) PLC. (Ordinary shares)	3,750	37	37	3,750	37	37
Colombo Dockyard PLC (Ordinary shares)	5,850	123	123	-	-	-
Hatton National Bank PLC (Ordinary shares)	127,600	4,060	4,060	-	-	-
Distilleries Company of Sri Lanka PLC (Ordinary shares)	1,500,000	256,817	-	-	-	-
Carrying amount as at 31st March		261,436	4,619		436	436
Market Value as at 31st March		322,164	27,963		2,184	2,294

26 Assets classified as held for sale

Consequent to the decision made by the Group to divest from the ship owning business in 2007/08 and the sale of ships by the Group's ship owning companies, the Group recognised the fair values of the investments in Ceyaki Shipping (Pvt) Ltd. & Ceyspence (Pvt) Ltd. under Assets held for sale. The liquidation of these companies are not yet concluded.

Fair value of the Group's investment in Ace Freight Logistics (Pvt) Ltd., San Spence Ltd., and Ace Ayurvedic (Pvt) Ltd., is treated under assets held for sale upon the decision made to liquidate the companies.

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Share of net assets of associates classified as held for sale	141,446	141,446	57,237	57,237
Net current assets of group companies classified as held for sale	40,043	20,217	13,600	100
	181,489	161,663	70,837	57,337

Effect of the discontinued operations on the income statement is not material to warrant separate disclosure.

27 Segmental information - Group

a. Business segment

	Total assets		Total liabilities	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000 (Re-stated)
Tourism sector	16,388,280	13,135,516	5,808,687	5,793,559
Cargo logistics sector	4,722,771	4,510,170	1,396,996	1,480,890
Strategic investments	14,891,287	15,104,893	5,972,414	6,298,914
Services sector	3,826,972	4,477,051	320,854	509,257
	39,829,310	37,227,630	13,498,951	14,082,620
Goodwill on consolidation	134,026	154,185	-	-
	39,963,336	37,381,815	13,498,951	14,082,620
Assets classified as held for sale	181,489	161,663	-	-
	40,144,825	37,543,478	13,498,951	14,082,620

	Additions to property, plant & equipment		Depreciation, amortisation and impairment of goodwill	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Tourism sector	664,872	302,458	786,085	757,698
Cargo logistics sector	162,974	705,196	108,826	123,230
Strategic investments	1,096,958	874,188	1,066,779	636,222
Services sector	88,131	56,181	132,750	155,503
	2,012,935	1,938,023	2,094,440	1,672,653

Notes to the Financial Statements

27 Segmental information - Group (Contd.)

b. Geographical segment

	Total assets		Total liabilities	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000 (Re-stated)
Sri Lanka	31,353,308	28,773,341	9,437,959	10,083,275
Asia & Africa	8,476,002	8,454,289	4,060,992	3,999,345
	39,829,310	37,227,630	13,498,951	14,082,620
Goodwill on consolidation	134,026	154,185	-	-
	39,963,336	37,381,815	13,498,951	14,082,620
Assets classified as held for sale	181,489	161,663	-	-
	40,144,825	37,543,478	13,498,951	14,082,620

	Additions to property, plant & equipment		Depreciation, amortisation and impairment of goodwill	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Sri Lanka	1,901,339	1,727,138	1,495,316	1,086,021
Asia & Africa	111,596	210,885	599,124	586,632
	2,012,935	1,938,023	2,094,440	1,672,653

28 Stated capital & reserves

28.1 Stated capital

	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Stated capital as at 31st March	2,135,140	2,135,140

	31.03.2011 No. of shares	31.03.2010 No. of shares
Opening balance	27,066,403	27,066,403
Issue of shares on subdivision	378,929,642	-
Closing balance	405,996,045	27,066,403

Pursuant to the approval by the shareholders at an Extraordinary General Meeting, the shares of the Company were subdivided on 05th October 2010 on the basis of 01 ordinary share into 15 ordinary shares. Consequent to the subdivision the number of ordinary shares of the Company increased from 27,066,403 to 405,996,045, without any change to the Stated capital of the Company of Rs. 2,135 million.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders or one vote per share in the case of a poll.

28.2 Reserves

Revaluation reserve

Revaluation reserve relates to the amount by which the Group has revalued its property, plant & equipment. There were no restrictions on distribution of these balances to the shareholders.

General reserve

The General reserve reflects the amount the Group has reserved over the years from its earnings.

Exchange fluctuation reserve

Exchange fluctuation reserve comprises of all foreign exchange differences arising from the translation of foreign subsidiaries in the Group and the portion of exchange gain or loss arising from the translation of the hedge instrument in relation to cash flow hedges.

Other capital reserves

This represents the portion of share premium of subsidiaries attributable to the Group.

29 Interest-bearing liabilities

29.1 Analysed by lending institution

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Hatton National Bank PLC.	3,332,877	3,025,268	100,000	-
Commercial Bank of Ceylon PLC.	940,950	1,202,619	540,000	660,000
Hongkong & Shanghai Banking Corporation Ltd.	439,999	736,728	-	-
DFCC Bank.	250,731	418,971	100,000	-
Nations Trust Bank PLC.	204,848	314,261	-	-
Employees' Trust Fund.	175,000	250,000	175,000	250,000
National Savings Bank.	175,000	250,000	175,000	250,000
Union Assurance PLC.	175,000	250,000	175,000	250,000
Indian Bank.	140,000	200,000	140,000	200,000
Bank of Ceylon.	20,117	34,183	-	-
Eagle Income Fund.	4,200	6,000	4,200	6,000
International Water Management Institute Pension Fund.	1,400	2,000	1,400	2,000
Incorporated Trustees of the Church of England in Ceylon.	1,400	2,000	1,400	2,000
Federal Bank Ltd.	454	596	-	-
Central Finance Company PLC.	-	633	-	-
National Development Bank PLC.	-	4,550	-	-
	5,861,976	6,697,809	1,412,000	1,620,000
Current portion of interest-bearing liabilities	(1,718,328)	(1,541,047)	(568,000)	(508,000)
Non-current interest-bearing liabilities	4,143,648	5,156,762	844,000	1,112,000

29.2 Analysed by repayment period

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Payable within one year	1,718,328	1,541,047	568,000	508,000
Payable between one and two years	1,911,177	1,940,292	544,000	568,000
Payable between two and five years	1,802,093	1,424,088	-	544,000
Payable after five years	430,378	1,792,382	300,000	-
	5,861,976	6,697,809	1,412,000	1,620,000

29.3 Analysed by currency equivalent in rupees

	Group		Company			
	31.03.2011 Rs. Equivalent Rs.'000	%	31.03.2010 Rs. Equivalent Rs.'000	%	31.03.2011 Rs. Equivalent Rs.'000	31.03.2010 Rs. Equivalent Rs.'000
United States Dollars	2,100,914	36	2,617,392	39	-	-
Sri Lankan Rupees	3,761,062	64	4,080,417	61	1,412,000	1,620,000
	5,861,976	100	6,697,809	100	1,412,000	1,620,000

Notes to the Financial Statements

29.4 Movement of interest-bearing liabilities

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Total outstanding as at 01st April	6,697,809	8,107,646	1,620,000	1,990,000
Exchange difference	(189,341)	(57,405)	-	-
Loans obtained during the year	1,244,137	616,271	300,000	-
Companies acquired during the year	521	10,000	-	-
	7,753,126	8,676,512	1,920,000	1,990,000
Loan repayments during the year	(1,891,150)	(1,978,703)	(508,000)	(370,000)
Total outstanding as at 31st March	5,861,976	6,697,809	1,412,000	1,620,000
Current portion of interest-bearing liabilities	(1,718,328)	(1,541,047)	(568,000)	(508,000)
Non-current interest-bearing liabilities	4,143,648	5,156,762	844,000	1,112,000

30 Deferred tax liabilities

	Group	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000 (Re-stated)
30.1 Movement in deferred tax liabilities		
Balance at the beginning of the year	278,408	236,177
Companies acquired during the year	-	44,875
Impact of rate change transferred to / (from) income statement	(52,176)	-
Origination of temporary differences transferred to / (from) income statement	40,846	(2,644)
Balance at the end of the year	267,078	278,408
30.2 Composition of deferred tax liabilities		
Deferred tax liabilities attributable to ;		
Property, plant & equipment	278,895	253,913
Undistributed profits of consolidated entities	12,497	9,874
Companies acquired during the year	-	44,909
Defined benefit obligations	(14,267)	(13,334)
Tax losses carried forward	(10,047)	(16,954)
Net deferred tax liabilities	267,078	278,408

30.3 Movement in tax effect of temporary differences - Group

	As at 31st March 2011	Recognised in income statement	As at 31st March 2010	Recognised in income statement	Subsidiaries acquired	As at 1st April 2009
Deferred tax liabilities						
Property, plant & equipment	278,895	24,982	253,913	15,173	-	238,740
Undistributed profits of consolidated entities	12,497	2,623	9,874	(7,502)	-	17,376
Companies acquired/ (transferred) during the year	-	(44,909)	44,909	-	44,875	34
	291,392	(17,304)	308,696	7,671	44,875	256,150
Deferred tax assets						
Defined benefit obligations	(14,267)	(932)	(13,334)	700	-	(14,034)
Tax losses carried forward	(10,047)	6,906	(16,954)	(11,015)	-	(5,939)
	(24,314)	5,974	(30,288)	(10,315)	-	(19,973)
Net deferred tax liabilities	267,078	(11,330)	278,408	(2,644)	44,875	236,177

31 Employee benefits

31.1 Retirement benefits obligations

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Present value of unfunded obligations	335,637	295,266	46,936	41,674
Recognised liability for defined benefit obligations	335,637	295,266	46,936	41,674

31.2 Movement in present value of the defined benefit obligations

Defined benefit obligations as at 01st April	295,266	237,639	41,674	33,052
Benefits paid by the plan	(39,863)	(32,804)	(3,901)	(1,472)
Current service cost	31,702	27,557	4,252	3,722
Interest cost	35,423	28,517	5,001	3,966
Actuarial (gains) / losses	12,895	23,733	(90)	2,406
Exchange difference	(41)	-	-	-
Defined benefit obligations of companies acquired during the year	255	10,624	-	-
Defined benefit obligations as at 31st March	335,637	295,266	46,936	41,674

31.3 Expenses recognised in profit or loss

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Current service cost	31,702	27,557	4,252	3,722
Interest cost	35,423	28,517	5,001	3,966
Actuarial (gains) / losses	12,895	23,733	(90)	2,406
	80,020	79,807	9,163	10,094

The provision for retirement benefits obligations for the year is based on the actuarial valuation carried out by professionally qualified actuaries, Messrs. Actuarial & Management Consultants (Pvt) Ltd., as at 31st March 2011. The actuarial present value of the promised retirement benefits as at 31st March 2011 amounted to Rs. 335,636,877/- (Company - Rs. 46,936,183/-) The liability is not externally funded.

The principal actuarial assumptions used in determining the cost are given below;

- Discount rate 12%.
- Salary increments will range between 7% and 11% p.a.
- Retirement age of 55 years.
- The company will continue in business as a going concern

Assumptions regarding future mortality are based on published statistics and mortality tables.

32 Trade and other payables

	Group		Company	
	31.03.2011 Rs.'000	31.03.2010 Rs.'000	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Trade payables	1,289,858	1,575,806	-	-
Other payables	2,648,753	2,612,307	330,633	429,816
Unclaimed dividends	3,576	2,853	3,576	2,853
	3,942,187	4,190,966	334,209	432,669

Notes to the Financial Statements

33 Joint ventures

The Group's interest in joint ventures and their principal activities are described in note 19.1 and pages 185 to 189 respectively. Included in the consolidated financial statements are the following items that represent the Group's interest in the assets and liabilities, revenue and expenses of the joint ventures.

	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Income	2,858,405	2,526,554
Expenses	2,631,343	2,394,590
Current assets	1,041,646	1,049,109
Non-current assets	214,268	113,610
Current liabilities	958,122	961,364
Non-current liabilities	50,683	44,731

34 Contracts for capital expenditure

The following commitments for capital expenditure approved by the Directors as at 31st March have not been provided for in the financial statements.

	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Approximate amount approved but not contracted for	3,846,024	2,449,332
Approximate amount contracted for but not incurred	168,521	112,626
	4,014,545	2,561,958

35 Lease commitments

	31.03.2011 Rs.'000	31.03.2010 Rs.'000
Lease rentals due on non-cancellable operating leases of the Group are as follows;		
Lease rentals payable within one year	279,955	394,720
Lease rentals payable between one and five years	1,068,968	1,135,129
Lease rentals payable after five years	962,159	1,175,953
	2,311,082	2,705,802

35.1 Details of leases under operating lease

Company	Location of the leased properties	Unexpired lease periods
Kandalama Hotels Ltd.	Dambulla	31 years
Hethersett Hotels Ltd.	Nuwara Eliya	83 years
Jetan Travel Services Company (Pvt) Ltd.	Republic of Maldives	5 years
Cowrie Investments (Pvt) Ltd.	Republic of Maldives	12 years
ADS Resorts (Pvt) Ltd.	Republic of Maldives	3 years
Unique Resorts (Pvt) Ltd.	Republic of Maldives	19 years
Ace Container Terminals (Pvt) Ltd.	Biyagama	82 years
Ace Container Terminals (Pvt) Ltd.	Katunayake	76 years
Ace Container Terminals (Pvt) Ltd.	Seethawake	41 years

36 Contingent liabilities

The contingent liability as at 31.03.2011 on guarantees given by Aitken Spence PLC to third parties amounted to Rs. 1,238 million. Of this sum Rs. 1,064 million and Rs.174 million relates to facilities obtained by subsidiaries and joint ventures respectively and none to associate companies. Liability as at 31.03.2011 on guarantees given by subsidiaries to third parties amounted to Rs. 1,841 million. None of the above guarantees were in relation to facilities obtained by companies other than companies within the Group. There were no guarantees given in relation to facilities obtained by Aitken Spence PLC.

Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company currently supplies power to the Ceylon Electricity Board based on a generation license validly obtained on 14th January 2004 for which payment has been received regularly. However, the Sri Lanka Electricity Act No.20 of 2009, states that for a company to be eligible to obtain a power generation license for power generation capacity of over and above 25MW, the company must be incorporated under the Companies Act No.7 of 2007, in which the government, a public corporation, a company in which the government holds more than fifty per centum of the shares or a

subsidiary of such a company, holds such number of shares as may be determined by the Secretary to the Treasury with the concurrence of the Minister in charge of the subject of Finance. However such determination has not been made by the Secretary to the Treasury to-date. Based on the legal opinion obtained by the company we are of the view that the above provision of the Act will not have a material impact on the financial position of the subsidiary and/or the Group. Further, in the absence of the determination by the Secretary to the Treasury, Aitken Spence PLC is unable to determine the financial effect on the dilution, if any, of its holding in the shares of Ace Power Embilipitiya (Pvt) Ltd.

37 Directors' fees

The Directors of the Company have received fees amounting to Rs. 147,600 /- from subsidiaries for the year ended 31st March 2011.

38 Related party transactions

Aitken Spence Group carries out transactions in the ordinary course of business with parties who are defined as related parties as per Sri Lanka Accounting Standard No.30 - Related Party Disclosures, which are transacted at normal business terms. The pricing policy applicable to such transactions are comparable with those that would have been charged from unrelated companies.

Mr.D.H.S.Jayawardena Chairman of the company is also the Chairman or a Director of Aitken Spence Hotel Holdings PLC., Aitken Spence Hotel Management Asia (Pvt) Ltd., Ace Power Horana (Pvt) Ltd., and Ace Power Matara (Pvt) Ltd., which are Subsidiaries of the Group. He is also the Chairman of Browns Beach Hotels PLC., an associate company and the Chairman, Managing Director or a Director of companies indicated by “ * “ in the list of companies disclosed under note 38.4.

Mr. J.M.S Brito, Deputy Chairman /Managing Director of the company is also the Chairman or a Director of the subsidiaries, joint ventures and associate companies that are indicated by “a” in Notes 19 and 20 to the financial statements. Mr. J.M.S Brito is also the Chairman or a Director of DFCC Bank., DFCC Vardhana Bank Ltd., and Palm Village Hotels Ltd., with which companies the transactions are included under note 38.4.

Dr. R.M Fernando a Director of the company is also the Managing Director or a Director of the companies marked by “b” in note 19 and 20 to the financial statements.

Mr. G.M.Perera a Director of the company is also the Managing Director or a Director of the companies marked by “c” in note 19 and 20 to the financial statements.

Dr. P.Dissanayake a Director of the company is also the Chairman, Managing Director or a Director of the companies marked by “d” in note 19 and 20 to the financial statements.

Mr.C. H. Gomez a Director of the company is also a Director of Aitken Spence Hotel Holdings PLC.

Mr.N. J. de S Deva Aditya a Director of the company is also a Director of Distilleries Company of Sri Lanka PLC.

Mr.V.M.Fernando a Director of the company is also the Chairman of Shipping and Cargo Logistics (Pvt) Ltd., which is a joint venture company of the Group. He is also the Chairman or a Director of Holcim (Lanka) Ltd., Hyundai Lanka (Pvt) Ltd., National Olympic Committee (NOC), Dynamic AV Technologies (Pvt) Ltd., and Sri Lankan Airlines Ltd.

Mr.R.N.Asirwatham a Director of the company is also a Director of Aitken Spence Hotel Holdings PLC., and Browns Beach Hotels PLC. He is also a Director of Ceylon Agro Industries Ltd., CIC Holdings PLC., LOLC PLC., DIALTEX Industries Ltd., Mercantile Merchant Bank Ltd., Rajawella (Holdings) Pvt Ltd., Royal Ceramics PLC., Renuka Hotels (Pvt) Ltd., and Dankotuwa Porcelain PLC.

Transactions between the companies within the group and related parties are given in note no. 38.1 - 38.6.

Details of significant related party disclosures are given below.

	Transactions with Aitken Spence PLC		Transactions with Group companies	
	2010/2011 Rs' 000	2009/2010 Rs' 000	2010/2011 Rs' 000	2009/2010 Rs' 000
38.1 Transactions with subsidiary companies listed in note 19				
Income from services rendered	361,392	261,054	N/A	N/A
Rent income received	10,380	10,620	N/A	N/A
Allocation of common personnel and administration expenses	41,439	41,055	N/A	N/A
Purchase of goods and services	42,741	18,408	N/A	N/A
Interest income received	175,781	83,610	N/A	N/A
Interest paid	190,039	91,702	N/A	N/A
38.2 Transactions with associate companies listed in note 20				
Sale of goods and services	9,498	5,599	31,416	1,690
Purchase of goods and services	1,013	1,309	48,177	2,421

Notes to the Financial Statements

38 Related party transactions (Contd.)

	Transactions with Aitken Spence PLC		Transactions with Group companies	
	2010/2011 Rs' 000	2009/2010 Rs' 000	2010/2011 Rs' 000	2009/2010 Rs' 000
38.3 Transactions with joint venture companies listed in note 19				
Sale of goods and services	63,781	57,666	N/A	N/A
Purchase of goods and services	38,642	3,301	N/A	N/A
38.4 Transactions with other related companies				
Sale of goods and services	-	-	183,958	131,823
Purchase of goods and services	14,246	5,214	664,202	520,629
Loans obtained	200,000	-	1,093,680	30,587
Repayment of loans and debentures	-	-	869,933	922,471
Short/ long term facilities as at 31st March	200,000	200,000	5,288,206	6,104,204

Transactions with Ambewela Livestock Company Ltd.*, Ambewela Products (Pvt) Ltd.*, Stassen Exports Ltd.*, Stassen International (Pvt) Ltd.*, Stassen Natural Foods (Pvt) Ltd.*, Stassen Foods (Pvt) Ltd.*, Milford Exports (Ceylon) Ltd.*, Lanka Dairies (Pvt) Ltd.*, Periceyl (Pvt) Ltd.*, Lanka Bell (Pvt) Ltd.*, Lanka Milk Foods (CWE) PLC.*, Distilleries Company of Sri Lanka PLC.*, Hatton National Bank PLC.*, Continental Insurance Lanka Ltd.*, Indo Lanka Exports (Pvt) Ltd.*, DFCC Bank., DFCC Vardhana Bank Ltd., Palm Village Hotels Ltd., Holcim (Lanka) Ltd., Hyundai Lanka (Pvt) Ltd., National Olympic Committee (NOC), Sri Lankan Airlines Ltd., Dynamic AV Technologies (Pvt) Ltd., Ceylon Agro Industries Ltd., CIC Holdings PLC., LOLC PLC., Dialtex Industries Ltd., Mercantile Merchant Bank Ltd., Rajawella (Holdings) Pvt Ltd., Royal Ceramics PLC., Renuka Hotels (Pvt) Ltd., and Dankotuwa Porcelain PLC. are reflected under transactions with other related companies, above.

	Balances with Aitken Spence PLC		Balances with Group companies	
	2010/2011 Rs' 000	2009/2010 Rs' 000	2010/2011 Rs' 000	2009/2010 Rs' 000
38.5 Amounts due from related parties				
Fully owned subsidiaries	1,008,612	601,563	N/A	N/A
Partly owned subsidiaries	943,333	1,645,572	N/A	N/A
Joint ventures	51,059	91,138	N/A	N/A
Amount due from subsidiaries & joint ventures	2,003,004	2,338,273	N/A	N/A
Associates	8,143	111,282	23,326	125,309
Other related companies	-	-	7,136	15,190
38.6 Amounts due to related parties				
Fully owned subsidiaries	764,960	541,079	N/A	N/A
Partly owned subsidiaries	622,175	113,602	N/A	N/A
Joint ventures	553,571	517,582	N/A	N/A
Amount due to subsidiaries & joint ventures	1,940,706	1,172,263	N/A	N/A
Associates	45	209	482	2,956
Other related companies	200,556	-	3,988,882	3,893,826

38.7 Transactions with key management personnel

Aitken Spence PLC., considers its Board of Directors as the key management personnel of the company. The Board of Directors, Vice Presidents and Assistant Vice Presidents of subsidiary companies are considered as key management personnel of group companies.

Compensation paid to / on behalf of key management personnel of the Company is as follows.

	Company Rs.'000	Group Rs.'000
Short term employee benefits	22,896	280,811
Post employment benefits	-	20,583

No post-employment benefits were paid to key management personnel of Aitken Spence PLC during the financial year. The Company/ Group did not have any material transactions with its key management personnel or their close family members during the year.

39 Foreign currency translation

The principal exchange rates used for translation purposes were;

	31.03.2011 Rs.'000	31.03.2010 Rs.'000
United States Dollar	110.46	114.09
British Pound	177.86	171.98
Euro	156.15	152.91
Oman Rial	286.73	296.25
South African Rand	16.18	15.44
Indian Rupee	2.48	2.54
Maldivian Rufiya	8.63	8.91
Bangladesh Taka	1.52	1.65

40 Number of employees

The number of employees of the Group at the end of the year was 5,328 (2010 - 5,042). The number of employees of the Company at the end of the year was 163 (2010 - 148).

41 Events occurring after balance sheet date

Subsequent to the balance sheet date Aitken Spence Hotel Holdings PLC, a subsidiary of the Group invested Rs. 267.5 million to acquire 3.2 million additional shares of MPS Hotels Ltd. The new equity holding by the Group in MPS Hotels Ltd., after the additional purchase of shares is 73.62%.

Further, Aitken Spence Hotel Holdings PLC., concluded the mandatory offer made by them to the share holders of Browns Beach Hotels PLC., complying with the Company Takeovers and Mergers Code of 1995 (as amended) on 28th April 2011. On conclusion of this offer Aitken Spence Hotel Holdings PLC., purchased an additional 2.9 million shares at the offer price of Rs 21.70 thereby increasing the percentage holding in Browns Beach Hotels PLC., by the Group from 25.4% to 27.02%.

The Board of Directors of the Company resolved to recommend a first & final ordinary dividend of Rs. 1.00 per share for the year 2010/2011 to be approved at the Annual General Meeting. Details of the dividend is disclosed in note 14 to the financial statements.

There were no other material events that occurred after the balance sheet date that require adjustments to or disclosure in the financial statements.

42 Comparative information

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year other than as mentioned in note 42.1 & 42.2 below.

42.1 Effect of application of deferred taxation as per SLAS 14 Income Taxes (Revised 2005) on entities enjoying a tax holiday period

During the year the Group commenced application of deferred taxation as per SLAS 14 Income Taxes (Revised 2005) on entities enjoying tax holiday periods under the Board of Investment Law, as recommended by the "Deferred Tax council ruling for BOI companies" issued by The Institute of Chartered Accountants of Sri Lanka. The effect of this application has been accounted for retrospectively in compliance with SLAS 10 Accounting Policies, Changes in Accounting Estimates & Errors (Revised 2005) and the above mentioned ruling.

The effect of the change on the comparative information for 2009/2010 is tabulated below. Opening retained earnings for 2009/2010 is reduced by Rs. 38,161,237/-, which is the amount of the adjustment relating to periods prior to 2009/2010.

	Group Rs.'000
Effect on 2009/2010	
- Increase in deferred tax expense	17,153
Effect on periods prior to 2009/2010	
- Decrease in retained earnings & increase in deferred tax liabilities	38,161

42.2 Re-classification of prior period expenses

Direct costs relating to the freight forwarding business of the company operating in Bangladesh has been re-classified under "other operating expenses – direct", while the direct costs relating to airline ticket sales of the travel company in Oman has been adjusted against revenue; to conform to the current year's presentation in compliance with the policy adopted by other companies in the Group.

The depreciation cost of components capitalized during machinery overhauls of the power generation companies which was previously charged against raw materials and consumables used has been re-classified under depreciation for better presentation.

Consolidated Income Statement In USD

For the year ended 31st March		2011 US\$. '000	2010 US\$. '000	
Revenue		227,628	211,841	
Revenue tax		(3,755)	(3,275)	
Net revenue		223,873	208,566	
Other operating income		2,301	1,311	
Changes in inventories of finished goods and work-in-progress		185	(88)	
Raw materials and consumables used		(60,127)	(65,715)	
Employee benefits expense		(27,660)	(23,004)	
Depreciation, amortisation and impairment of goodwill		(18,961)	(14,661)	
Other operating expenses - direct		(51,239)	(41,755)	
Other operating expenses - indirect		(32,553)	(29,315)	
Profit from operations		35,819	35,339	
Finance income		4,481	2,534	
Finance expenses		(6,620)	(8,650)	
Net finance expense		(2,139)	(6,116)	
Share of associate companies profit (net of tax)		863	167	
Profit before tax		34,543	29,390	
Income tax expense		(3,507)	(3,210)	
Profit for the year		31,036	26,180	
Attributable to:				
Equity holders of the company		22,958	18,052	
Minority interest		8,078	8,128	
Profit for the year		31,036	26,180	
Net profit attributable to Aitken Spence PLC		22,958	18,052	
Unappropriated profit brought forward		67,374	69,501	
Profit available for appropriation		90,332	87,553	
Appropriations				
Transfer to general reserve		12,652	18,445	
Dividend for 2009/2010		2,450	2,328	
Retained in the business		75,230	66,780	
Earnings per Share	US\$ cents	=	5.66	4.59
Exchange rate	US\$	=	110.46	114.09

Figures in brackets indicate deductions.

Consolidated Balance Sheet In USD

As at 31st March	2011 US\$. '000	2010 US\$. '000
ASSETS		
Non-Current Assets		
Property, plant & equipment	216,977	204,478
Leasehold properties	12,307	12,871
Intangible assets	1,213	1,351
Investment property	553	254
Investments in associates	12,086	6,727
Long term investments	4,291	4,239
Deferred tax assets	1,252	498
	248,679	230,418
Current Assets		
Inventories	14,555	12,215
Trade and other receivables	37,555	46,843
Amounts due from associates	211	1,098
Current investments	2,367	40
Deposits and prepayments	4,952	4,298
Current tax receivable	1,107	1,386
Short-term deposits	45,699	24,123
Cash at bank and in hand	6,663	7,230
	113,109	97,233
Assets classified as held for sale	1,643	1,417
Total Assets	363,431	329,068
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Stated capital	19,330	18,715
Reserves	100,227	81,665
Retained earnings	75,230	65,230
	194,787	165,610
Minority interest	46,439	40,024
Total Equity	241,226	205,634
Non-Current Liabilities		
Interest-bearing liabilities	37,513	45,199
Deferred tax liabilities	2,418	2,440
Employee benefits	3,039	2,588
	42,970	50,227
Current Liabilities		
Trade and other payables	35,687	36,734
Interest-bearing liabilities repayable within one year	15,556	13,507
Amounts due to associates	4	26
Current tax payable	1,626	1,291
Short-term bank borrowings	26,362	21,649
	79,235	73,207
Total Equity and Liabilities	363,431	329,068
Exchange rate	US\$ =	110.46 114.09

Investor Information

Stock Exchange Listing

Aitken Spence PLC., is a Public Quoted Company, the issued ordinary shares of which are listed on the Colombo Stock Exchange. Stock exchange code for Aitken Spence PLC share is "SPEN". Reuter code of Aitken Spence PLC is "SPEN.CM".

Market Sector: Diversified Holdings

ORDINARY SHARES

Information on share trading

	31st March 2011	31st March 2010
Number of transactions	16,124	2,052
Number of shares traded during the year	63,532,950	2,512,200
Value of shares traded during the year (Rs. million)	19,529	2,158
Percentage of total value transacted	2.57%	1.01%
Market Capitalisation on 31st March (Rs. million)	65,893	37,182
Percentage of total Market Capitalisation	2.72%	3.08%

Market Value

	Highest	Lowest	Year End
2008/2009	560.00	305.00	315.00
2009/2010	1,450.00	330.00	1,373.75
2010/2011 - Pre Subdivision*	3,500.00	1,340.00	-
2010/2011 - Post Subdivision	200.10	159.00	162.30

The market value of the Ordinary share as at 24th May 2011 was Rs. 157.70

* Each ordinary share registered as at 05th October 2010 was subdivided in to 15 ordinary shares.
The shares commenced trading, after the sub division on 11th October 2010.

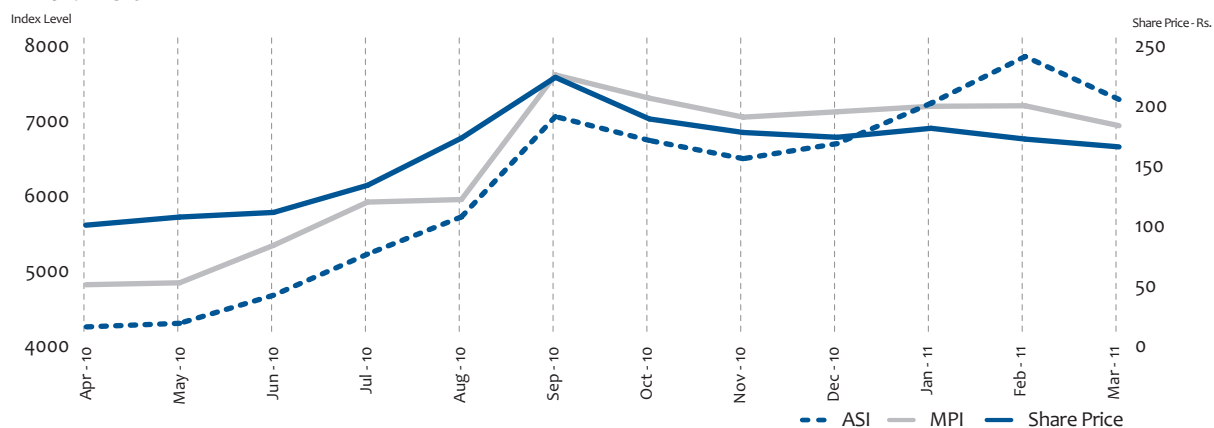
Net Assets per share (re-stated)

	31st March 2011	31st March 2010	31st March 2009
The Group (Rs.)	53.00	46.54	42.06
The Company (Rs.)	22.02	18.61	15.62

The above figures are restated taking in to consideration the sub division of shares.

Share Prices* vs Indices - 2010/2011

12 Month Trend



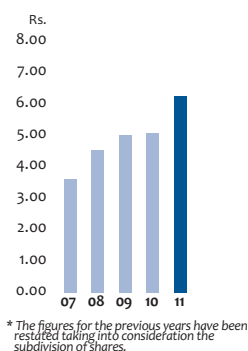
* The figures for the previous years have been restated taking into consideration the subdivision of shares.

Earnings

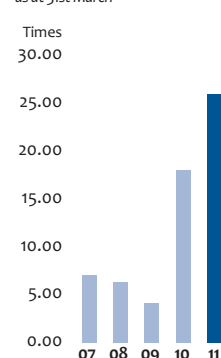
	31st March 2011	31st March 2010	31st March 2009
Earnings per share for (Rs.) (re-stated)*	6.25	5.07	5.02
Price Earnings ratio (P/E)	25.97	18.06	4.18

* The above figures are restated taking in to consideration the sub division of shares.

Earnings Per Share*
for the year ended 31st March



Price Earnings Ratio
as at 31st March



Shareholder Base – Voting Ordinary Shares

There were 5,045 voting registered shareholders as at 31st March 2011 (31st March 2010 - 1,659). The distribution schedule of the number of shareholders and the percentage holdings are as follows:

Range of shareholding	31st March 2011			31st March 2010		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	2,937	1,046,723	0.26	1,292	266,188	0.99
1,001 - 10,001	1,588	5,257,778	1.29	275	882,211	3.26
10,001 - 100,000	402	12,150,286	2.99	62	2,089,847	7.72
100,001 - 1,000,000	80	23,380,370	5.76	25	7,934,254	29.31
1,000,001 - above	38	364,160,888	89.70	5	15,893,903	58.72
Total	5,045	405,996,045	100.00	1,659	27,066,403	100.00

Analysis of Shareholders

Resident/Non-Resident

	31st March 2011		31st March 2010	
	No. of shares	%	No. of shares	%
Nationals	249,004,786	61.33	13,511,634	49.92
Non- Nationals	156,991,259	38.67	13,554,769	50.08
Total	405,996,045	100.00	27,066,403	100.00

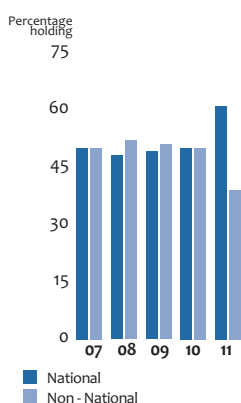
Investor Information

Individuals / Institutions

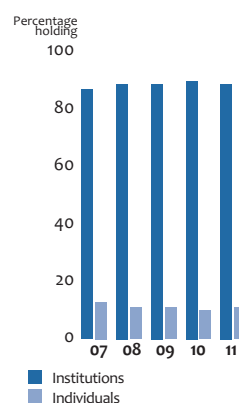
	31st March 2011		31st March 2010	
	No. of shares	%	No. of shares	%
Institutions	363,033,649	89.42	24,313,254	89.83
Individuals	42,962,396	10.58	2,753,149	10.17
Total	405,996,045	100.00	27,066,403	100.00

As per the rule No 7.6 (iv) of The Colombo Stock Exchange, percentage of public holding as at 31st March 2011 was 57.53%.

Nationals & Non-Nationals
as at 31st March



Institutions & Individuals
as at 31st March



Shareholding of Directors together with their spouses in Aitken Spence PLC

	31st March 2011	31st March 2010
Mr. J.M.S. Brito	288,495	19,233
Mr. G.C. Wickremasinghe	7,607,070	487,216

Indirect holding by Directors

	31st March 2011	31st March 2010
Mr. G.C. Wickremasinghe – Manohari Enterprises Ltd	298,830	19,922
Mr. D.H.S. Jayawardena – Stassen Exports Ltd	3,244,500	216,300
– Milford Exports (Ceylon) Ltd	4,321,500	288,100

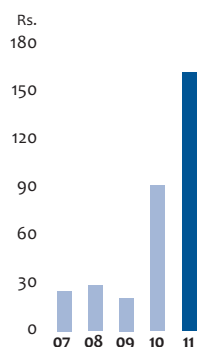
In Group Companies

Aitken Spence Hotel Holdings PLC		31st March 2011	31st March 2010
Mr. J.M.S. Brito		106,596	9,000
Mr. G.C. Wickremasinghe		2,852,241	316,551
Hethersett Hotel Limited		31st March 2011	31st March 2010
Mr. G.C. Wickremasinghe		1,041,500	1,041,500

Twenty largest shareholders as at 31st March 2011

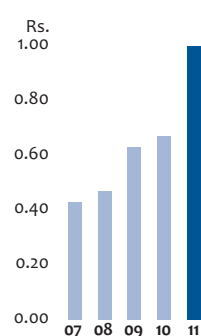
	Name	No. of shares	%
1.	Distilleries Company of Sri Lanka PLC	90,666,925	22.33
2.	Rubicond Enterprises Limited	65,990,145	16.25
3.	Sri Lanka Insurance Corporation Ltd - General Fund	26,032,575	6.41
4.	Commercial Bank of Ceylon PLC/Distilleries Company of Sri Lanka PLC	23,122,000	5.69
5.	Sri Lanka Insurance Corporation Ltd-Life Fund	18,000,000	4.43
6.	HSBC International Nominees Ltd-BPSS LDN- Aberdeen Asia Pacific Fund	17,331,000	4.27
7.	Employees Provident Fund	16,922,335	4.17
8.	HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	12,397,500	3.05
9.	HSBC International Nominees Ltd-SSBT-Aberdeen Institutional Commingled Funds, LLC	10,043,500	2.47
10.	Mr. G. C. Wickremasinghe	7,308,240	1.80
11.	Ceylon Guardian Investment Trust PLC A/C # 01	6,919,500	1.70
12.	Placidrange Holdings Limited	5,521,500	1.36
13.	HSBC International Nominees Ltd-SSBTL-Aberdeen New Dawn Investment Trust XCC6	4,503,555	1.11
14.	HSBC International Nominees Ltd-BPSS LDN-Aberdeen Investment Fund ICVC Aberdeen Emerging Markets Fund	4,342,500	1.07
15.	Milford Exports (Ceylon) (Pvt) Limited	4,321,500	1.06
16.	HSBC International Nominees Ltd-BPSS LUX-Aberdeen Global-Emerging Markets Equity Fund	4,311,000	1.06
17.	Mellon Bank N.A.-Florida Retirement System	4,164,200	1.03
18.	HSBC International Nominees Ltd.-SSBT-Janus Overseas Fund	3,768,000	0.93
19.	Stassen Exports Limited	3,244,500	0.80
20.	Ms. A.T. Wickremasinghe	3,211,975	0.79
	Total	332,122,450	81.78

Market Value Per Share*
as at 31st March



* The figures for the previous years have been restated taking into consideration the subdivision of shares.

Dividend Per Share*
for the year ended 31st March



* The figures for the previous years have been restated taking into consideration the subdivision of shares.

Investor Information

Dividends

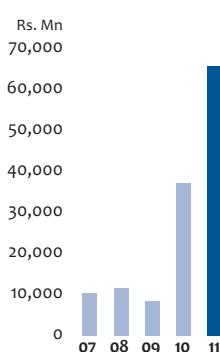
An ordinary dividend of Rs. 1.00 per share (2009/2010 – Rs.10.00 per share - pre subdivision) has been recommended to the shareholders for approval at the forth coming Annual General Meeting.

History of Dividend Per Share and Dividend Yield for the past 10 years

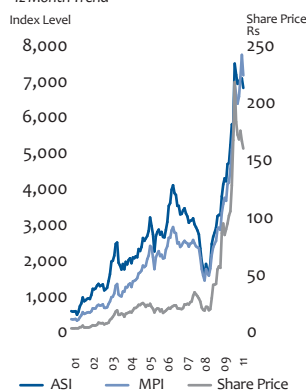
Year	Dividend Per Share (Rs)	Dividend Cover
2001/02	0.27	3.26
2002/03	0.30	4.34
2003/04	0.40	7.88
2004/05	0.40	6.88
2005/06	0.43	6.90
2006/07	0.43	8.30
2007/08	0.47	9.72
2008/09	0.63	7.93
2009/10	0.67	7.61
2010/11	1.00	6.25

The above figures are restated taking in to consideration the sub division of shares.

Market Capitalisation
as at 31st March



Share Prices* vs Indices
12 Month Trend



* The figures for the previous years have been restated taking into consideration the subdivision of shares.

UNSECURED REDEEMABLE DEBENTURES 2006-2012

The Company, in a private placement, raised Rs. 960 million by issuing 9,600,000 unsecured redeemable debentures at Rs. 100/- each. Fitch Ratings Lanka Limited assigned a credit rating of AA (lka) on these debentures.

(i) Fixed rate

3,000,000 Fixed rate unsecured redeemable debentures of Rs. 100/- each were issued on 25th October 2006 with interest payable annually at the rate of 13.75% p.a. The applicable interests on these debentures were duly paid on 25th October 2010. In accordance with the terms of the Issue, 30% of the face value (Rs. 30/-) of these debentures were redeemed on 25th October 2010.

(ii) Floating rate

6,600,000 Floating rate unsecured redeemable debentures of Rs. 100/- each were issued on 25th October 2006 (4,100,000) and 24th November 2006 (2,500,000) with interest payable semi annually at an interest rate of six months gross Treasury Bill rate + 1.25% p.a. The applicable interests on these debentures were duly paid on 23rd April 2010 and 25th October 2010. In accordance with the terms of the Issue, 30% of the face value (Rs. 30/-) of these debentures were redeemed on 25th October 2010.

Ten Year Summary

Year ended 31st March	2011	2010 (Re-stated)	2009	2008	2007	2006	2005	2004	2003	2002
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Operating Results										
Revenue	25,143,811	24,168,970	29,307,818	27,515,960	19,765,632	13,593,263	10,063,989	9,157,160	7,030,843	4,536,324
Profit before taxation	3,815,555	3,353,169	3,396,916	3,064,792	2,582,088	1,910,115	1,721,123	1,883,501	877,992	544,823
Taxation	387,335	366,193	328,385	235,110	298,018	197,623	162,599	184,005	145,576	105,280
Profit after taxation	3,428,220	2,986,976	3,068,531	2,829,682	2,284,070	1,712,492	1,558,524	1,699,496	732,416	439,543
Profit attributable to Aitken Spence PLC	2,535,956	2,059,636	2,040,010	1,841,150	1,459,774	1,213,661	1,116,776	1,275,523	525,185	346,082
Equity & Liabilities										
Stated capital	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,134,326	2,130,837	2,112,433	2,094,107
Reserves	11,071,652	9,317,199	7,227,545	3,505,284	2,673,510	2,370,383	2,306,075	2,038,132	975,543	811,731
Retained earnings	8,309,395	7,442,131	7,715,269	6,263,600	5,122,472	4,022,929	3,126,517	2,405,847	1,626,591	1,303,856
Minority interest	5,129,687	4,566,388	4,553,439	3,881,704	3,193,710	2,679,745	1,774,362	1,765,622	1,433,522	1,252,413
Non-current liabilities	4,746,363	5,730,436	6,677,114	6,903,834	6,832,112	5,815,540	4,476,808	2,504,832	3,439,933	2,517,504
Current liabilities	8,752,588	8,352,184	8,072,337	8,495,631	6,393,881	6,182,957	3,288,637	3,432,392	2,492,515	3,638,465
	40,144,825	37,543,478	36,380,844	31,185,193	26,350,825	23,206,694	17,106,725	14,277,662	12,080,537	11,618,076
Assets										
Property, plant & equipment	23,967,324	23,328,896	22,635,636	16,982,305	16,770,495	15,450,267	11,005,913	8,576,500	7,754,569	6,791,715
Leasehold property	1,359,483	1,468,449	1,505,151	1,356,987	-	-	-	-	-	-
Intangible assets	134,026	154,185	109,164	122,520	159,407	191,811	170,058	92,017	98,117	102,251
Investments	1,870,075	1,280,014	1,186,518	1,057,001	896,145	932,544	1,231,412	1,150,139	856,579	933,971
Deferred tax assets	138,314	56,823	74,008	39,342	-	-	-	-	-	-
Current assets	12,494,114	11,093,448	10,721,243	11,465,087	8,524,778	6,632,072	4,699,342	4,459,006	3,371,272	3,790,139
Assets classified as held for sale	181,489	161,663	149,124	161,951	-	-	-	-	-	-
	40,144,825	37,543,478	36,380,844	31,185,193	26,350,825	23,206,694	17,106,725	14,277,662	12,080,537	11,618,076
Share Information										
Earnings per share* (Rs.)	6.25	5.07	5.02	4.53	3.60	2.99	2.75	3.16	1.31	0.87
Market value per share (Rs.)										
- post share subdivision	162.30	-	-	-	-	-	-	-	-	-
Market value per share (Rs.)										
- pre share subdivision	-	1,373.75	315.00	430.00	380.00	339.00	380.00	263.50	140.00	90.00
Market capitalisation on 31st March (Rs. mn)	65,893	37,182	8,526	11,639	10,285	9,176	10,282	7,113	3,754	2,391
Price earnings ratio	25.97	18.05	4.18	6.32	7.05	7.56	9.20	5.56	7.11	6.90
Net assets per share* (Rs.)	53.00	46.54	42.06	29.32	24.46	21.01	18.64	16.24	11.72	10.56
Employees Information										
No. of employees	5,328	5,042	5,045	5,090	4,199	4,209	4,209	4,112	3,590	3,783
Value added per employee (Rs.'000)	1,884	1,770	1,635	1,503	1,467	1,038	857	897	697	482
Ratios & Statistics										
Ordinary dividend (Rs. '000)	405,996	270,664	257,131	189,465	175,931	175,931	162,341	161,969	120,974	106,243
Dividend per share* (Rs.)	1.00	0.67	0.63	0.47	0.43	0.43	0.40	0.40	0.30	0.27
Dividend cover (times covered)	6.25	7.61	7.93	9.72	8.30	6.90	6.88	7.88	4.34	3.26
Dividend - payout ratio	0.16	0.13	0.13	0.10	0.12	0.14	0.15	0.13	0.23	0.31
Current ratio (times covered)	1.43	1.33	1.33	1.35	1.33	1.07	1.43	1.30	1.35	1.04
Debt-equity ratio	0.16	0.22	0.29	0.41	0.49	0.48	0.45	0.27	0.52	0.43
ROE (%)	12.55	11.45	14.08	16.86	15.82	15.08	15.79	22.60	11.77	8.47
Interest cover ratio	23.48	6.44	6.54	5.78	4.93	6.38	9.66	12.12	5.10	4.55

Note: * The figures for the previous years have been restated taking into consideration the subdivision of shares.

Economic Review

“The overall economic optimism was reflected in the stock market, with the Colombo Stock Exchange emerging the second best performing market in the world. The All Share Price Index rose 96% during the year, as investors scrambled for stocks with exposure to infrastructure, banking and leisure sectors..”

Overview

Sri Lanka’s economy bounced back strongly in 2010, reflecting post-war optimism. The economy expanded by an impressive 8.0% in 2010, over a low growth of 3.5% in 2009. The growth was helped mainly by the post-war bullish business sentiment which increased both consumer and investor confidence, resurgence in the tourism and construction industries and, growth in agriculture output and export commodity prices.

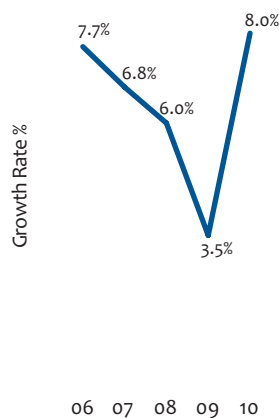
The overall economic optimism was reflected in the stock market, with the Colombo Stock Exchange emerging the second best performing market in the world. The All Share Price Index rose 96% during the year, as investors scrambled

for stocks with exposure to infrastructure, banking and leisure sectors. New share issues also rose during 2010 with eight new initial public offers (IPOs) being announced which were significantly oversubscribed reflecting positive sentiment.

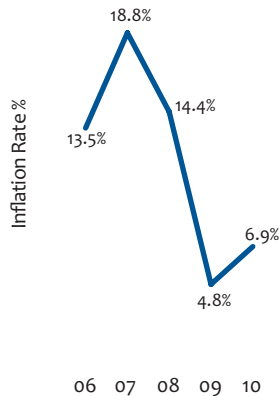
The year-on-year Colombo Consumers’ Price Index rose to 6.9% in 2010, from 4.8% in 2009, while the annual average inflation for 2010 rose to 5.9% from 3.4%. Commercial banks’ average weighted prime lending rate continued to ease gradually to end at 9.29% in 2010, from 10.85% in 2009. The Central Bank cut the reverse repurchase rate, its main policy rate, twice in 2010 and once in 2011, to spur economic growth. As interest rates nudged down, private sector credit demand rose by 25.1%. Meanwhile, the Government continued to keep a tight grip on its budget deficit, narrowing it to 7.9% of GDP in 2010 from 9.9% in 2009.

With the drop in exports by 12.7% in 2009, the exports industry grew by 17.3% in 2010. Exports recorded a significant growth despite the European Union withdrawing concessions under the Generalised System of Preferences (GSP +) in August 2010. Imports also rose by 32.4% during the year mainly due to the increase in the oil bill and rising cost of food imports. The steeper rise in imports over

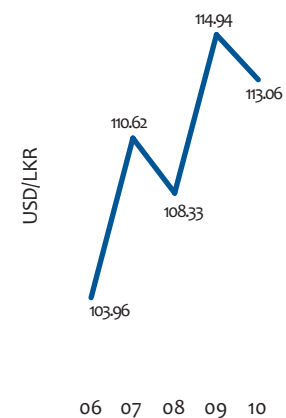
GDP Growth Rate



Annual Inflation Rate (Year-on-Year)



Annual Exchange Rate



exports pushed up the trade deficit to 10.5% of GDP, from 7.4% the previous year.

Foreign remittances and Foreign Direct Investments grew with the Balance of Payments recording a surplus of USD 921 million. Investor sentiment was strengthened by the simultaneous approval of the third and fourth tranches of the International Monetary Fund (IMF) standby arrangement in June, and the fifth tranche in September, 2010. Both Standard and Poor's and Moody's raised the country's outlook to "Stable" and Fitch Ratings to "Positive". Supported by the success of the bond issue and the release of IMF funding tranches, Gross Official Reserves reached \$6.6 billion, covering almost six months of imports. In September 2010, the Government issued its third international sovereign bond offering of USD1 billion. The 2010 issue was oversubscribed six times, with a yield substantially lower than the two previous issues. The Rupee gained around 3.0% against the US dollar to 110.95 by end-2010.

Future prospects

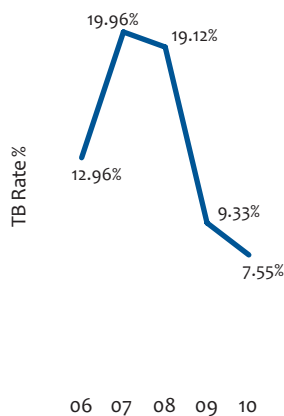
The country's economic activity is expected to remain robust in 2011 and beyond. It is expected that the service and industry sectors will drive growth in 2011 though agriculture is likely to be hampered by the heavy rains and consequent

flooding that affected several provinces in January and February 2011. Inflationary pressures are likely to be exacerbated during the year due to rising global commodity prices as a fall-out of the quantitative easing carried out by major economies of the world in an attempt to stimulate flagging growth. This is likely to lead to a gradual increase in interest rates during the second half of the year.

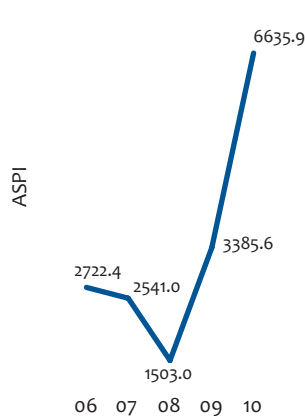
With the government prioritising controlling of expenses and increasing revenue, the budget deficit is expected to come down to 6.8% of GDP. The government expects to further reduce the deficit as a percentage of GDP in 2012. To this end, it would be necessary to cap loopholes in the tax system and to improve efficiency in tax collection, in addition to broadening the tax base. Rising global prices, especially of food and petroleum, as well as increasing domestic demand, are expected to push up imports in 2011.

Foreign Direct Investments are projected to increase, supported by policy measures reinforced in the 2011 budget, including streamlining the role of the Board of Investment. These investments are expected to lead to rapid development in the infrastructure of the country providing the foundation to achieve rising prosperity in the future.

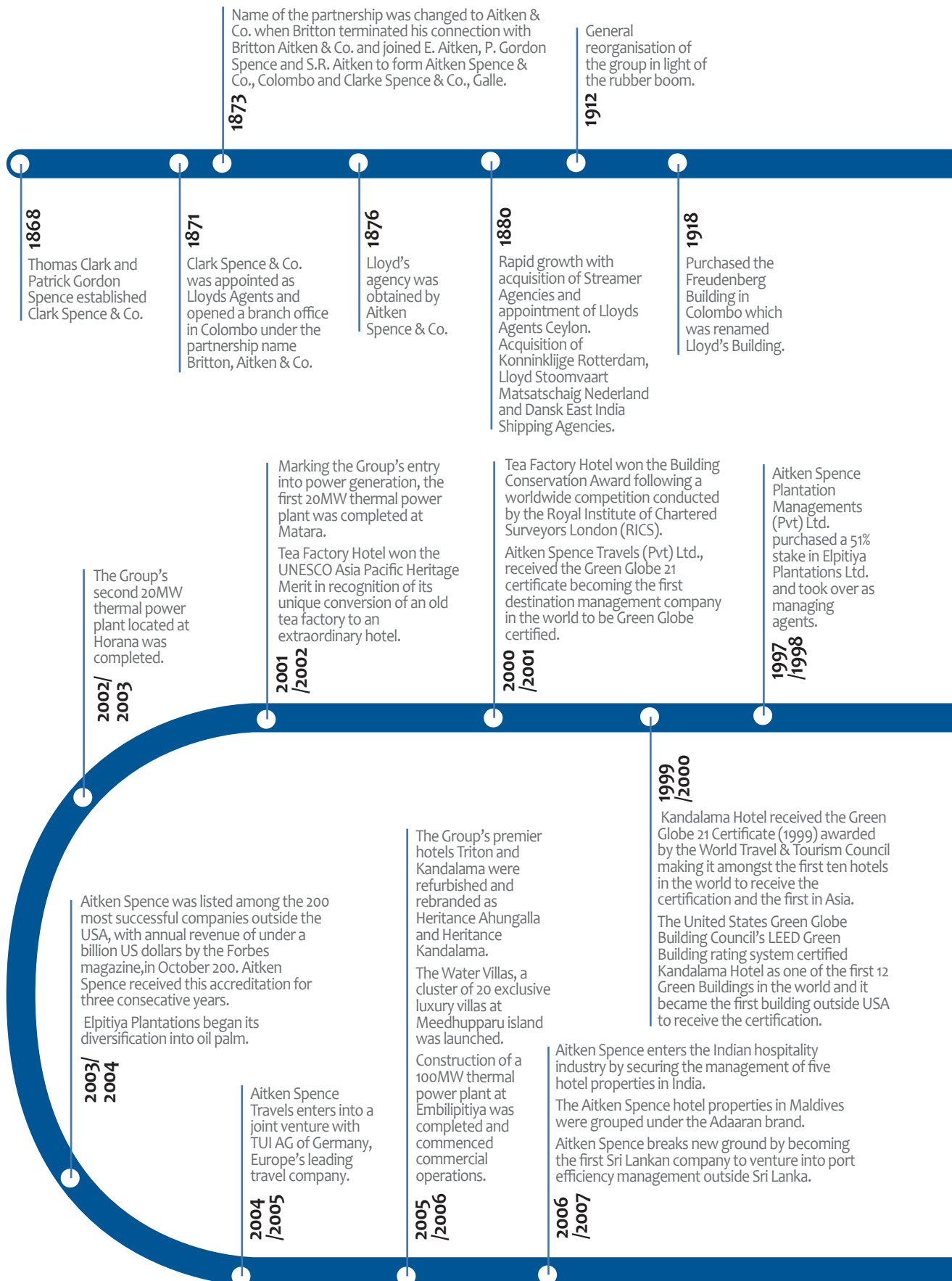
1 Year TB Rate



All Share Price Index



Time Line



Here Tomorrow.



Glossary of Terms

Asset Bubble

Assets are over-inflated due to excess demand.

Assets Held for Sale

The carrying amount of the asset value which will be recovered through a sale transaction rather than through continuing use.

Assets Turnover

Total turnover (including share of Associate Companies turnover) divided by average total assets.

BOT

Build Operate and Transfer

Capital Expenditure

The total of additions to property, plant & equipment and the purchase of outside investments.

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Compound Shareholder Return

Total Shareholder Return (TSR) for the time length of three years.

Current Ratio

Current assets divided by current liabilities.

Debenture

A long-term debt instrument issued by a corporate.

Debt/Equity Ratio

Non-current interest bearing borrowing divided by the total equity and minority interest. It shows the extent to which the firm is financed by debt.

Diluted EPS

Net profit for the period attributable to ordinary shareholders divided by the weighted average of ordinary shares in issue during the period, adjusted for the effects of all dilutive potential ordinary shares.

Dividend Cover

Net profit attributable to the ordinary shareholders divided by the total dividend.

Dividend – Payout Ratio

Dividends per share divided by earnings per share. This indicates the percentage of the Company's earnings that is paid out to shareholders in cash.

Dividend Yield

Dividend per share divided by the market value of a share.

Dividend per Share (DPS)

Dividends paid and proposed divided by the number of issued shares, which ranked for those dividends.

Earnings per Share (EPS)

Net profit for the period attributable to ordinary shareholders divided by the weighted average

number of ordinary shares in issue during the period.

EBIT Margin (Operating Profit Margin)

Earnings before interest and tax divided by revenue.

Effective Rate of Dividend

Rate of dividend per share paid on the number of shares ranking for dividend at the time of each payment.

Effective Rate of Interest

Total long-term and short-term interest divided by average long-term and short-term liabilities at the beginning and end of the year.

Financial Leverage

Total average assets divided by total average equity.

Goodwill on Consolidation

The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

Gross Treasury Bill Rate

Weighted average treasury bill rate gross of withholding tax published by Central Bank of Sri Lanka at the auction immediately preceding an interest determination date.

Intangible Assets

An identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services for rental to others or for administrative purposes.

Interest Cover

Operating profit before interest divided by the total interest.

Interest Rate Swap

An arrangement whereby two parties swap interest rate commitments with each other to reduce interest rate risks on fixed or floating rate loans.

Investment Property

Investments in land and buildings that are held to earn rentals or for capital appreciation or for both.

LIBOR

London Inter Bank Offered Rate.

Market Capitalisation

The number of ordinary shares in issue multiplied by the market price per share.

Minority Interest

Part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned, directly or indirectly through subsidiaries, by the parent.

Net Profit Margin

Net profit attributable to shareholders divided by revenue.

Net Assets per Share

Total assets less total liabilities including minority interest divided by the number of shares in issue as at 31st March.

Plain Vanilla Forward Exchange Contracts

The most basic or standard version of financial Instrument.

Price Earnings Ratio (PER)

Market value per share divided by the earnings per share.

Price to Book Value Ratio (PBV)

Market price per share divided by net assets per share.

Quick Asset Ratio

Total current assets less inventories divided by total current liabilities.

Related Parties

Parties who could control or significantly influence the financial and operating decisions of the business.

Return on Equity

Profit after tax and minority interest divided by average equity less minority interest at the beginning and end of the year.

Revaluation Surplus

Surplus amount due to revaluing assets in accordance with its fair value.

Revenue Reserves

Reserves set aside for future distributions and investments.

Total Equity

Total of share capital, reserves, retained earnings and minority interest.

Total Shareholder Return (TSR)

Change in market price of the share between end and beginning of the financial year, plus dividend for the year, divided by the market price of the share at the beginning of the financial year.

Treasury Bill

Short term debt instrument of 3,6 or 12 months issued by the Government of Sri Lanka.

Treasury Bond

Medium to Long term debt instrument of 2 to 20 years issued by the Government of Sri Lanka which carries a coupon (Interest) paid on semiannual basis.

Unquoted Shares

Shares which are not listed in the Stock Exchange.

Yield to Maturity

The Discount rate that equals present value of all expected interest payment and the repayment of principal.

Group Companies

TOURISM SECTOR

INBOUND TRAVEL

Aitken Spence Travels (Pvt) Ltd. **

Leading Destination Management Company in Sri Lanka. A joint venture with TUI, one of the largest tourism company's in the world.

Directors: J.M.S. Brito (Chairman), G.M. Perera (Managing Director), R. Subramaniam, A.C. Garcia Tenorio DelCerro, D.C. Schelp

OUTBOUND TRAVEL

Aitken Spence Aviation (Pvt) Ltd.

General sales agents for Singapore Airlines and Singapore Airlines Cargo.

Directors : J.M.S. Brito (Chairman), S. Ganeshan (Jt.Managing Director) (Resigned w.e.f. 30/12/2010), S.K.R.B. Jayaweera (Jt.Managing Director), G.M. Perera.

Aitken Spence Overseas

Travel Services (Pvt) Ltd. **

An IATA-accredited travel agent and general sales agent for Tradewinds and Rail Europe. Organises outbound tours and holiday packages.

Directors : J.M.S. Brito (Chairman) (Resigned w.e.f. 31/01/2011), R. Subramaniam (Managing Director), G.M. Perera.

Aitken Spence Moscow (Pvt) Ltd. **

Exclusive passenger sales agents for Aeroflot.

Directors : J.M.S. Brito (Chairman), Dr. J.W.A. Perera (Managing Director), G.M. Perera, R. Subramaniam.

Royal Spence Aviation (Pvt) Ltd.

General sales agents for Kingfisher Airlines.

Directors : J.M.S. Brito (Chairman), G.M. Perera.

CONVENTION SERVICES

Ace Travels & Conventions (Pvt) Ltd. **

Professional conference, exhibition & event organiser. Also offers destination management services.

Directors : J.M.S. Brito (Chairman) (Resigned w.e.f. 31/01/2011), G.M. Perera (Managing Director), R. Subramaniam.

Aitken Spence Hotel Holdings PLC. **

The holding company of the Group's hotel interests. Owns and operates the Heritance Ahungalle Hotel.

Directors : Deshamanya D.H.S. Jayawardena (Chairman), J.M.S. Brito (Managing Director), R.E.V. Casie Chetty, S.M. Hapugoda, C.M.S. Jayawickrama, G.P.J. Goonewardena, R.N.

Asirwatham, C.H. Gomez (Appointed w.e.f. 01/07/2010), N.J. de Silva Deva Aditya (Appointed w.e.f. 01/07/2010).

Aitken Spence Hotels Ltd. **

Owns and operates Neptune Hotel, holding company of Kandalama Hotels Ltd.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama, N. Ratwatte.

Heritance (Private) Ltd. **

Leases the Company owned land to Aitken Spence Hotels Ltd.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda.

Kandalama Hotels Ltd. **

Owns and operates Heritance Kandalama.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama.

Hethersett Hotels Ltd. **

Owns and operates Tea Factory Hotel.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama.

Neptune Ayurvedic Village (Pvt) Ltd. **

Owns and operates Neptune Ayurvedic Village.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama,

Ahungalla Resorts Ltd. **

Owns a land for a proposed future hotel.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama.

Golden Sun Resorts (Pvt) Ltd.**

Owns and operates Golden Sun Resorts.

Directors : J.M.S. Brito, S.M. Hapugoda, C.M.S. Jayawickrama.

Crest Star (BVI) Ltd.

The holding company and managing agents of Jetan Travel Services Company (Pvt) Ltd.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama.

Jetan Travel Services Co. (Pvt) Ltd. **

Owns and operates Adaaran Club Rannalhi - Maldives.

Directors : J.M.S. Brito (Chairman), H. Mohamed, M. Mahdy, S.M. Hapugoda, C.M.S. Jayawickrama.

Cowrie Investments (Pvt.) Ltd. **

Owns and operates Adaaran Select Meedhupparu Island Resort - Maldives.

Directors : J.M.S. Brito (Chairman), I.M. Didi, M. Salih, C.M.S. Jayawickrama, S.M. Hapugoda.

A D S Resorts (Pvt) Ltd. **

Owns and operates Adaaran Select Hudhuranfushi – Maldives

Directors : J.M.S. Brito (Chairman), C.M.S. Jayawickrama, M. Mahdy, S.M. Hapugoda.

Ace Ayurvedic (Pvt) Ltd. **

Operated the Ayurvedic centre in Adaaran Select Meedhupparu Island Resorts - Maldives, during the year company ceased commercial operations and it is to be liquidated.

Directors : J.M.S. Brito (Chairman), C.M.S. Jayawickrama.

Unique Resorts (Private) Ltd. **

Owns and operates Adaaran Prestige Vaadhoo Resort – Maldives.

Directors : J.M.S. Brito (Chairman), C.M.S. Jayawickrama, M.S. Hassan, S.M. Hapugoda, T.D.U.D. Peiris.

PR Holiday Homes (Pvt) Ltd.

Owner of Heritance Cochin - India, currently under construction.

Directors : J.M.S. Brito, S.M. Hapugoda, C.M.S. Jayawickrama, K. Khadar, M. Narayanan.

Aitken Spence Hotel Services (Pvt) Ltd.

Local Marketing of the Indian Hotels in India.

Directors : R.S. Rajaratne, M.P.Wijesekara.

Aitken Spence Hotel

Managements (Pvt) Ltd.**

Manages resorts in Sri Lanka.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda (Managing Director), C.M.S. Jayawickrama.

Aitken Spence Hotel

(International) Ltd.**

Owns and manages Maldivian Resorts.

Directors : J.M.S. Brito (Chairman), R.E.V. Casie Chetty.

Aitken Spence Hotel

Managements Asia (Pvt) Ltd. **

Manages resorts in India and in Oman.

Directors : Deshamanya D.H.S. Jayawardena, Dr. R.M. Fernando, Ms. N. Sivapragasam, G.P.J. Goonewardena.

** The companies financial statements are audited by KPMG Ford,Rhodes,Thornton & Co.

Group Companies

TOURISM SECTOR

Aitken Spence Hotel Managements (South India) Pvt Ltd.

Manages resorts in India.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama, C.L.B. Ekanayake.

Triton Ltd.

The Holding Company of Aitken Spence Aviation (Pvt) Ltd

Directors : J.M.S. Brito (Chairman), S. Ganeshan (Resigned w.e.f. 30/12/2010).

Aitken Spence Resources (Pvt) Ltd. **

Human resource management, foreign employment & recruitment company.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama, G.P.J. Goonewardena.

Crest Star Ltd.

Directors : J.M.S. Brito (Chairman), C.M.S. Jayawickrama.

Nilaveli Resorts (Pvt) Ltd.

Constructing, owning and operating a beach resort.

Directors : J.M.S. Brito (Appointed w.e.f. 20/10/2010), S.M. Hapugoda (Appointed w.e.f. 20/10/2010), C.M.S. Jayawickrama (Appointed w.e.f. 20/10/2010).

Nilaveli Holidays (Pvt) Ltd.

Constructing, owning and operating a beach resort.

Directors : J.M.S. Brito (Appointed w.e.f. 20/10/2010), S.M. Hapugoda (Appointed w.e.f. 20/10/2010), C.M.S. Jayawickrama (Appointed w.e.f. 20/10/2010).

Aitken Spence Resorts Ltd.

To operate a future hotel project.

Directors : J.M.S. Brito, C.M.S. Jayawickrama, S.M. Hapugoda (Appointed w.e.f. 14/07/2010).

Business Travel Services LLC

Destination Management Company organising inbound and outbound tours in Oman. A joint venture with Oman Holdings International SAOG.

CARGO LOGISTICS SECTOR

FREIGHT FORWARDING

Ace Cargo (Pvt) Ltd.

Providing International freight forwarding services.

Directors : Dr. P. Dissanayake (Chairman), H.B. Kelly.

Ace Bangladesh (Private) Ltd.

Provides international freight forwarding services in Bangladesh.

Directors : A. Mannan (Chairman), R. Rahman (Managing Director), J.M.S. Brito, Mrs. F.R. Ahmed, K.R.T. Peiris, A. Rahman, H.B. Kelly.

Ace International Express (Pvt) Ltd.

Provides international air express, domestic delivery and international mailing.

Directors : J.M.S. Brito (Chairman), K.R.T. Peiris (Managing Director), J. Brohier.

Aitken Spence Cargo (Pvt) Ltd.

International freight forwarding & general sales agents for airline cargo.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Deputy Chairman), K.R.T. Peiris (Managing Director), H.B. Kelly.

Ace Aviation Services (Pvt) Ltd. **

Operates as general sales agents for airline cargo.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Deputy Chairman), K.R.T. Peiris, H.B. Kelly.

Spence International (Pvt) Ltd.

Regional operating headquarters to manage operation overseas.

Directors : J.M.S. Brito (Chairman), K.R.T. Peiris.

Spence Maldives (Pvt) Ltd.

Provides air express & freight forwarding in Maldives.

Directors : J.M.S. Brito (Chairman), K.R.T. Peiris (Managing Director), M. Firaq, J. Brohier.

INTEGRATED LOGISTICS

Ace Containers (Pvt) Ltd. **

Operates an inland container depot and a freight station.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Deputy Chairman) (Appointed w.e.f. 04/08/2010), N.D.F. Perera (Appointed w.e.f. 30/08/2010), N.P. Nallaratnam (Managing Director) (Resigned w.e.f. 23/12/2010), J.M.A. Joseph (Ceased w.e.f. 24/01/2011).

Ace Container Terminals (Pvt) Ltd. **

Provides container storage, customs brokerage and warehousing services.

Directors : J.M.S. Brito (Chairman), N.P. Nallaratnam (Managing Director) (Resigned w.e.f.

23/12/2010), A.M.M. Amir, Dr. P. Dissanayake (Deputy Chairman) (Appointed w.e.f. 04/08/2010).

Ace Haulage (Pvt) Ltd. **

Transporters of laden and empty containers.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Deputy Chairman) (Appointed w.e.f. 04/08/2010), N.P. Nallaratnam (Managing Director) (Resigned w.e.f. 23/12/2010), J.M.A. Joseph (Ceased w.e.f. 24/01/2011).

Ace Container Repair (Pvt) Ltd. **

Undertakes container repairs and garments on hanger conversion.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Deputy Chairman) (Appointed w.e.f. 04/08/2010), N.P. Nallaratnam (Managing Director) (Resigned w.e.f. 23/12/2010), J.M.A. Joseph (Ceased w.e.f. 24/01/2011).

Ace Distriparks (Pvt) Ltd.**

Provides total logistics support and warehousing with multi country cargo consolidation.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Deputy Chairman) (Appointed w.e.f. 04/08/2010), A.M.M. Amir, N.P. Nallaratnam (Managing Director) (Resigned w.e.f. 23/12/2010).

** The companies financial statements are audited by KPMG Ford, Rhodes, Thornton & Co.

CARGO LOGISTICS SECTOR

Ace Freight Management (Pvt) Ltd.

Undertakes clearing, forwarding and operates an inland container depot.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Deputy Chairman) (Appointed w.e.f. 04/08/2010), N.P. Nallaratnam (Managing Director) (Resigned w.e.f. 23/12/2010), J.M.A. Joseph (Ceased w.e.f. 24/01/2011).

Logilink (Pvt) Ltd **

Act as a Container Freight Station and to deal in the deconsolidation of imports and the storing, distribution and consolidation of Exports.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Deputy Chairman), K.R.T. Peiris, N.P. Nallaratnam (Resigned w. e. f. 23/12/2010).

MARITIME TRANSPORT

Spence Mac Holdings (Pvt) Ltd. **

Holding company of certain Maritime Transport sector companies .

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake, Ms. N. Sivapragasam.

Aitken Spence Maritime Limited.**

Holding Company of Spence Shipping (Pvt) Ltd., and Port Management Container Services (Pvt) Ltd.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake.

Aitken Spence Shipping Services Ltd.**

Shipping Agent.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake, I.S. Cuttilan.

Aitken Spence Shipping Ltd. **

Liner, Cruise and Tramp agency representation, NVOCC and an international freight forwarder.

Directors : Dr. P. Dissanayake (Chairman & CEO), N.D.F. Perera (Jt. Managing Director), J.M.S. Brito, A. Jayasekera, I.S. Cuttilan, Ms. T.D.M.N. Anthony, K.R. Aluwihare.

Clark Spence & Co. (Pvt) Ltd. **

Shipping and bunkering agents in the ports of Colombo, Galle and Trincomalee and an international freight forwarder.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Managing Director), I.S. Cuttilan .

Shipping & Cargo Logistics (Pvt) Ltd. **

Liner agency representation.

Directors : Dr. P. Dissanayake, V.M. Fernando (Chairman), J.M.S. Brito (Managing Director), K.M.A.T.B. Tittawella, I.S. Cuttilan, K.M. Fernando.

Spence Logistics (Pvt) Ltd. **

NVOCC Freight forwarding operator.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake, N.D.F. Perera.

Spence Mac Bangladesh (Pvt) Ltd.

Handles shipping operations in Bangladesh.

Directors : Dr. P. Dissanayake, M. Rashid, C.M.L. Kamal.

Port Management Container Services (Pvt) Ltd. **

Operating & productivity enhancement management in ports.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake, I.S. Cuttilan.

Spence Shipping (Pvt) Ltd. **

Liner agency representation.

Directors : J.M.S. Brito (Chairman), Dr. P. Dissanayake (Appointed w.e.f. 10/09/2010), K.R. Aluwihare (Appointed w.e.f. 06/12/2010), M.E.G. Elizalde (Appointed w.e.f. 15/07/2010), A.M. Thakkar (Appointed w.e.f. 15/07/2010), N.D.F. Perera. (Resigned w.e.f. 06/12/2010).

Delta Shipping (Pvt) Ltd. **

Provide international freight forwarding services.

Directors : J.M.S. Brito (Chairman), M. Shabir (Jt. Managing Director), H.B. Kelly, K.R.T. Peiris.

** The companies financial statements are audited by KPMG Ford,Rhodes,Thornton & Co.

Group Companies

STRATEGIC INVESTMENT SECTOR

MANUFACTURING SECTOR

PRINTING & PACKAGING

Ace Exports (Pvt) Ltd. **

Provides printing & packaging services to the export market.

Directors : J.M.S. Brito (Chairman), D.V.H. de Mel, P. Karunatilake (Appointed w.e.f. 02/08/2010).

Ace Printing & Packaging (Pvt) Ltd. **

Provides printing & packaging services to the local market.

Directors : J.M.S. Brito (Chairman), D.V.H. de Mel, P. Karunatilake (Appointed w.e.f. 01/10/2010)

Aitken Spence Printing (Pvt) Ltd. **

Hires printing machinery .

Directors : J.M.S. Brito (Chairman), D.V.H. de Mel, P. Karunatilake (Appointed w.e.f. 02/08/2010).

APPAREL SECTOR

Aitken Spence (Garments) Ltd.

‘Manufacturer and exporter of high quality mens, boys, ladies & girls shirts and blouses to prestigious departmental stores and apparel importers in USA and EU.

Directors : J.M.S. Brito (Chairman), R.E.V. Casie Chetty, R.G. Pandithakorralage.

Aitken Spence Apparels (Pvt) Ltd.

Manufacturer and exporter of high quality mens, boys, ladies & girls shirts and blouses to prestigious departmental stores and apparel importers in USA and EU.

Directors : R.E.V. Casie Chetty, D.V.H. de Mel.

INFRASTRUCTURE

Ace Power Generation Matara (Pvt) Ltd.

Owens and operates a 24MW power plant in Matara to supply power to the national grid.

Directors : J.M.S. Brito (Chairman), D.V.H. de Mel (Managing Director), Deshamanya D.H.S. Jayawardena, Dr. R.M. Fernando, Ms. N. Sivapragasam, R. Gupta, F.M. Chudhary (Resigned w.e.f. 20/12/2010), K.N. Ahsan, A. Malla.

Ace Power Generation Horana (Pvt) Ltd.

Owens and operates a 24MW power plant in Horana to supply power to the national grid.

Directors : J.M.S. Brito (Chairman), D.V.H. de Mel (Managing Director), Deshamanya D.H.S. Jayawardena, Dr. R.M. Fernando, Ms. N. Sivapragasam, R.Gupta, F.M. Chudhary (Resigned w.e.f. 20/12/2010), K.N. Ahsan, A. Malla.

Ace Power Embilipitiya (Pvt) Ltd.

Owens and operates a 100MW power plant in Embilipitiya to supply power to the national grid.

Directors : J.M.S. Brito (Chairman), D.V.H. de Mel (Managing Director), Ms. N. Sivapragasam, M.S. Mohideen, Ms. Maria Spoelgen, Ms. A.M. Fernando.

Branford Hydropower (Pvt) Ltd.

Owens, a 2.5MW hydro power plant in Matale to supply electricity to the national grid, which is scheduled to commission in 2011.

Directors : J.M.S. Brito (Chairman), D.V.H. de Mel, S.A.W. Manawadu. Ms. N. Sivapragasam (Appointed w.e.f. 06/01/2011) M.S. Mohideen (Appointed w.e.f. 06/01/2011) G.P.B.N. Gunarathne (Appointed w.e.f. 06/01/2011)

Ace Wind Power (Pvt) Ltd

Owens a 3 MW Wind Power plant in Ambewela to supply electricity to the national grid, which is scheduled to commission in 2012

Directors : J.M.S. Brito, D.V.H. De Mel, Ms. N. Sivapragasam.(Appointed w.e.f. 01/12/2010), M.S. Mohideen. (Appointed w.e.f. 01/12/2010), G.P.B.N. Gunarathne (Appointed w.e.f. 01/12/2010).

** The companies financial statements are audited by KPMG Ford,Rhodes,Thornton & Co.

SERVICES SECTOR

PROPERTY DEVELOPMENT

Vauxhall Property Developments Ltd.**

‘Owns and operates the multi-storied office complex ; “ Aitken Spence Tower I”.

Directors : Ms. N. Sivapragasam, R. Pandithakorralage (Appointed w.e.f. 28/09/2010). J.M.S. Brito (Chairman)(Resigned w.e.f. 28/09/2010), Dr. R.M. Fernando (Resigned w.e.f. 28/09/2010), R.G. Salgado (Resigned w.e.f. 28/09/2010).

Aitken Spence Property Developments (Pvt) Ltd. **

‘Owns and operates the multi-storied office complex ; “ Aitken Spence Tower II” which serves as the Group’s corporate office at Vauxhall Street in Colombo.

Directors : J.M.S. Brito (Chairman), Ms. N. Sivapragasam, Dr. R.M. Fernando, R.G. Salgado (Resigned w.e.f. 28/09/2010).

Vauxhall Investments Ltd.

Owns and operates the printing office complex.

Directors : J.M.S. Brito (Chairman), D.V.H. de Mel, P. Karunatilake (Appointed w.e.f. 02/08/2010).

Aitken Spence Developments (Pvt) Ltd.

Property development company.

Directors : A.M.M. Amir, Dr. P. Dissanayake (Deputy Chairman) (Appointed w.e.f. 04/08/2010), N.P. Nallaratnam (Resigned w.e.f. 23/12/2010).

INSURANCE SURVEY & CLAIM SETTLING AGENCY

Aitken Spence Insurance (Pvt) Ltd. **

‘Survey and claim settling agents for several reputed insurance companies and organisations worldwide, ‘including Lloyd’s, CESAM, PICC and Tokio Marine & Fire Insurance Company Ltd., Oriental Insurance Co. of India. Superintendents

for UN World Food Programme in Sri Lanka and the Maldives.

Directors : J.M.S. Brito (Chairman), Mrs. N.W.de A. Guneratne (Managing Director), A.N. Seneviratne.

INSURANCE BROKERING

Aitken Spence Insurance Brokers (Pvt) Ltd.**

Placement of insurance business life & general with insurance Companies in Sri Lanka.

Directors : J.M.S. Brito (Chairman), Mrs. N.W. de A. Guneratne, A.N. Seneviratne.

ELEVATOR AGENCY

Elevators (Pvt) Ltd.**

Solely responsible in Sri Lanka and Maldives for marketing, installing, commissioning and maintaining OTIS Lifts, escalators and other equipment, the world leader in elevators, escalators, moving walkways and dumb waiters.

Directors : J.M.S. Brito (Chairman), R.E.V. Casie Chetty, R.G. Salgado, Ms. T.L. Cordes-Fei (Appointed w.e.f. 12/01/2011), M.P. Quang (Resigned w.e.f. 12/01/2011).

FINANCIAL SERVICES

MMBL Money Transfer (Pvt) Ltd. **

Principal agent for Western Union Money Transfer Services in Sri Lanka.

Directors : J.M.S. Brito (Chairman), D.S. Mendis (Managing Director), Mrs. Y.N. Perera, K. Balasundaram, Ms. N. Sivapragasam, J.V.A. Corera, M.D.D. Peiris.

Calspence Technologies (Pvt) Ltd

Provision of IT enabled services

Directors : Dr. R.M. Fernando, D.S. Mendis, Ms. N. Sivapragasam, S. Santhosh, Mrs. N. Anita, K.R. Suresh.

MANAGEMENT SERVICES

Aitken Spence Corporate Finance (Pvt) Ltd. **

Provider of Financial Services and secretaries to the companies of the Group.

Directors : J.M.S. Brito (Chairman), Ms. N. Sivapragasam (Managing Director), R.E.V. Casie Chetty, Mrs. N.W.de Almeida Guneratne, R.G. Pandithakorralage.

Aitken Spence Group Ltd. **

Overall management of the Aitken Spence Group Companies.

Directors : J.M.S. Brito (Chairman), Dr. R.M. Fernando, R.E.V. Casie Chetty, K.R.T. Peiris, Ms. N.Sivapragasam, G.M. Perera, D.V.H. de Mel, Dr. P. Dissanayake, S.M. Hapugoda, Mrs. N.W. de A. Guneratne, C.M.S. Jayawickrama, R.G. Pandithakorralage, D.S. Mendis, V.M. Gunatilleka, N.P. Nallaratnam (Resigned w.e.f. 23/12/2010), Sasi Ganeshan (Resigned w.e.f. 30/12/2010).

Aitken Spence Exports Ltd. **

Exports dry rations and perishables to the Group’s resorts in the Maldives. Also bottles and markets “Hethersett bottle water”.

Directors : J.M.S. Brito (Chairman), S.M. Hapugoda, C.M.S. Jayawickrama.

San Spence Ltd. **

The company is under liquidation.

Directors : J.M.S. Brito (Chairman), M.D.R. Gunatilleke (Managing Director), Dr. R.M. Fernando, Y. Tahara.

ASSOCIATE COMPANIES

PLANTATIONS

Aitken Spence Plantation Managements (Pvt) Ltd. **

Managing agents for Elpitiya Plantations Ltd.

Elpitiya Plantations PLC

Owns 15 tea and rubber estates in the Pundaluoya, Pussellawa and Galle regions with a total land extent of 8,851 hectares.

HOTELS

Browns Beach Hotels PLC **

Owns and operates Browns Beach Hotel, Negombo.

M.P.S. Hotels Ltd.

Owns and operates Hotel Hilltop, Kandy.

Negombo Beach Resorts (Pvt) Ltd.

Constructing, owning and operating a beach resort in Negombo.

CARGO LOGISTICS

Colombo International Container Terminals Ltd.

China Merchants Holdings (International) Company Ltd. and Aitken Spence PLC has been issued the Letter of Intent by the Government of Sri Lanka to design, build, manage and operate the South Container Terminal under the Colombo Port Expansion Programme on BOT basis.

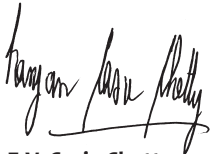
** The companies financial statements are audited by KPMG Ford, Rhodes, Thornton & Co.

Notice of Meeting

Notice is hereby given that the Fifty Ninth Annual General Meeting of Aitken Spence PLC will be held at the Auditorium of the Institute of Chartered Accountants of Sri Lanka, 30 A, Malalasekara Mawatha, Colombo 07., at 10.00 a.m. on Wednesday, June 29, 2011, for the following purposes :-

- To receive and consider the Annual Report of the Board of Directors together with the Financial Statements of the Company and the Report of the Auditors' thereon for the year ended 31st March 2011.
- To declare a dividend as recommended by the Directors.
- To re-elect Dr. R M Fernando who retires in terms of Article 84 of the Articles of Association, as a Director.
- To re-elect Mr. V M Fernando who retires in terms of Article 84 of the Articles of Association, as a Director.
- To re-elect Mr G C Wickremasinghe who is over 70 years, as a Director by passing the following resolution:
"That the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. G C Wickremasinghe who has attained the age of 77 and that he be re-elected a Director of the Company"
- To authorise the Directors to determine contributions to charities.
- To re-appoint the retiring Auditors, Messrs. KPMG Ford, Rhodes, Thornton & Co., and authorise the Directors to determine their remuneration.
- To consider any other business of which due notice has been given.

BY ORDER OF THE BOARD



R.E.V. Casie Chetty
F.C.A, F.C.M.A, M.C.M.I. J Dip. M.A.
Company Secretary
Colombo

27th May, 2011

Notes :

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend, speak and vote in his/her stead and a Form of Proxy is enclosed for this purpose. A Proxy need not be a member of the Company.
- 2 The completed Form of Proxy must be deposited at the Registered Office No. 315, Vauxhall Street, Colombo 2, not less than forty-eight hours before the time fixed for the meeting.
- 3 It is proposed to post the dividend warrants on July 8th, 2011 provided the Final Dividend recommended is approved. In accordance with the rules of the Colombo Stock Exchange, the shares of the Company will be quoted ex- dividend with effect from June 30th, 2011.

Form of Proxy

I/We of
..... being a
member/members of Aitken Spence PLC hereby appoint
..... of (whom failing)

- | | |
|--|----------------|
| Don Harold Stassen Jayawardena of Colombo | (whom failing) |
| Joseph Michael Suresh Brito of Colombo | (whom failing) |
| Rohan Marshall Fernando of Colombo | (whom failing) |
| Gehan Marcel Perera of Colombo | (whom failing) |
| Mahinda Parakrama Dissanayake of Colombo | (whom failing) |
| Gaurin Chandraka Wickremasinghe of Colombo | (whom failing) |
| Charles Humbert Gomez of Gibraltar | (whom failing) |
| Niranjan Joseph de Silva Deva Aditya of United Kingdom | (whom failing) |
| Vernon Manilal Fernando of Colombo | (whom failing) |
| Rajanayagam Nalliah Asirwatham of Colombo | |

as my/our Proxy to represent me/us, to speak and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 29th day of June 2011, and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Signed this day of June Two Thousand Eleven.

.....
Signature

Note : Instructions as to completion are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

Kindly perfect the form of proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.

If the proxy form is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.

In the case of a Company/Corporation, the proxy must be under its Common Seal (if required), which should be affixed and attested in the manner prescribed by its Articles of Association.

The completed form of proxy should be deposited at the Registered Office of the Company, No. 315 Vauxhall Street, Colombo 2 before 10.00 a.m. on June 27, 2011, being 48 hours before the time appointed for the holding of the meeting.

Corporate Information

Name

AITKEN SPENCE PLC

Legal Form

A Public quoted Company with limited liability, incorporated in Sri Lanka in 1952

Company Registration Number

PQ 120

Registered Office

No.315,
Vauxhall Street,
Colombo 02,
Sri Lanka.

Directors

D.H.S . Jayawardena
– Chairman

J.M.S. Brito *LLB, FCA, MBA*
– Deputy Chairman and Managing Director

R.M. Fernando *Ph.D., MBA, FCIM (UK)*

G.M. Perera *FAIM*

M.P. Dissanayake
*MBA, Ph.D., Postgraduate.Dip Marketing FCIM, FICS, FCILT (UK),
(GLE) Harvard Business School*

G.C. Wickremasinghe

C.H. Gomez

N.J. de S. Deva Aditya *DL, FRSA, MEP*

V.M. Fernando *Attorney-at-Law*

R.N. Asirwatham *FCA*

Audit Committee

R.N. Asirwatham – Chairman.

G.C. Wickremasinghe

C.H. Gomez

N.J. Deva Aditya

Remuneration Committee

G .C. Wickremasinghe – Chairman.

V.M. Fernando

R.N. Asirwatham

Nomination Committee

G.C .Wickremasinghe – Chairman

D.H.S. Jayawardena

J.M.S. Brito

V.M. Fernando

R.N. Asirwatham

Company Secretary

R.E.V. Casie Chetty

FCA, FCMA, M.C.M.I., J.Dip.M.A.

Auditors

KPMG Ford, Rhodes, Thornton & Co.,
Chartered Accountants

Contact Details

No.315,
Vauxhall Street,
Colombo 2,
Sri Lanka.

Telephone: (94 11) 2308308

Facsimile : (94 11) 2445406

Internet : www.aitkenspence.com