

Aitken Spence

Interim Statements

for the three months ended 30th June 2019

Aitken Spence[®] 

Aitken Spence PLC

INCOME STATEMENTS

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<i>For the three months ended 30th June</i>				
Revenue	12,420,783	10,566,730	270,179	245,852
Revenue taxes	(124,374)	(125,372)	(4,151)	(4,127)
Net revenue	12,296,409	10,441,358	266,028	241,725
Other operating income	(1,484)	111,446	462,570	504,987
Changes in inventories of finished goods and work-in-progress	(46,143)	(1,891)	-	-
Raw materials and consumables used	(3,873,680)	(1,921,724)	-	-
Employee benefits expense	(2,260,054)	(2,130,274)	(128,273)	(124,093)
Depreciation and amortisation	(922,210)	(699,028)	(12,131)	(12,677)
Other operating expenses-direct	(2,954,109)	(3,299,469)	-	-
Other operating expenses-indirect	(1,392,421)	(1,721,775)	(137,163)	(99,056)
Profit from operations	846,308	778,643	451,031	510,886
Finance income	219,991	182,626	228,043	209,518
Finance expenses	(645,651)	(467,762)	(376,239)	(265,223)
Net finance expense	(425,660)	(285,136)	(148,196)	(55,705)
Share of profit of equity-accounted investees (net of tax)	54,510	44,543	-	-
Profit before tax	475,158	538,050	302,835	455,181
Income tax expenses	(228,114)	(214,314)	(4,251)	(19,136)
Profit for the period	247,044	323,736	298,584	436,045
Attributable to:				
Equity holders of the company	216,747	261,371	298,584	436,045
Non-controlling interests	30,297	62,365	-	-
Profit for the period	247,044	323,736	298,584	436,045
Earnings per share				
Basic/Diluted (Rs.)	0.53	0.64	0.74	1.07

The above figures are subject to audit.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30th June

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Profit for the period	247,044	323,736	298,584	436,045
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Equity investments at FVOCI – net change in fair value	(542)	-	(844)	-
	<u>(542)</u>	-	<u>(844)</u>	-
Items that are or may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	45,837	95,127	-	-
Available-for-sale financial assets – net change in fair value	-	(2,199)	-	(522)
Net movement on cash flow hedges	(84,684)	279,809	-	-
Share of other comprehensive income of equity-accounted investees (net of tax)	3,534	(18,954)	-	-
	<u>(35,313)</u>	353,783	-	(522)
Other comprehensive income for the period, (net of tax)	(35,855)	353,783	(844)	(522)
Total comprehensive income for the period	211,189	677,519	297,740	435,523
Attributable to:				
Equity holders of the company	213,229	410,023	297,740	435,523
Non-controlling interests	(2,040)	267,496	-	-
Total comprehensive income for the period	211,189	677,519	297,740	435,523

The above figures are subject to audit.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	30.06.2019 Rs.'000	31.03.2019 Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	72,942,165	71,590,332
Investment properties	1,632,034	1,632,100
Intangible assets	950,364	945,468
Biological assets	49,183	49,332
Right-of-use assets	11,108,529	-
Leasehold properties	-	2,214,519
Pre-paid operating leases	-	2,366,966
Investments in equity-accounted investees	6,460,540	6,434,116
Deferred tax assets	677,973	690,924
Other financial assets	791,852	834,096
	<u>94,612,640</u>	<u>86,757,853</u>
Current assets		
Inventories	2,453,646	2,202,047
Pre-paid operating leases	-	76,232
Trade and other receivables	12,847,839	15,143,496
Current tax receivable	186,599	186,158
Deposits and prepayments	1,975,605	2,018,261
Other financial assets	9,916,638	10,515,935
Cash and short-term deposits	8,130,030	7,932,428
	<u>35,510,357</u>	<u>38,074,557</u>
Assets classified as held for sale	1,117,127	164,125
Total Assets	<u>131,240,124</u>	<u>124,996,535</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	2,135,140	2,135,140
Reserves	23,405,309	23,416,042
Retained earnings	22,629,206	23,899,401
Total equity attributable to equity holders of the company	<u>48,169,655</u>	<u>49,450,583</u>
Non-controlling interests	12,324,420	12,635,237
Total Equity	<u>60,494,075</u>	<u>62,085,820</u>
Non-current liabilities		
Interest-bearing liabilities	40,167,642	29,379,904
Deferred tax liabilities	2,287,005	2,283,840
Employee benefits	1,052,261	1,010,405
Other liabilities	533,783	1,851,909
	<u>44,040,691</u>	<u>34,526,058</u>
Current liabilities		
Interest-bearing liabilities	3,828,264	3,583,499
Trade and other payables	11,760,902	13,307,432
Current tax payable	385,603	436,021
Final dividend declared	608,994	-
Bank overdrafts and other short-term borrowings	10,121,595	11,057,705
	<u>26,705,358</u>	<u>28,384,657</u>
Total Equity and Liabilities	<u>131,240,124</u>	<u>124,996,535</u>
Net assets per share (Rs.)	118.65	121.80

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.
Deshamanya D.H.S. Jayawardena
Chairman

Colombo,
07th August 2019

sgd.
Dr. M. P. Dissanayake
Deputy Chairman and
Managing Director

sgd.
Ms. N. Sivapragasam
Chief Financial Officer

COMPANY STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	30.06.2019 Rs.'000	31.03.2019 Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	144,944	155,627
Investment properties	3,425,396	3,426,085
Intangible assets	7,510	8,229
Investments in subsidiaries	10,523,778	10,148,778
Investments in equity-accounted investees	2,786,545	2,786,545
Deferred tax assets	299,592	299,592
Other financial assets	23,058	40,568
	<u>17,210,823</u>	<u>16,865,424</u>
Current assets		
Inventories	2,766	2,058
Trade and other receivables	3,692,644	3,606,397
Current tax receivable	146,307	146,307
Deposits and prepayments	86,173	93,576
Other financial assets	9,655,712	10,268,044
Cash and short-term deposits	2,465,778	2,036,706
	<u>16,049,380</u>	<u>16,153,088</u>
Assets classified as held for sale	72,237	72,237
Total Assets	<u>33,332,440</u>	<u>33,090,749</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	2,135,140	2,135,140
Reserves	10,897,343	10,898,187
Retained earnings	2,727,839	3,038,249
Total Equity	<u>15,760,322</u>	<u>16,071,576</u>
Non-current liabilities		
Interest-bearing liabilities	2,655,868	2,757,893
Employee benefits	85,809	80,576
	<u>2,741,677</u>	<u>2,838,469</u>
Current liabilities		
Interest-bearing liabilities	1,300,733	1,303,220
Trade and other payables	6,642,188	7,207,918
Final dividend declared	608,994	-
Bank overdrafts and other short-term borrowings	6,278,526	5,669,566
	<u>14,830,441</u>	<u>14,180,704</u>
Total Equity and Liabilities	<u>33,332,440</u>	<u>33,090,749</u>
Net assets per share (Rs.)	38.82	39.59

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.
Deshamanya D.H.S. Jayawardena
Chairman

Colombo,
07th August 2019

sgd.
Dr. M. P. Dissanayake
Deputy Chairman and
Managing Director

sgd.
Ms. N. Sivapragasam
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30th June 2019

	Attributable to equity holders of the company										Non-controlling interests	Total equity
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total			
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2019	2,135,140	148,440	10,947,156	8,891,057	3,902,977	(6,747)	(466,841)	23,899,401	49,450,583	12,635,237	62,085,820	
Adjustment on initial application of SLFRS 9, net of tax (Note 10)	-	-	-	-	-	-	-	(894,715)	(894,715)	(212,004)	(1,106,719)	
Adjusted balance as at 01st April 2019	2,135,140	148,440	10,947,156	8,891,057	3,902,977	(6,747)	(466,841)	23,004,686	48,555,868	12,423,233	60,979,101	
Profit for the period	-	-	-	-	-	-	-	216,747	216,747	30,297	247,044	
Other comprehensive income for the period	-	-	-	-	34,873	(542)	(37,849)	-	(3,518)	(32,337)	(35,855)	
Total comprehensive income for the period	-	-	-	-	34,873	(542)	(37,849)	216,747	213,229	(2,040)	211,189	
Acquisition and changes in non-controlling interest	-	-	-	33	(7,248)	-	-	16,767	9,552	(2,539)	7,013	
Final dividends for 2018/2019	-	-	-	-	-	-	-	(608,994)	(608,994)	-	(608,994)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(94,234)	(94,234)	
Total contributions and distributions, recognised directly in equity	-	-	-	33	(7,248)	-	-	(592,227)	(599,442)	(96,773)	(696,215)	
Balance as at 30th June 2019	2,135,140	148,440	10,947,156	8,891,090	3,930,602	(7,289)	(504,690)	22,629,206	48,169,655	12,324,420	60,494,075	

For the three months ended 30th June 2018

	Attributable to equity holders of the company										Non-controlling interests	Total equity
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total			
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	
Balance as at 01st April 2018	2,135,140	148,440	9,669,422	8,610,352	2,467,348	34,604	(429,240)	22,163,669	44,799,735	11,484,969	56,284,704	
Profit for the period	-	-	-	-	-	-	-	261,371	261,371	62,365	323,736	
Other comprehensive income for the period	-	-	-	-	25,793	(2,199)	125,058	-	148,652	205,131	353,783	
Total comprehensive income for the period	-	-	-	-	25,793	(2,199)	125,058	261,371	410,023	267,496	677,519	
Acquisition and changes in non-controlling interest	-	-	-	-	-	-	-	(51)	(51)	51	-	
Transfer to reserves	-	-	30	-	-	-	-	(30)	-	-	-	
Final dividends for 2017/2018	-	-	-	-	-	-	-	(811,992)	(811,992)	-	(811,992)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(107,228)	(107,228)	
Total contributions and distributions, recognised directly in equity	-	-	30	-	-	-	-	(812,073)	(812,043)	(107,177)	(919,220)	
Balance as at 30th June 2018	2,135,140	148,440	9,669,452	8,610,352	2,493,141	32,405	(304,182)	21,612,967	44,397,715	11,645,288	56,043,003	

COMPANY STATEMENT OF CHANGES IN EQUITY

For the three months ended 30th June 2019

	Stated capital	General reserve	Fair value reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2019	2,135,140	10,917,492	(19,305)	3,038,249	16,071,576
Profit for the period	-	-	-	298,584	298,584
Other comprehensive income for the period	-	-	(844)	-	(844)
Total comprehensive income for the period	-	-	(844)	298,584	297,740
Final Dividends for 2018/2019	-	-	-	(608,994)	(608,994)
Balance as at 30th June 2019	2,135,140	10,917,492	(20,149)	2,727,839	15,760,322

For the three months ended 30th June 2018

	Stated capital	General reserve	Fair value reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2018	2,135,140	9,639,788	(12,661)	3,313,384	15,075,651
Profit for the period	-	-	-	436,045	436,045
Other comprehensive income for the period	-	-	(522)	-	(522)
Total comprehensive income for the period	-	-	(522)	436,045	435,523
Final dividends for 2016/2017	-	-	-	(811,992)	(811,992)
Balance as at 30th June 2018	2,135,140	9,639,788	(13,183)	2,937,437	14,699,182

STATEMENTS OF CASH FLOWS

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<i>For the three months ended 30th June</i>				
Cash flow from operating activities				
Profit before taxation	475,158	538,050	302,835	455,181
Adjustments for				
Depreciation and amortisation	922,210	699,028	12,132	12,677
Interest expense	596,454	418,363	375,146	265,040
(Gain) / loss on disposal of property plant and equipment	2,025	(38,546)	-	(1,127)
Interest income	(219,991)	(182,626)	(228,043)	(209,518)
Share of profit of equity-accounted investees (net of tax)	(54,510)	(44,543)	-	-
Impairment losses and write offs of trade & other receivables	13	5,387	-	-
Net foreign exchange (gain) / loss	(32,585)	13,321	7,396	39,544
Provision for retirement benefit obligations	62,033	57,572	5,233	7,523
	<u>1,275,649</u>	<u>927,956</u>	<u>171,864</u>	<u>114,139</u>
Operating profit before working capital changes	1,750,807	1,466,006	474,699	569,320
(Increase)/decrease in trade and other receivables	2,316,671	3,511,649	(86,247)	1,144,200
(Increase)/decrease in inventories	(251,599)	(207,140)	(708)	(70)
(Increase)/ decrease in deposits & prepayments	(165,593)	(289,685)	7,403	32,318
Increase/(decrease) in trade and other payables	(1,407,737)	(1,403,816)	(427,702)	464,567
Increase/(decrease) in other liabilities	(16,111)	-	-	-
	<u>475,631</u>	<u>1,611,008</u>	<u>(507,254)</u>	<u>1,641,015</u>
Cash generated from / (used in) operations	2,226,438	3,077,014	(32,555)	2,210,335
Interest paid	(343,651)	(482,954)	(317,646)	(245,720)
Income tax paid	(265,209)	(235,669)	(4,251)	(3,081)
Retirement benefit obligations paid	(20,476)	(18,281)	-	-
Net cash flow from operating activities	(629,336)	(736,904)	(321,897)	(248,801)
Cash flow from investing activities	1,597,102	2,340,110	(354,452)	1,961,534
Interest received from deposits	221,526	182,509	228,606	209,679
Investment in subsidiaries and equity-accounted investees	(14)	-	(375,000)	(1,000,000)
Investment in equity and debt securities	(20,849)	-	(20,849)	-
Purchase of property, plant and equipment	(2,668,467)	(2,555,294)	(41)	(3,547)
Purchase of intangible assets	(10,184)	(2,870)	-	(930)
Purchase of biological assets	(481)	(709)	-	-
Proceeds from disposal of property, plant and equipment	1,011	62,922	-	2,875
Proceeds from sale of equity and debt securities	21,667	23,395	16,667	12,500
Proceeds / (purchase) of other financial assets and liabilities (net)	613,632	(1,205,627)	631,727	(1,108,115)
Dividends paid to non-controlling interests	(94,234)	(107,228)	-	-
Dividends received from equity-accounted investees	24,080	24,888	-	-
Net cash flow from investing activities	(1,912,313)	(3,578,014)	481,110	(1,887,538)

STATEMENTS OF CASH FLOWS – CONTD.

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<i>For the three months ended 30th June</i>				
Cash flow from operating activities				
Proceeds from interest-bearing liabilities	2,381,736	2,338,001	-	-
Repayment of interest-bearing liabilities	(829,231)	(3,028,024)	(170,271)	(143,608)
Purchase of own shares by subsidiary companies	7,027	-	-	-
Dividends paid to equity holders of the parent	(138,028)	(26)	(138,028)	(26)
Net cash flow from financing activities	1,421,504	(690,049)	(308,299)	(143,634)
Net increase / (decrease) in cash and cash equivalents	1,106,293	(1,927,953)	(181,641)	(69,638)
Cash and cash equivalents at the beginning of the period (Note A)	(3,097,858)	470,153	(3,631,107)	(2,699,091)
Cash and cash equivalents at the end of the period	(1,991,565)	(1,457,800)	(3,812,748)	(2,768,729)
Cash and cash equivalents at the end of the period				
Cash at bank and in hand & deposits	8,130,030	6,515,764	2,465,778	1,307,966
Short-term bank borrowings	(10,121,595)	(7,973,564)	(6,278,526)	(4,076,695)
Cash and cash equivalent at the end of the period	(1,991,565)	(1,457,800)	(3,812,748)	(2,768,729)
Note A				
Cash and cash equivalents at the beginning of the period				
Cash at bank and in hand & deposits	7,932,428	9,636,419	2,036,706	1,094,468
Short-term bank borrowings	(11,057,705)	(9,157,459)	(5,669,566)	(3,792,178)
Cash and cash equivalent as previously reported	(3,125,277)	478,960	(3,632,860)	(2,697,710)
Effect of exchange rate changes	27,419	(8,807)	1,753	(1,381)
Cash and cash equivalent as restated	(3,097,858)	470,153	(3,631,107)	(2,699,091)

NOTES TO THE FINANCIAL STATEMENTS

1. Segment analysis

1.1 Segment analysis of Group revenue and profit

For the three months ended 30th June	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Total revenue generated	4,977,103	5,379,616	2,838,024	2,718,730	5,896,267	3,527,302	625,842	601,712	14,337,236	12,227,360
Less: Inter-segmental revenue	11,001	5,632	99,619	81,925	179,956	149,756	66,845	71,485	357,421	308,798
Less: Intra-segmental revenue	406,858	411,409	138,875	76,935	162,705	177,273	18,762	16,779	727,200	682,396
Total revenue with equity-accounted investees	4,559,244	4,962,575	2,599,530	2,559,870	5,553,606	3,200,273	540,235	513,448	13,252,615	11,236,166
Share of equity-accounted investees' revenue	(50,972)	(66,108)	(455,341)	(408,231)	(312,254)	(194,262)	(13,265)	(835)	(831,832)	(669,436)
Revenue from external customers	4,508,272	4,896,467	2,144,189	2,151,639	5,241,352	3,006,011	526,970	512,613	12,420,783	10,566,730
Profit / (loss) from operations	(104,412)	(13,572)	433,516	366,694	428,189	334,395	89,015	91,126	846,308	778,643
Finance income	169,283	150,748	14,300	11,250	28,662	18,713	7,746	1,915	219,991	182,626
Finance expenses	(381,316)	(281,117)	(38,079)	(24,927)	(215,049)	(154,597)	(11,207)	(7,121)	(645,651)	(467,762)
Share of profit / (loss) of equity- accounted investees (net of tax)	(69,222)	(59,458)	118,190	83,280	(196)	24,470	5,738	(3,749)	54,510	44,543
Profit / (loss) before tax	(385,667)	(203,399)	527,927	436,297	241,606	222,981	91,292	82,171	475,158	538,050
Income tax expense	(126,596)	(92,845)	(81,012)	(85,614)	(2,729)	(21,416)	(17,777)	(14,439)	(228,114)	(214,314)
Profit / (loss) for the period	(512,263)	(296,244)	446,915	350,683	238,877	201,565	73,515	67,732	247,044	323,736

1.2 Segment analysis of Group assets

As at	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
	30.06.2019 Rs.'000	31.03.2019 Rs.'000	30.06.2019 Rs.'000	31.03.2019 Rs.'000	30.06.2019 Rs.'000	31.03.2019 Rs.'000	30.06.2019 Rs.'000	31.03.2019 Rs.'000	30.06.2019 Rs.'000	31.03.2019 Rs.'000
Segment assets	73,136,361	71,753,972	13,226,451	11,160,372	38,843,252	37,560,224	4,755,288	4,745,571	129,961,352	125,220,139
Investments in equity -accounted investees	951,842	1,027,595	4,161,325	4,064,690	1,295,306	1,295,502	52,067	46,329	6,460,540	6,434,116
Goodwill on consolidation	—	—	—	—	—	—	—	—	907,080	906,066
Assets classified as held for sale	—	—	—	—	—	—	—	—	1,117,127	164,125
Eliminations / adjustments	—	—	—	—	—	—	—	—	(7,205,975)	(7,727,911)
Total assets	74,088,203	72,781,567	17,387,776	15,225,062	40,138,558	38,855,726	4,807,355	4,791,900	131,240,124	124,996,535

NOTES TO THE FINANCIAL STATEMENTS - CONTD.

2. The Financial Statements of the company and those consolidated with such for the interim period have been prepared on the same basis as the most recent audited financial statements and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.
3. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year except for changes described in note 10.
4. The final ordinary dividend of Rs. 1.50 per share for the year ended 31st March 2019 was paid on 9th July 2019, after it was approved at the Annual General Meeting on the 28th June 2019. Total dividend paid was Rs. 608,994,067.50.
5. There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.
6. During the period under review there were no material change in the nature of contingent liabilities disclosed in the annual report for the year ended 31st March 2019.
7. There were no material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.
8. The offshore headquarter companies in the hotels sector, changed their presentation currency from Sri Lankan Rupees (LKR) to United States Dollar (USD) with effect from 1st April 2018 to reflect the companies predominant operating currency in their financial statements. However the impact of this change was accounted during the 3rd quarter 2018/2019. The Group information presented for the quarter ended 30 June 2018 has been adjusted where relevant to reflect the above change.

The presentation and classification of the financial statements of the previous period have been also adjusted where relevant, for better presentation and to be comparable with year end reporting.

9. Assets classified as held for sale

Consequent to the decision made by Ace Resorts Pvt Ltd a subsidiary company incorporated in Male to dispose the lease of the Raafushi island held by the company, the carrying value of the leasehold right was classified under "Assets held for sale" during period under review.

10. New accounting standards and interpretations

SLFRS 16 – Leases

SLFRS 16 Leases, replaces the previous leasing guidance, including LKAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC -15 Operating leases – Incentives and SIC-27 Evaluating the Substance of transactions involving the legal form of a lease. SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a one single balance sheet model similar to the accounting for finance leases under LKAS 17.

As prescribed by this standard, the Group recognise an asset (right-of-use asset) representing its right to use the underlying assets and lease liability representing its obligation to make lease payments. Subsequently on an on going basis the Group will be recognising the interest expense on the lease liability and the depreciation expense on the right-of-use asset, separately.

Nature of the effect of adoption of SLFRS 16

The Group has lease contracts for various assets such as land, building, vehicles and equipment. Land leases are the major assets included in the right-of-use asset category, typically made up to 99 years of lease term and have extension options. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value items. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Initial application

The Group initially adopted SLFRS 16 from 01 April 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at the date of initial application (i.e. 01 April 2019). Accordingly the information presented for 2018/2019 has not been restated, i.e. it is presented, as previously reported, under LKAS 17 and related interpretations. Additionally, the disclosure requirements in SLFRS 16 have not generally been applied to comparative information.

NOTES TO THE FINANCIAL STATEMENTS - CONTD.

The following table summarises the impact of transition to SLFRS 16 - “Leases” as at 01 April 2019.

	Rs.’000
Assets	
Property, plant & equipment	50,668
Right-of-use assets	12,108,554
Leasehold properties	(2,214,519)
Pre-paid operating leases	(2,443,198)
Investments in equity-accounted investees	(7,540)
Deposits and prepayments	(208,249)
Total Assets	<u>7,285,716</u>
Equity	
Retained earnings	(894,715)
Non-controlling interests	(212,004)
	<u>(1,106,719)</u>
Liabilities	
Interest bearing liabilities	9,047,204
Provisions	(654,004)
Other payables	(765)
	<u>8,392,435</u>
Total Equity & Liabilities	<u>7,285,716</u>

Leases previously classified as leasehold properties and pre-paid operating leases

For leases previously classified as leasehold properties and pre-paid operating leases, the Group recognised the carrying amount of the lease asset immediately before transition as the carrying amount of the right-of-use asset. The requirements of SLFRS 16 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised on the initial application based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Impact for the period

As a result of applying SLFRS 16, the Group recognised Rs. 11.1 billion as right-of-use assets and Rs. 8.9 billion as lease liabilities as at 30 June 2019 in the statement of financial position. Also, in relation to those leases under SLFRS 16, the Group recognised Rs. 209 million of depreciation charges and Rs. 123.2 million of interest costs during the three months ended 30 June 2019 instead of operating lease expenses in the income statement. Therefore, the additional impact on the income statement due to the application of this standard during the quarter is Rs. 35.5 million.

NOTES TO THE FINANCIAL STATEMENTS - CONTD.

NON FINANCIAL INFORMATION

30.06.2019

1. Stated Capital

Number of shares represented by the stated capital (31.03.2019 - 405,996,045)	405,996,045
Number of Public Shareholders	4,900
Percentage of shares held by the Public	45.69%
Floated adjusted market capitalisation - Rs.'000	7,604,692

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

2. Shares Traded

Market Price per Share - Last traded (Rs.)	41.00
Market Price per Share - Highest (Rs.)	45.00
Market Price per Share - Lowest (Rs.)	38.30

3. Shareholding of Directors

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

Name of Director	Position	30.06.2019	31.03.2019
1 Deshamanya D.H.S. Jayawardena	Chairman	Nil	Nil
2 Dr. M. P. Dissanayake	Deputy Chairman and Managing Director	Nil	Nil
3 Dr. R.M. Fernando	Director	Nil	Nil
4 Ms. D.S.T. Jayawardena	Director	27,839	27,839
5 Mr. J.M.S. Brito	Director	505,495	505,495
5 Mr. G.C. Wickremasinghe	Director	7,308,240	7,308,240
6 Mr. C.H. Gomez	Director	Nil	Nil
7 Mr. N. J. de Silva Deva Aditya	Director	Nil	Nil
8 Mr. R.N. Asirwatham	Director	1,000	1,000
9 Mr. A.L. Gooneratne	Alternate Director to Mr. N.J. de Silva Deva Aditya	Nil	Nil

4. Substantial Shareholdings

The twenty largest shareholding as at 30th June 2019 are as follows ;

	Name of the Share Holder	Shareholding	%
1	Melstacorp PLC	204,314,171	50.32
2	Rubicond Enterprises Limited	65,990,145	16.25
3	Employees' Provident Fund	20,590,978	5.07
4	BPSS LUX-Aberdeen Standard SICAV I-Asian Smaller Companies Fund	7,579,196	1.87
5	Mr. G.C. Wickremasinghe	7,308,240	1.80
6	Placidrange Holdings Limited	5,521,500	1.36
7	Renuka Hotels Limited	5,479,990	1.35
8	Milford Exports (Ceylon) (Pvt) Limited	5,114,500	1.26
9	Seylan Bank PLC / W.D.N.H. Perera	4,144,084	1.02
10	Stassen Exports (Pvt) Limited	3,244,500	0.80
11	Ms. A.T. Wickremasinghe	3,211,975	0.79
12	Mrs. K. Fernando	3,135,070	0.77
13	Mr. G.Wickremasinghe	3,019,090	0.74
14	Northern Trust Company S/A Hosking Global Fund PLC	2,975,709	0.73
15	BP2S London-Aberdeen Standard Asia Focus PLC	2,633,750	0.65
16	Employees Trust Fund Board	2,621,870	0.65
17	Bank of Ceylon No. 1 Account	2,596,230	0.64
18	National Savings Bank	2,493,516	0.61
19	The Ceylon Investment PLC A/c No. 02	1,284,800	0.32
20	Mr. A.B. Rodrigo	1,284,720	0.32

NOTES TO THE FINANCIAL STATEMENTS - CONTD.

CORPORATE INFORMATION

as at 30th June 2019

DIRECTORS

Deshamanya D.H.S. Jayawardena - Chairman
Dr. M. P. Dissanayake - Deputy Chairman and Managing Director
Dr. R.M. Fernando
Miss. D.S.T. Jayawardena
Mr. J.M.S. Brito
Mr. G.C. Wickremasinghe
Mr. C.H. Gomez
Mr. N.J. de Silva Deva Aditya
Mr. R.N. Asirwatham
Mr. A.L. Gooneratne (Alternate Director to Mr. N.J. de Silva Deva Aditya)

SECRETARIES

Aitken Spence Corporate Finance (Private) Limited.

REGISTERED OFFICE

Aitken Spence Tower II
315, Vauxhall Street,
Colombo 02,
Sri Lanka.