

Aitken Spence

Interim Statement

for the three months ended 30th June 2012

Aitken Spence[®] 

Aitken Spence PLC

INCOME STATEMENTS

	Group		Company	
	2012 Rs.'000	2011 Rs.'000	2012 Rs.'000	2011 Rs.'000
<i>For the three months ended 30th June</i>				
Revenue	8,613,999	5,583,709	138,998	123,646
Revenue tax	(119,820)	(108,610)	(2,479)	(2,218)
Net revenue	8,494,179	5,475,099	136,519	121,428
Other operating income	96,889	66,286	34,792	155,619
Changes in inventories of finished goods and work-in-progress	(513)	(3,671)	-	-
Raw materials and consumables used	(3,472,561)	(1,263,764)	-	-
Employee benefits expense	(943,223)	(739,389)	(78,057)	(56,492)
Depreciation and amortisation expense	(322,041)	(528,502)	(13,027)	(12,084)
Other operating expenses-direct	(1,808,988)	(1,313,308)	-	-
Other operating expenses-indirect	(1,051,772)	(953,142)	(60,634)	(55,182)
Profit from operations	991,970	739,609	19,593	153,289
Finance income	180,752	105,485	157,145	92,683
Finance expenses	(288,948)	(138,210)	(119,325)	(77,405)
Net finance expense	(108,196)	(32,725)	37,820	15,278
Share of profit of equity-accounted investees (net of tax)	34,138	27,534	-	-
Profit before tax	917,912	734,418	57,413	168,567
Income tax expenses	(131,931)	(71,567)	(447)	-
Profit for the period	785,981	662,851	56,966	168,567
Attributable to:				
Equity holders of the parent	640,569	550,743	56,966	168,567
Non-controlling interests	145,412	112,108	-	-
Profit for the period	785,981	662,851	56,966	168,567
Earnings per share Basic/Diluted (Rs.)	1.58	1.36	0.14	0.42

The above figures are subject to audit.

STATEMENTS OF COMPREHENSIVE INCOME

<i>For the three months ended 30th June</i>	Group		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
Profit for the period	785,981	662,851	56,966	168,567
Other comprehensive income				
Exchange differences on translation of foreign operations	241,003	-	-	-
Net change in fair value of available-for-sale financial assets	(30,325)	-	(581)	-
Share of other comprehensive income of equity-accounted investees	140,811	-	-	-
Other comprehensive income for the period, net of tax	351,489	-	(581)	-
Total comprehensive income for the period	1,137,470	662,851	56,385	168,567
Attributable to:				
Equity holders of the parent	876,315	550,743	56,385	168,567
Non-controlling interests	261,155	112,108	-	-
Total comprehensive income for the period	1,137,470	662,851	56,385	168,567

The above figures are subject to audit.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.06.2012 Rs.'000	30.06.2011 Rs.'000	31.03.2012 Rs.'000	01.04.2011 Rs.'000
ASSETS				
Non-current assets				
Property, plant & equipment	22,641,076	24,136,235	22,530,874	18,524,808
Leasehold properties	2,613,482	1,330,756	2,549,265	1,359,483
Intangible assets	1,179,627	248,849	602,620	204,316
Investment property	1,662,349	102,721	1,662,349	1,662,992
Finance lease receivables	2,663,501	-	1,919,640	2,232,000
Investments in equity-accounted investees	1,647,150	1,377,389	1,470,157	1,335,002
Long term investment	331,491	473,945	337,038	427,921
Deferred tax assets	207,689	137,668	209,775	137,694
Other non-current assets	55,700	-	55,700	55,700
	<u>33,002,065</u>	<u>27,807,563</u>	<u>31,337,418</u>	<u>25,939,916</u>
Current assets				
Inventories	1,886,816	1,473,233	1,783,317	1,607,724
Trade and other receivables	8,466,639	3,977,903	8,956,343	4,159,278
Finance lease receivables within one year	73,036	-	684,258	604,220
Amounts due from equity-accounted investees	5,536	5,540	6,100	23,326
Current investments	221,124	261,436	241,542	304,820
Deposits and prepayments	1,304,117	825,319	755,758	547,022
Current tax receivable	161,933	127,642	158,172	122,298
Other financial assets	-	-	-	5,027
Short-term deposits	4,682,429	5,522,740	4,355,074	5,059,274
Cash and cash equivalents	2,529,757	1,146,036	2,176,837	736,009
	<u>19,331,387</u>	<u>13,339,849</u>	<u>19,117,401</u>	<u>13,168,998</u>
Assets classified as held for sale	149,125	171,663	149,125	181,489
Total Assets	<u>52,482,577</u>	<u>41,319,075</u>	<u>50,603,944</u>	<u>39,290,403</u>
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Stated capital	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	12,779,246	11,051,747	12,543,500	11,122,821
Retained earnings	10,319,338	8,452,763	10,250,415	7,958,595
	<u>25,233,724</u>	<u>21,639,650</u>	<u>24,929,055</u>	<u>21,216,556</u>
Non-controlling interests	4,947,869	5,047,580	4,680,378	4,161,417
Total Equity	<u>30,181,593</u>	<u>26,687,230</u>	<u>29,609,433</u>	<u>25,377,973</u>
Non-current liabilities				
Interest bearing liabilities	5,889,363	4,803,660	5,742,548	4,143,648
Deferred tax liabilities	452,364	276,149	428,856	253,340
Employee benefits	396,919	343,301	387,984	335,637
	<u>6,738,646</u>	<u>5,423,110</u>	<u>6,559,388</u>	<u>4,732,625</u>
Current liabilities				
Trade and other payables	6,944,340	4,271,521	6,583,024	3,911,576
Provisions	267,755	-	490,662	457,828
Interest bearing liabilities repayable within one year	1,765,227	1,828,742	2,135,469	1,718,328
Amounts due to equity-accounted investees	2,517	2,324	14,088	482
Current tax payable	355,528	169,855	286,567	179,647
Final dividend declared	568,394	405,996	-	-
Other financial liabilities	44,822	-	57,820	-
Short term bank borrowings	5,613,755	2,530,297	4,867,493	2,911,944
	<u>15,562,338</u>	<u>9,208,735</u>	<u>14,435,123</u>	<u>9,179,805</u>
Total Equity and Liabilities	<u>52,482,577</u>	<u>41,319,075</u>	<u>50,603,944</u>	<u>39,290,403</u>
Net Assets per share (Rs.)	62.15	53.30	61.40	52.26

The above figures are subject to audit.

The Chief Financial Officer certifies that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.
D.H.S. Jayawardena
Chairman

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

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

Colombo,
03rd August, 2012

COMPANY STATEMENT OF FINANCIAL POSITION

As at	30.06.2012 Rs.'000	30.06.2011 Rs.'000	31.03.2012 Rs.'000	01.04.2011 Rs.'000
ASSETS				
Non-current assets				
Property, plant & equipment	153,308	206,734	159,426	158,245
Intangible assets	44,817	-	48,537	50,884
Investment property	3,456,428	675,121	3,457,305	3,460,705
Investments in subsidiaries and joint ventures - unquoted	4,727,127	4,666,255	4,713,877	4,424,972
Investments in subsidiaries - quoted	2,458,287	2,458,287	2,458,287	2,458,287
Investments in equity-accounted investees	165,000	165,000	165,000	165,000
Long term investment	103,121	167,873	103,648	105,239
Other non-current assets	55,700	-	55,700	55,700
	<u>11,163,788</u>	<u>8,339,270</u>	<u>11,161,780</u>	<u>10,879,032</u>
Current assets				
Inventories	2,457	3,155	1,651	1,755
Trade and other receivables	702,869	318,879	629,107	274,359
Amounts due from subsidiaries & joint ventures	3,229,732	2,097,506	2,981,362	2,248,879
Amounts due from equity-accounted investees	3,447	3,825	3,983	8,143
Current investments	2,785	436	2,840	4,312
Deposits and prepayments	61,219	35,977	60,176	23,205
Current tax receivable	145,971	109,659	140,483	109,659
Short-term deposits	2,786,500	3,437,992	2,467,084	2,710,280
Cash and cash equivalents	774,420	136,468	819,042	20,554
	<u>7,709,400</u>	<u>6,143,897</u>	<u>7,105,728</u>	<u>5,401,146</u>
Assets classified as held for sale	57,237	70,837	57,237	70,837
Total Assets	<u>18,930,425</u>	<u>14,554,004</u>	<u>18,324,745</u>	<u>16,351,015</u>
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Stated capital	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	6,488,114	5,737,726	6,488,695	5,734,668
Retained earnings	4,018,156	829,891	4,529,584	3,933,007
Total Equity	<u>12,641,410</u>	<u>8,702,757</u>	<u>13,153,419</u>	<u>11,802,815</u>
Non-current liabilities				
Interest bearing liabilities	2,100,000	1,964,000	2,100,000	844,000
Employee benefits	58,544	49,858	56,394	46,936
	<u>2,158,544</u>	<u>2,013,858</u>	<u>2,156,394</u>	<u>890,936</u>
Current liabilities				
Trade and other payables	386,708	476,305	235,264	334,209
Interest bearing liabilities repayable within one year	464,000	588,000	544,000	568,000
Amounts due to subsidiaries & joint ventures	1,955,688	2,349,994	1,967,010	1,940,706
Amounts due to equity-accounted investees	624	1,487	726	45
Final dividend declared	568,394	405,996	-	-
Short term bank borrowings	755,057	15,607	267,932	814,304
	<u>4,130,471</u>	<u>3,837,389</u>	<u>3,014,932</u>	<u>3,657,264</u>
Total Equity and Liabilities	<u>18,930,425</u>	<u>14,554,004</u>	<u>18,324,745</u>	<u>16,351,015</u>
Net Assets per share (Rs.)	31.14	21.44	32.40	29.07

The above figures are subject to audit.

The Chief Financial Officer certifies that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.
D.H.S. Jayawardena
Chairman

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

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

Colombo,
03rd August, 2012

STATEMENT OF CHANGES IN EQUITY - GROUP

For the three months ended 30th June 2012

	Attributable to equity holders of the parent						Retained earnings	Total	Non-Controlling Interests	Total Equity
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve				
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2012	2,135,140	127,521	6,327,782	5,358,153	743,671	(13,627)	10,250,415	24,929,055	4,680,378	29,609,433
Profit for the period	-	-	-	-	-	-	640,569	640,569	145,412	785,981
Other comprehensive income for the period	-	-	-	104,931	158,359	(27,544)	-	235,746	115,743	351,489
Total comprehensive income for the period	-	-	-	104,931	158,359	(27,544)	640,569	876,315	261,155	1,137,470
Share of net assets of equity accounted investees	-	-	-	-	-	-	328	328	203	531
Effect of acquisitions, disposals and change in percentage holding in subsidiaries	-	-	-	-	-	-	(3,580)	(3,580)	6,133	2,553
Dividends for 2011/2012	-	-	-	-	-	-	(568,394)	(568,394)	-	(568,394)
Balance as at 30th June 2012	2,135,140	127,521	6,327,782	5,463,084	902,030	(41,171)	10,319,338	25,233,724	4,947,869	30,181,593

For the three months ended 30th June 2011

	Attributable to equity holders of the parent						Retained earnings	Total	Non-Controlling Interests	Total Equity
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve				
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2011	2,135,140	127,521	5,570,692	5,058,520	314,919	8,309,395	21,516,187	5,129,687	26,645,874	
Currency translation difference	-	-	-	-	(19,905)	-	(19,905)	(11,170)	(31,075)	
Share of net assets of equity accounted investees	-	-	-	-	-	(2,035)	(2,035)	(3,203)	(5,238)	
Effect of acquisitions, disposals and change in percentage holding in subsidiaries	-	-	-	-	-	656	656	(40,761)	(40,105)	
Net income directly recognised in the equity statement	-	-	-	-	(19,905)	(1,379)	(21,284)	(55,134)	(76,418)	
Profit for the period	-	-	-	-	-	550,743	550,743	112,108	662,851	
Total recognised income and expenses for the year	-	-	-	-	(19,905)	549,364	529,459	56,974	586,433	
Dividends for 2010/2011	-	-	-	-	-	(405,996)	(405,996)	-	(405,996)	
Dividends paid by subsidiary companies to minority share holders	-	-	-	-	-	-	-	(139,081)	(139,081)	
Balance as at 30th June 2011	2,135,140	127,521	5,570,692	5,058,520	295,014	8,452,763	21,639,650	5,047,580	26,687,230	

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the three months ended 30th June 2012

	Stated capital	General reserve	Revaluation reserve	Available for sale reserve	Retained earnings	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2012	2,135,140	6,301,070	193,746	(6,121)	4,529,584	13,153,419
Profit for the period	-	-	-	-	56,966	56,966
Other comprehensive income for the period	-	-	-	(581)	-	(581)
Total comprehensive income for the period	-	-	-	(581)	56,966	56,385
Dividends for 2011/2012	-	-	-	-	(568,394)	(568,394)
Balance as at 30th June 2012	2,135,140	6,301,070	193,746	(6,702)	4,018,156	12,641,410

For the three months ended 30th June 2011

	Stated capital	General reserve	Revaluation reserve	Retained earnings	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2011	2,135,140	5,543,980	193,746	1,067,320	8,940,186
Profit for the period	-	-	-	168,567	168,567
Total recognised income and expenses for the period	-	-	-	168,567	168,567
Dividends for 2010/2011	-	-	-	(405,996)	(405,996)
Balance as at 30th June 2011	2,135,140	5,543,980	193,746	829,891	8,702,757

CASH FLOW STATEMENTS

<i>For the three months ended 30th June</i>	Group		Company	
	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flow from operating activities				
Net profit before taxation	917,912	734,418	57,413	168,567
Adjustments for				
Depreciation and amortisation	322,041	528,502	13,027	12,084
Interest expense	266,989	124,295	117,746	76,195
Gain on disposal of property, plant & equipment	(6,406)	(24,627)	-	(1,696)
Loss on disposal of investments	12,657	-	-	-
Interest income	(180,752)	(105,485)	(157,145)	(92,683)
Share of equity-accounted investees' profit after tax	(34,138)	(27,534)	-	-
Provision of bad and doubtful debts	26,536	53,275	-	-
Foreign exchange gain	(21,115)	(37,751)	(25,740)	-
Provision for retirement benefit obligations	25,217	20,456	3,590	2,922
	411,029	531,131	(48,522)	(3,178)
Operating profit before working capital changes	1,328,941	1,265,549	8,891	165,389
(Increase)/decrease in trade and other receivables	463,732	134,981	(321,596)	(134,704)
(Increase)/decrease in inventories	(103,499)	134,491	(806)	(1,400)
(Increase)/ decrease in deposits & prepayments	(548,359)	(278,297)	(1,043)	(12,772)
Increase/(decrease) in trade and other payables	126,839	331,175	140,021	552,825
Increase/(decrease) in other current liabilities	3,980	-	-	-
	(57,307)	322,350	(183,424)	403,949
Cash generated from / (used in) operations	1,271,634	1,587,899	(174,533)	569,338
Interest paid	(266,989)	(124,295)	(117,746)	(76,195)
Income tax paid	(52,176)	(82,698)	(5,936)	-
Retirement benefit obligations paid	(14,846)	(14,875)	(1,440)	-
	(334,011)	(221,868)	(125,122)	(76,195)
Net cash flow from operating activities	937,623	1,366,031	(299,655)	493,143
Cash flow from investing activities				
Investments made during the period	(1,512)	(63,509)	(13,250)	(66,283)
Acquisition of subsidiaries & joint ventures	-	(265,753)	-	-
Effect of changes in percentage holding in subsidiaries	(11,585)	8,477	-	-
Purchase of property, plant and equipment	(772,668)	(609,765)	(2,112)	(8,813)
Purchase of intangible assets	(7,918)	-	(199)	-
Purchase of investment property	-	(108)	-	(108)
Proceeds from disposal of property, plant and equipment	9,521	29,841	-	1,696
Proceeds from disposal of leasehold rights	40,110	-	-	-
Receipts of finance lease receivables	3,702	-	-	-
Proceeds / (purchase) of short-term deposits (net)	(325,278)	-	(317,339)	-
Proceeds on retirement of assets held for sale	-	9,826	-	-
Dividends and dividend taxes paid by subsidiary companies to outside shareholders	-	(139,081)	-	-
Net cash flow from investing activities	(1,065,628)	(1,030,072)	(332,900)	(73,508)

The above figures are subject to audit.

CASH FLOW STATEMENTS – CONTD.

<i>For the three months ended 30th June</i>	Group		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
Cash flow from financing activities				
Interest received from deposits	161,697	105,485	155,068	92,683
Proceeds from interest bearing liabilities	139,134	1,235,756	-	1,200,000
Repayment of interest-bearing liabilities	(522,960)	(442,481)	(80,000)	(60,000)
Net cash flow from financing activities	(222,129)	898,760	75,068	1,232,683
Net increase/(decrease) in cash and cash equivalents	(350,134)	1,234,719	(557,487)	1,652,318
Cash and cash equivalents at the beginning of the period (Note A)	(2,733,864)	2,903,760	576,850	1,906,535
Cash and cash equivalents at the end of the period	(3,083,998)	4,138,479	19,363	3,558,853
Cash and cash equivalents at the end of the period				
Cash at bank and in hand & deposits	2,529,757	6,668,776	774,420	3,574,460
Short-term bank borrowings	(5,613,755)	(2,530,297)	(755,057)	(15,607)
Cash and cash equivalent at the end of the period	(3,083,998)	4,138,479	19,363	3,558,853
Note A -				
Cash and cash equivalents at the beginning of the period				
Cash at bank and in hand & deposits	2,176,837	5,783,935	819,042	2,720,839
Short term bank borrowings	(4,867,493)	(2,911,944)	(267,932)	(814,304)
Cash and cash equivalent as previously reported	(2,690,656)	2,871,991	551,110	1,906,535
Effect of exchange rate changes	(43,208)	31,769	25,740	-
Cash and cash equivalent as restated	(2,733,864)	2,903,760	576,850	1,906,535

The above figures are subject to audit.

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 interim financial statements of the Company for the period ending 30th June 2012 comprise the financial statements of the Company and its subsidiaries and the Group’s interest in associate companies and jointly controlled entities.

2 Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the three months ended 30th June 2012 have been prepared in accordance with the Sri Lanka Accounting Standards –LKAS 34 – Interim Financial Reporting. Comparative Information for the three months ended 30th June 2011 is presented in accordance with the option 3 of the ruling on the Comparative Figures in the Interim Financial Statements issued by the Institute of Chartered Accountants of Sri Lanka.

Interim financial statements for the current period (for the three months ended 30th June 2012) are prepared and presented based on the Sri Lanka Accounting Standards (SLFRSs/LKAS) effective from 1 January 2012, while the comparative information for the three months ending 30th June 2011 are prepared and presented under the Sri Lanka Accounting Standards that existed immediately prior to 1 January 2012. Financial Statements of the associated companies have been prepared based on the Sri Lanka Accounting Standards that existed immediately prior to 1 January 2012. This information has not been adjusted in-line with the SLFRSs/LKASs due to the absence of clear guidelines on the conversion of certain material transactions/balances recognised by the investees in the plantation sector.

The financial position as at 31st March 2012 is restated and presented based on the Sri Lanka Accounting Standards (SLFRSs/LKAS) effective from 1 January 2012 as required by the Sri Lanka Accounting Standards SLFRS 1 –First-time Adoption of Sri Lanka Accounting Standards (SLFRSs). Financial Statements for the year ended 31st March 2012 which were prepared in accordance with the Sri Lanka Accounting Standards that existed immediately prior to 1st January 2012 (SLASs), are available upon request from the Company’s registered office located at “Aitken Spence Tower II”, 315 Vauxhall Street, Colombo 02., or in the company website www.aitkenspence.com.

These are the Group’s first SLFRS/LKAS condensed interim financial statements for an interim period of the first annual SLFRS/LKAS financial statements. An explanation of how the transition to SLFRS/LKAS has affected the reported financial position, financial performance and of the Cash Flow of the Group is provided in note 10.

2.2 Basis of measurement

Condensed consolidated financial statements have been prepared on the historical cost basis, except for land recognised under

property, plant & equipment, financial instruments which are measured at fair value.

2.3 Approval of financial statements by Directors

The financial statements for the 3 months ended year ended 30th June 2012 were authorised for issue by the Board of Directors on the 3rd of August 2012.

2.4 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.

3. Significant accounting policies

Except as described below, the accounting policies applied by the Group in these condensed interim financial statements are same as those published in the Annual Report for the year ended 31st March 2012

The changes to the accounting policies set out below have been applied in preparing the financial statements for the three months ended 30th June 2012, for the year ended 31st March 2012, and in the opening SLFRS statement of financial position at 1st April 2011 for the purpose of the transition to SLFRS/LKASs. Financial statements for the three months ending 30th June 2011 are prepared as per the accounting policies disclosed in the most recent Annual Report of the Company.

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.

3.1.1 Business combinations

Business combinations are accounted using acquisition method. The Group measures goodwill at the acquisition date, as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

As part of its transition to SLFRS/LKAS, the Group elected to restate if necessary only those business combinations that occurred on or after 1st April 2011. In respect of acquisitions

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

prior to 1st April 2011, goodwill represents the amount recognised under the Group's previous accounting policies.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3.1.3 Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control are recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value as at the date. It is then accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

A change in ownership in the interest of a subsidiary without a loss of control is accounted as an equity transaction.

3.1.4 Investments in associates (equity-accounted investees)

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

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements includes the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, from the date that significant influence commenced until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

3.1.5 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.

3.1.6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised 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 against the investment 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 Assets and bases of their valuation

3.2.1 Property plant & equipment

3.2.1.1 Significant components of property plant & equipment

When parts of an item of property, plant and equipment have different useful lives than the underline asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

3.2.1.2 Revaluation of land

Group recognises the land owned by them in the statement of financial position at their re-valued amount. Revaluations are performed with sufficient regularity such that the carrying amount do not differ materially from those that would be determined using fair values at the end of each reporting period. If the fair values of land does not change other than by insignificant amount at each reporting period the Group will revalue these land at least once in every 5 years.

Any revaluation increase arising on the revaluation of such land is recognised in the other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in the carrying amount arising on for the revaluation of such land is recognised in the income statement to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

3.2.1.3 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing funds.

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3.2.2 Intangible assets

3.2.2.1 Computer software

The Group recognises computer software that are not an integral part of the related equipment as an intangible asset having a finite useful life. These computer software are measured at cost less accumulated amortisation and accumulated impairment losses.

Group amortises the computer software over 3 to 5 years.

3.2.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and deposits with maturities less than three months or less from acquisition date that are subject to insignificant risk of changes in their fair value and are used by the Group in management of its short term commitments.

3.3 Revenue Recognition

3.1 Services

Revenue on installation of elevators and escalators is recognised in the income statement in proportion to the stage of completion of the transaction at the reporting date.

3.4 Financial Instruments

The Group recognises a financial assets or a financial liabilities in its statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or a liability (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial asset or liability, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

Financial assets and liabilities are offset and the net amount is presented when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.4.1 Financial Assets

A financial assets are categorised as fair value through profit or loss if it is acquired for the purpose of being sold in the short term and designated as such upon initial recognition or if it is a derivative instrument.

Financial assets include cash and cash equivalents, short term deposits, receivables, quoted and unquoted financial instruments and derivative financial instruments.

3.4.1.1 Financial assets at fair value through profit or loss

A financial assets are classified at fair value through profit or loss if it is identified as held for trading and is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value.

Financial assets at fair value through profit or loss are measured at fair value at each balance sheet date, and changes therein are recognised in the income statement.

3.4.1.2 Held-to-maturity financial assets

Are non derivative financial asset with fixed or determinable payments with fixed maturity where group intends to hold to maturity are classified under this category.

Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

3.4.1.3 Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

3.4.1.4 Available-for-sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or not classified in any of the previous categories. The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets.

Subsequent to initial recognition, they are measured at fair value and changes therein, are recognised in the other comprehensive income and presented in the available for sale reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is derecognised from the available for sale reserve and recognised in the income statement.

3.4.1.5 Impairment of financial assets

Financial assets other than those measured at fair value are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that as a result of one or more event that occurred after the initial recognition of the financial asset, the estimated future cash from the asset have been affected.

3.4.1.6 Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the asset has expires, or when the Group has transferred the financial asset and substantially all the risks and rewards of ownership to another entity.

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income or accumulated in equity is recognised in the Income Statement.

3.4.2 Financial Liabilities

Financial Liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities.

3.4.2.1 Financial liabilities at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss if it is identified as held for trading and is designated as such upon initial recognition.

3.4.2.2 Other financial liabilities

These are all financial liabilities other than financial liabilities at fair value through profit or loss.

3.4.2.3 Derecognition of financial Liability

Financial liabilities are derecognised when and only when they are extinguished, that is when the obligation is discharged, cancelled or expired.

3.5 Determining whether an arrangement containing a lease

The Group assessed the arrangement between Ceylon Electricity Board and Ace Power Embilipitiya on the right to use the power plant by Ceylon Electricity Board during the power purchase agreement and concluded that the above agreement falls under the guidelines given in IFRIC 4. The arrangement is accounted as a finance lease.

3.6 Exemptions offered in the SLFRS – 1 First Time Adoption of Sri Lanka Accounting Standards (SLFRSs)

Group has taken advantage of the following optional exemptions offered to in the SLFRS – 1 First Time Adoption of Sri Lanka Accounting Standards (SLFRSs).

3.6.1 Exemptions from business combinations

The Group elected not to apply IFRS 3 -retrospectively to past business compilation that occurred before 1st April 2011.

3.6.2 Exemptions from other SLFRs

3.6.2.1 Deemed Cost

The Group elected to measure all items of investment property at the date of transition to SLFRS (i.e. 1st April 2011) at fair value and use that fair value as its deemed cost at that date

3.6.2.2 Investments in subsidiaries, jointly controlled entities and associates

The Group elected to account for its Investments in subsidiaries, jointly controlled entities and associates at cost as recognised previously as per the previous Sri Lanka accounting standards.

3.7 New accounting Standards issued but not effective as at balance sheet date

The Institute of Chartered Accountants of Sri Lanka has issued the following standards which become effective for annual periods beginning after the current financial year. Accordingly these standards have not been applied in preparing these financial statements. The Group expects that these standards when applied will have substantial impact to the financial performance, financial position and disclosures. The Group will be adopting these standards when they become effective.

SLFRS 9 – Financial Instruments

SLFRS 10 –Consolidated Financial Statements

SLFRS 11 – Joint Arrangements

SLFRS 12 – Disclosure of Interest in other entities

SLFRS 13 – Fair value measurement

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

4. Segmental Analysis of Group Revenue and Profit

4.1 Revenue

	Total revenue generated		Inter - segmental revenue		Intra-segmental revenue		Revenue from external customers	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
<i>For the three months ended 30th June</i>								
Tourism sector *	2,955,786	2,333,421	5,975	8,617	260,306	201,487	2,689,505	2,123,317
Cargo logistics sector	1,475,625	1,297,352	108,228	57,917	32,745	32,428	1,334,652	1,207,007
Strategic investments *	4,689,398	2,356,129	62,368	57,557	22,146	15,750	4,604,884	2,282,822
Services sector	190,760	164,882	44,126	34,659	4,699	3,794	141,935	126,429
Total revenue with equity-accounted investees	9,311,569	6,151,784	220,697	158,750	319,896	253,459	8,770,976	5,739,575
Share of equity-accounted investees revenue	(156,977)	(155,866)	-	-	-	-	(156,977)	(155,866)
Total Revenue	9,154,592	5,995,918	220,697	158,750	319,896	253,459	8,613,999	5,583,709

* Includes equity-accounted investees

4.2 Profit

	Profit from operations		Profit before tax *		Non cash expenses		Income tax expenses	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
<i>For the three months ended 30th June</i>								
Tourism sector	417,185	154,084	428,409	151,589	(22,214)	50,546	71,840	5,960
Cargo logistics sector	147,205	237,480	139,099	239,433	5,739	12,783	37,879	54,266
Strategic investments	377,235	299,084	297,893	293,988	65,610	6,138	7,434	2,440
Services sector	50,345	48,961	52,511	49,408	2,617	4,264	14,778	8,901
	991,970	739,609	917,912	734,418	751,754	73,731	131,931	71,567

* Includes equity-accounted investees

5. There was no material change in the use of funds raised through rights/debenture issues by the group companies.
6. A first & final ordinary dividend of Rs. 1.40 per share for the year ended 31st March 2012 was paid on 10th July 2012, after it was approved at the Annual General Meeting on the 28th June 2012. The total dividend payment for the year ended 31st March 2012 amounted to Rs. 568,394,463/-.
7. There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.
8. During the period under review there was no significant change in the nature of the contingent liabilities, disclosed in the annual report for the year ended 31 March 2012.
9. There were no material events that occurred after the balance sheet date that require adjustments to or disclosure in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

10 Reconciliation of Statement of Financial Position

10.1 Consolidated

	Notes	Reconciliation of equity as at 31 March 2012			Reconciliation of equity as at 1 April 2011 (date of transition to SLFRS / LKAS)		
		As per SLAS 31.03.2012 Rs. '000	Remeas- urements Rs. '000	As per SLFRS /LKAS 31.03.2012 Rs. '000	As per SLAS 31.03.2011 Rs. '000	Remeas- urements Rs. '000	As per SLFRS /LKAS 01.04.2011 Rs. '000
ASSETS							
Non-current assets							
Property, plant & equipment	i	27,893,497	(5,362,623)	22,530,874	23,925,653	(5,400,845)	18,524,808
Leasehold properties		2,549,265	-	2,549,265	1,359,483	-	1,359,483
Intangible assets	i	528,857	73,763	602,620	134,026	70,290	204,316
Investment property	ii	102,156	1,560,193	1,662,349	102,799	1,560,193	1,662,992
Finance lease receivables	iii	-	1,919,640	1,919,640	-	2,232,000	2,232,000
Investments in equity-accounted investees		1,470,157	-	1,470,157	1,335,002	-	1,335,002
Long term investment	iv	383,495	(46,457)	337,038	473,945	(46,024)	427,921
Deferred tax assets	v	210,468	(693)	209,775	138,314	(620)	137,694
Other non-current assets	iv	-	55,700	55,700	-	55,700	55,700
		<u>33,137,895</u>	<u>(1,800,477)</u>	<u>31,337,418</u>	<u>27,469,222</u>	<u>(1,529,306)</u>	<u>25,939,916</u>
Current assets							
Inventories	vi	1,788,467	(5,150)	1,783,317	1,607,724	-	1,607,724
Trade and other receivables	vii	8,953,827	2,516	8,956,343	4,148,373	10,905	4,159,278
Finance lease receivables within one year	iii	-	684,258	684,258	-	604,220	604,220
Amounts due from equity-accounted investees		6,100	-	6,100	23,326	-	23,326
Current investments	iv	241,542	-	241,542	261,436	43,384	304,820
Deposits and prepayments		755,758	-	755,758	547,022	-	547,022
Current tax receivable		158,172	-	158,172	122,298	-	122,298
Other financial assets	viii	-	-	-	-	5,027	5,027
Short-term deposits	ix	5,892,079	(1,537,005)	4,355,074	5,047,926	11,348	5,059,274
Cash and cash equivalents		647,880	1,528,957	2,176,837	736,009	-	736,009
		<u>18,443,825</u>	<u>673,576</u>	<u>19,117,401</u>	<u>12,494,114</u>	<u>674,884</u>	<u>13,168,998</u>
Assets classified as held for sale		149,125	-	149,125	181,489	-	181,489
Total Assets		<u>51,730,845</u>	<u>(1,126,901)</u>	<u>50,603,944</u>	<u>40,144,825</u>	<u>(854,422)</u>	<u>39,290,403</u>
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Stated capital		2,135,140	-	2,135,140	2,135,140	-	2,135,140
Reserves		12,557,127	(13,627)	12,543,500	11,071,652	51,169	11,122,821
Retained earnings		10,855,377	(604,962)	10,250,415	8,309,395	(350,800)	7,958,595
		<u>25,547,644</u>	<u>(618,589)</u>	<u>24,929,055</u>	<u>21,516,187</u>	<u>(299,631)</u>	<u>21,216,556</u>
Non-controlling interests		5,700,409	(1,020,031)	4,680,378	5,129,687	(968,270)	4,161,417
Total Equity		<u>31,248,053</u>	<u>(1,638,620)</u>	<u>29,609,433</u>	<u>26,645,874</u>	<u>(1,267,901)</u>	<u>25,377,973</u>
Non-current liabilities							
Interest bearing liabilities		5,742,548	-	5,742,548	4,143,648	-	4,143,648
Deferred tax liabilities	v	444,582	(15,726)	428,856	267,078	(13,738)	253,340
Employee benefits		387,984	-	387,984	335,637	-	335,637
		<u>6,575,114</u>	<u>(15,726)</u>	<u>6,559,388</u>	<u>4,746,363</u>	<u>(13,738)</u>	<u>4,732,625</u>
Current liabilities							
Trade and other payables	x	6,604,061	(21,037)	6,583,024	3,942,187	(30,611)	3,911,576
Provisions	xi	-	490,662	490,662	-	457,828	457,828
Interest bearing liabilities repayable within one year		2,135,469	-	2,135,469	1,718,328	-	1,718,328
Amounts due to equity-accounted investees		14,088	-	14,088	482	-	482
Current tax payable		286,567	-	286,567	179,647	-	179,647
Other financial liabilities	viii	-	57,820	57,820	-	-	-
Short term bank borrowings		4,867,493	-	4,867,493	2,911,944	-	2,911,944
		<u>13,907,678</u>	<u>527,445</u>	<u>14,435,123</u>	<u>8,752,588</u>	<u>427,217</u>	<u>9,179,805</u>
Total Equity and Liabilities		<u>51,730,845</u>	<u>(1,126,901)</u>	<u>50,603,944</u>	<u>40,144,825</u>	<u>(854,422)</u>	<u>39,290,403</u>
Net Assets per share (Rs.)		62.93	(1.52)	61.40	53.00	(0.74)	52.26

The above figures are subject to audit.

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10.2 Company

	Notes	Reconciliation of equity as at 31 March 2012			Reconciliation of equity as at 1 April 2011 (date of transition to SLFRS / LKAS)		
		As per SLAS 31.03.2012	Remeas- urements	As per SLFRS /LKAS 31.03.2012	As per SLAS 31.03.2011	Remeas- urements	As per SLFRS /LKAS 01.04.2011
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS							
Non-current assets							
Property, plant & equipment	i	207,963	(48,537)	159,426	209,129	(50,884)	158,245
Intangible assets	i	-	48,537	48,537	-	50,884	50,884
Investment property	ii	672,488	2,784,817	3,457,305	675,888	2,784,817	3,460,705
Investments in subsidiaries and joint ventures - unquoted	xii	4,888,877	(175,000)	4,713,877	4,599,972	(175,000)	4,424,972
Investments in subsidiaries - quoted		2,458,287	-	2,458,287	2,458,287	-	2,458,287
Investments in equity-accounted investees		165,000	-	165,000	165,000	-	165,000
Long term investment	iv	167,873	(64,225)	103,648	167,873	(62,634)	105,239
Other non-current assets	iv	-	55,700	55,700	-	55,700	55,700
		<u>8,560,488</u>	<u>2,601,292</u>	<u>11,161,780</u>	<u>8,276,149</u>	<u>2,602,883</u>	<u>10,879,032</u>
Current assets							
Inventories		1,651	-	1,651	1,755	-	1,755
Trade and other receivables		629,107	-	629,107	274,359	-	274,359
Amounts due from subsidiaries & joint ventures	xii	2,723,674	257,688	2,981,362	2,003,004	245,875	2,248,879
Amounts due from equity-accounted investees		3,983	-	3,983	8,143	-	8,143
Current investments	iv	436	2,404	2,840	436	3,876	4,312
Deposits and prepayments		60,176	-	60,176	23,205	-	23,205
Current tax receivable		140,483	-	140,483	109,659	-	109,659
Short-term deposits	ix	3,275,132	(808,048)	2,467,084	2,700,285	9,995	2,710,280
Cash and cash equivalents	ix	19,042	800,000	819,042	20,554	-	20,554
		<u>6,853,684</u>	<u>252,044</u>	<u>7,105,728</u>	<u>5,141,400</u>	<u>259,746</u>	<u>5,401,146</u>
Assets classified as held for sale		57,237	-	57,237	70,837	-	70,837
Total Assets		<u>15,471,409</u>	<u>2,853,336</u>	<u>18,324,745</u>	<u>13,488,386</u>	<u>2,862,629</u>	<u>16,351,015</u>
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Stated capital		2,135,140	-	2,135,140	2,135,140	-	2,135,140
Reserves		6,494,816	(6,121)	6,488,695	5,737,726	(3,058)	5,734,668
Retained earnings		1,670,127	2,859,457	4,529,584	1,067,320	2,865,687	3,933,007
Total Equity		<u>10,300,083</u>	<u>2,853,336</u>	<u>13,153,419</u>	<u>8,940,186</u>	<u>2,862,629</u>	<u>11,802,815</u>
Non-current liabilities							
Interest bearing liabilities		2,100,000	-	2,100,000	844,000	-	844,000
Employee benefits		56,394	-	56,394	46,936	-	46,936
		<u>2,156,394</u>	<u>-</u>	<u>2,156,394</u>	<u>890,936</u>	<u>-</u>	<u>890,936</u>
Current liabilities							
Trade and other payables		235,264	-	235,264	334,209	-	334,209
Interest bearing liabilities repayable within one year		544,000	-	544,000	568,000	-	568,000
Amounts due to subsidiaries & joint ventures		1,967,010	-	1,967,010	1,940,706	-	1,940,706
Amounts due to equity-accounted investees		726	-	726	45	-	45
Short term bank borrowings		267,932	-	267,932	814,304	-	814,304
		<u>3,014,932</u>	<u>-</u>	<u>3,014,932</u>	<u>3,657,264</u>	<u>-</u>	<u>3,657,264</u>
Total Equity and Liabilities		<u>15,471,409</u>	<u>2,853,336</u>	<u>18,324,745</u>	<u>13,488,386</u>	<u>2,862,629</u>	<u>16,351,015</u>
Net Assets per share (Rs.)		25.37	7.03	32.40	22.02	7.05	29.07

The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

10.3 Notes to the reconciliations

i Property, plant & equipment

	Group		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
Derecognition of the power plant of Ace Power Embilipitiya resulting from the application of IFRIC 4.	(5,137,231)	(5,186,753)	-	-
Reclassification of computer software as intangible assets.	(73,763)	(70,290)	(48,537)	(50,884)
Difference in depreciation due to the recognition of components.	(104,599)	(96,280)	-	-
Restatement of assets at their fair value under the deemed cost exemption available in SLFRS 1	14,000	14,000	-	-
Adjustment due to acquisition of land on deferred terms	(61,030)	(61,522)	-	-
	<u>(5,362,623)</u>	<u>(5,400,845)</u>	<u>(48,537)</u>	<u>(50,884)</u>

ii Investment property

Incorporation of fair value as at 01.04.2011 as deemed cost for investment property.

iii Finance lease receivables

Current and non current portion of lease receivables of Ace Power Embilipitiya resulting from the application of IFRIC 4 - Finance Lease

iv Long term and Current investments

	Group		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
Reclassification of investment in debentures as long term loan receivables	(55,700)	(55,700)	(55,700)	(55,700)
Fair valuing of unquoted investments designated as available-for-sale	9,243	9,676	(8,525)	(6,934)
Fair valuing of quoted investments designated as available-for-sale	-	43,384	2,404	3,876
	<u>(46,457)</u>	<u>(2,640)</u>	<u>(61,821)</u>	<u>(58,758)</u>

v Deferred taxation

The deferred tax impact arising from the timing difference with the adoption of SLFRS/LKAS.

vi Inventories

Change in inventories due to the revision of revenue recognition of elevator and escalator installation.

vii Trade and other receivables

	Group	
	2012 Rs. '000	2011 Rs. '000
Impairment to trade debtors due to SLFRS/LKAS	2,106	10,605
Others	410	300
	<u>2,516</u>	<u>10,905</u>

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

viii Other financial assets & liabilities

Forward contracts designated as fair value through profit or loss (FVPL) according to LKAS 32 & 39.

ix Short-term deposits and cash & cash equivalents

Short term deposits measured at fair value on application of LKAS 32 & 39 financial instruments and reclassification of cash & cash equivalents.

x Trade and other payables

	Group	
	2012	2011
	Rs. '000	Rs. '000
Interest adjustment arising on assets purchased on deferred terms	(19,835)	(38,486)
Other adjustments	(1,202)	7,875
	(21,037)	(30,611)

xi Provisions

Accounting for the constructive obligation that that arises for the maintenance of the Embilipitiya power plant.

xii Amounts due from subsidiaries & joint ventures

	Group	
	2012	2011
	Rs. '000	Rs. '000
Preference share being categorised as a long term loan on application of LKAS 32 & 39	175,000	175,000
Accrual of interest on the above loan.	82,688	70,875
	257,688	245,875

NON FINANCIAL INFORMATION

	30.06.2012
1. Stated Capital	
Number of shares represented by the stated capital (31.03.2012 - 405,996,045)	405,996,045
Percentage of shares held by the Public	40.22%
2. Shares Traded	
Market Price per Share - Last traded (Rs.)	110.90
Market Price per Share - Highest (Rs.)	115.00
Market Price per Share - Lowest (Rs.)	108.00

3. Share Holding of Directors

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

Name of Director	Position	30.06.2012	31.03.2012
1 D.H.S. Jayawardena	Chairman	Nil	Nil
2 J.M.S. Brito	Deputy Chairman/ Managing Director	294,495	294,495
3 R.M. Fernando	Director	Nil	Nil
4 G. M. Perera	Director	Nil	Nil
5 M.P. Dissanayake	Director	Nil	Nil
6 G.C. Wickremasinghe	Director	7,308,240	7,308,240
7 C.H. Gomez	Director	Nil	Nil
8 N. J. de Silva Deva Aditya	Director	Nil	Nil
9 V. M. Fernando	Director	Nil	Nil
10 R.N. Asirwatham	Director	1,000	1000

4. Substantial Shareholdings

The twenty largest shareholding as at 30th June 2012, are as follows ;

Name of the Share Holder	Share Holding	%
1 Melstacorp Limited	113,917,186	28.06
2 Rubicond Enterprises Limited	65,990,145	16.25
3 Distilleries Company of Sri Lanka PLC	47,308,500	11.65
4 HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	23,745,300	5.85
5 HSBC International Nominees Limited -BPSS LDN- Aberdeen Asia Pacific Fund	17,192,300	4.24
6 HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Emerging Markets Smaller Companies Fund	11,000,000	2.71
7 HSBC International Nominees Limited -SSBT-Aberdeen Institutional Commingled funds, LLC	10,189,500	2.51
8 Mr. G.C. Wickremasinghe	7,308,240	1.80
9 HSBC International Nominees Limited -SSBT-National Westminster Bank PLC as depositary of First State Asia Pacific Fund, a sub fund of First State investments ICVC	7,232,455	1.78
10 Placidrange Holdings Limited	5,521,500	1.36
11 Mellon Bank N.A.-Florida Retirement System	5,050,852	1.24
12 Employees Provident Fund	4,561,063	1.12
13 HSBC International Nominees Limited -BP2S London-Aberdeen New Dawn Investment Trust Xcc6	4,503,555	1.11
14 HSBC International Nominees Limited -BPSS LDN-Aberdeen Investment Fund - ICVC Aberdeen Emerging Markets Fund	4,342,500	1.07
15 Milford Exports (Ceylon) (Private) Limited	4,321,500	1.06
16 HSBC International Nominees Limited -BPSS LUX-Aberdeen Global-Emerging Markets Equity Fund	4,033,000	0.99
17 HSBC International Nominees Limited - SSBT -Janus Overseas Fund	3,768,000	0.93
18 Stassen Exports Limited	3,244,500	0.80
19 Ms. A.T. Wickremasinghe	3,211,975	0.79
20 Ms. K. Fernando	3,135,070	0.77

DIRECTORS

D.H.S. Jayawardena - Chairman

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

Dr. R.M. Fernando

G. M. Perera

Dr. M.P. Dissanayake

G.C. Wickremasinghe

C.H. Gomez

V.M. Fernando

N.J. de Silva Deva Aditya

R.N. Asirwatham

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

SECRETARY

R.E.V. Casie Chetty

REGISTERED OFFICE

Aitken Spence Tower II

315, Vauxhall Street,

Colombo 02.

Sri Lanka