

Aitken Spence

## **Interim Statement**

*for the six months ended 30th September 2012*

Aitken Spence<sup>®</sup> 

**Aitken Spence PLC**



## CONSOLIDATED INCOME STATEMENTS

	Quarter ended 30th September		Six months ended 30th September	
	2012 Rs.'000	2011 Rs.'000	2012 Rs.'000	2011 Rs.'000
<b>Revenue</b>	<b>9,944,378</b>	7,563,433	<b>18,558,377</b>	13,198,899
Revenue tax	<b>(134,445)</b>	(116,973)	<b>(254,265)</b>	(225,583)
<b>Net revenue</b>	<b>9,809,933</b>	7,446,460	<b>18,304,112</b>	12,973,316
Other operating income/(loss)	<b>(26,310)</b>	54,807	<b>70,579</b>	99,792
Changes in inventories of finished goods and work-in-progress	<b>20,592</b>	25,349	<b>20,079</b>	21,678
Raw materials and consumables used	<b>(3,993,732)</b>	(2,669,429)	<b>(7,466,293)</b>	(4,096,996)
Employee benefits expense	<b>(933,606)</b>	(887,012)	<b>(1,876,829)</b>	(1,626,401)
Depreciation and amortisation expense	<b>(354,324)</b>	(399,934)	<b>(676,365)</b>	(753,383)
Other operating expenses-direct	<b>(2,125,728)</b>	(1,769,119)	<b>(3,934,716)</b>	(3,273,666)
Other operating expenses-indirect	<b>(1,157,725)</b>	(983,044)	<b>(2,209,497)</b>	(1,936,186)
<b>Profit from operations</b>	<b>1,239,100</b>	818,440	<b>2,231,070</b>	1,408,154
Finance income	<b>212,426</b>	121,867	<b>393,178</b>	221,255
Finance expenses	<b>(349,581)</b>	(161,550)	<b>(638,529)</b>	(304,423)
<b>Net finance expense</b>	<b>(137,155)</b>	(39,683)	<b>(245,351)</b>	(83,168)
Share of profit of equity-accounted investees (net of tax)	<b>53,702</b>	15,886	<b>87,840</b>	43,420
<b>Profit before tax</b>	<b>1,155,647</b>	794,643	<b>2,073,559</b>	1,368,406
Income tax expenses	<b>(205,626)</b>	(165,082)	<b>(337,557)</b>	(236,649)
<b>Profit for the period</b>	<b>950,021</b>	629,561	<b>1,736,002</b>	1,131,757
<b>Attributable to:</b>				
Equity holders of the parent	<b>731,411</b>	467,960	<b>1,371,980</b>	894,291
Non-controlling interests	<b>218,610</b>	161,601	<b>364,022</b>	237,466
<b>Profit for the period</b>	<b>950,021</b>	629,561	<b>1,736,002</b>	1,131,757
Earnings per share - Basic/Diluted (Rs.)	<b>1.80</b>	1.15	<b>3.38</b>	2.20

The above figures are subject to audit.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Quarter ended 30th September		Six months ended 30th September	
	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Profit for the period</b>	<b>950,021</b>	629,561	<b>1,736,002</b>	1,131,757
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	<b>(182,064)</b>	8,020	<b>58,939</b>	(23,055)
Net change in fair value of available-for-sale financial assets	<b>60,996</b>	(22,626)	<b>30,670</b>	(22,626)
<b>Other comprehensive income for the period, net of tax</b>	<b>(121,068)</b>	(14,606)	<b>89,609</b>	(45,681)
<b>Total comprehensive income for the period</b>	<b>828,953</b>	614,955	<b>1,825,611</b>	1,086,076
<b>Attributable to:</b>				
Equity holders of the parent	<b>634,274</b>	449,673	<b>1,435,436</b>	856,099
Non-controlling interests	<b>194,679</b>	165,282	<b>390,175</b>	229,977
<b>Total comprehensive income for the period</b>	<b>828,953</b>	614,955	<b>1,825,611</b>	1,086,076

*The above figures are subject to audit.*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.09.2012 Rs.'000	30.09.2011 Rs.'000	31.03.2012 Rs.'000	01.04.2011 Rs.'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant & equipment	23,350,295	19,381,428	22,530,877	18,546,982
Leasehold properties	2,520,439	1,321,059	2,549,265	1,359,483
Intangible assets	666,949	199,909	602,614	204,310
Investment property	1,662,349	1,662,914	1,662,349	1,662,992
Finance lease receivables	2,455,633	2,191,273	1,919,640	2,232,000
Investments in equity-accounted investees	1,690,916	1,393,275	1,470,157	1,335,002
Long term investment	340,779	430,148	337,037	427,920
Deferred tax assets	202,600	151,187	209,770	137,694
Other non-current assets	55,700	55,700	55,700	55,700
	<u>32,945,660</u>	<u>26,786,893</u>	<u>31,337,409</u>	<u>25,962,083</u>
<b>Current assets</b>				
Inventories	1,831,674	1,567,401	1,783,317	1,607,724
Trade and other receivables	9,005,664	4,869,952	8,956,345	4,159,051
Finance lease receivables within one year	138,606	353,133	684,259	604,220
Amounts due from equity-accounted investees	6,264	8,203	6,100	23,326
Current investments	268,079	281,319	241,542	304,820
Deposits and prepayments	1,344,142	775,424	755,758	547,022
Current tax receivable	172,206	141,964	158,172	122,298
Other financial assets	-	-	-	5,027
Short-term deposits	4,363,943	5,320,467	4,355,073	5,059,274
Cash and cash equivalents	2,415,286	984,142	2,176,837	736,009
	<u>19,545,864</u>	<u>14,302,005</u>	<u>19,117,403</u>	<u>13,168,771</u>
Assets classified as held for sale	149,125	161,663	149,125	181,489
<b>Total Assets</b>	<u>52,640,649</u>	<u>41,250,561</u>	<u>50,603,937</u>	<u>39,312,343</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Stated capital	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	12,711,887	11,085,429	12,543,500	11,123,621
Retained earnings	11,065,335	8,471,485	10,261,421	7,984,227
	<u>25,912,362</u>	<u>21,692,054</u>	<u>24,940,061</u>	<u>21,242,988</u>
Non-controlling interests	4,861,655	3,922,545	4,672,919	4,154,265
<b>Total Equity</b>	<u>30,774,017</u>	<u>25,614,599</u>	<u>29,612,980</u>	<u>25,397,253</u>
<b>Non-current liabilities</b>				
Interest bearing liabilities	6,253,035	4,907,054	5,742,548	4,143,648
Deferred tax liabilities	465,205	275,126	425,303	256,001
Employee benefits	404,721	352,430	387,984	335,637
	<u>7,122,961</u>	<u>5,534,610</u>	<u>6,555,835</u>	<u>4,735,286</u>
<b>Current liabilities</b>				
Trade and other payables	6,308,784	4,298,456	6,583,023	3,911,576
Provisions	138,651	623,707	490,662	457,827
Interest bearing liabilities repayable within one year	1,952,825	1,924,354	2,135,469	1,718,328
Amounts due to equity-accounted investees	1,503	20	14,088	482
Current tax payable	304,626	133,427	286,567	179,647
Other financial liabilities	7,491	1,399	57,820	-
Short term bank borrowings	6,029,791	3,119,989	4,867,493	2,911,944
	<u>14,743,671</u>	<u>10,101,352</u>	<u>14,435,122</u>	<u>9,179,804</u>
<b>Total Equity and Liabilities</b>	<u>52,640,649</u>	<u>41,250,561</u>	<u>50,603,937</u>	<u>39,312,343</u>
<b>Net Assets per share (Rs.)</b>	<b>63.82</b>	53.43	61.43	52.32

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,  
12h November, 2012

## STATEMENT OF CHANGES IN EQUITY - GROUP

For the six months ended 30th September 2012

	Attributable to equity holders of the parent									
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve	Retained earnings	Total	Non-Controlling Interests	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 01st April 2012</b>	2,135,140	127,521	6,327,782	5,358,153	743,671	(13,627)	10,261,421	24,940,061	4,672,919	29,612,980
Profit for the period	-	-	-	-	-	-	1,371,980	1,371,980	364,022	1,736,002
Other comprehensive income for the period	-	-	-	-	31,754	31,702	-	63,456	26,153	89,609
<b>Total comprehensive income for the period</b>	-	-	-	-	31,754	31,702	1,371,980	1,435,436	390,175	1,825,611
Share of net assets of equity accounted investees	-	-	-	104,931	-	-	328	105,259	36,083	141,342
Dividends for 2011/2012	-	-	-	-	-	-	(568,394)	(568,394)	-	(568,394)
Dividends paid by subsidiary companies to minority share holders	-	-	-	-	-	-	-	-	(237,522)	(237,522)
<b>Balance as at 30th September 2012</b>	<b><u>2,135,140</u></b>	<b><u>127,521</u></b>	<b><u>6,327,782</u></b>	<b><u>5,463,084</u></b>	<b><u>775,425</u></b>	<b><u>18,075</u></b>	<b><u>11,065,335</u></b>	<b><u>25,912,362</u></b>	<b><u>4,861,655</u></b>	<b><u>30,774,017</u></b>

For the six months ended 30th September 2011

	Attributable to equity holders of the parent									
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve	Retained earnings	Total	Non-Controlling Interests	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 01st April 2011</b>	2,135,140	127,521	5,570,692	5,058,520	314,919	51,969	7,984,227	21,242,988	4,154,265	25,397,253
Profit for the period	-	-	-	-	-	-	894,291	894,291	237,466	1,131,757
Other comprehensive income for the period	-	-	-	-	-	(38,192)	-	(38,192)	(7,489)	(45,681)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(38,192)	894,291	856,099	229,977	1,086,076
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	-	-	-	-	-	-	998	998	795	1,793
Dividends for 2010/2011	-	-	-	-	-	-	(405,996)	(405,996)	-	(405,996)
Dividends paid by subsidiary companies to minority share holders	-	-	-	-	-	-	-	-	(459,289)	(459,289)
<b>Balance as at 30th September 2011</b>	<b><u>2,135,140</u></b>	<b><u>127,521</u></b>	<b><u>5,570,692</u></b>	<b><u>5,058,520</u></b>	<b><u>314,919</u></b>	<b><u>13,777</u></b>	<b><u>8,471,485</u></b>	<b><u>21,692,054</u></b>	<b><u>3,922,545</u></b>	<b><u>25,614,599</u></b>

## COMPANY INCOME STATEMENTS

	Quarter ended 30th September		Six months ended 30th September	
	2012 Rs.'000	2011 Rs.'000	2012 Rs.'000	2011 Rs.'000
<b>Revenue</b>	<b>143,443</b>	86,858	<b>282,441</b>	210,504
Revenue tax	<b>(2,462)</b>	(1,765)	<b>(4,941)</b>	(3,983)
<b>Net revenue</b>	<b>140,981</b>	85,093	<b>277,500</b>	206,521
Other operating income	<b>464,200</b>	565,586	<b>498,992</b>	721,205
Employee benefits expense	<b>(64,884)</b>	(50,594)	<b>(142,941)</b>	(107,086)
Depreciation and amortisation expense	<b>(15,692)</b>	(12,814)	<b>(28,717)</b>	(24,898)
Other operating expenses-direct	-	-	-	-
Other operating expenses-indirect	<b>(60,276)</b>	(59,204)	<b>(120,912)</b>	(114,386)
<b>Profit from operations</b>	<b>464,329</b>	528,067	<b>483,922</b>	681,356
Finance income	<b>182,102</b>	102,338	<b>339,247</b>	189,837
Finance expenses	<b>(147,096)</b>	(89,556)	<b>(266,421)</b>	(166,961)
<b>Net finance expense</b>	<b>35,006</b>	12,782	<b>72,826</b>	22,876
<b>Profit before tax</b>	<b>499,335</b>	540,849	<b>556,748</b>	704,232
Income tax expenses	<b>(2,734)</b>	(2,435)	<b>(3,181)</b>	(2,435)
<b>Profit for the period</b>	<b>496,601</b>	538,414	<b>553,567</b>	701,797
Earnings per share - Basic/Diluted (Rs.)	<b>1.22</b>	1.33	<b>1.36</b>	1.73

*The above figures are subject to audit.*

## COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Quarter ended 30th September		Six months ended 30th September	
	2012 Rs.'000	2011 Rs.'000	2012 Rs.'000	2011 Rs.'000
<b>Profit for the period</b>	<b>496,601</b>	538,414	<b>553,567</b>	701,797
<b>Other comprehensive income</b>				
Net change in fair value of available-for-sale financial assets	<u>3,287</u>	96	<u>2,706</u>	96
<b>Other comprehensive income for the period, net of tax</b>	<u>3,287</u>	96	<u>2,706</u>	96
<b>Total comprehensive income for the period</b>	<u><b>499,888</b></u>	<u>538,510</u>	<u><b>556,273</b></u>	<u>701,893</u>
<b>Attributable to:</b>				
Equity holders of the parent	<u>499,888</u>	538,510	<u>556,273</u>	701,893
Non-controlling interests	<u>-</u>	-	<u>-</u>	-
<b>Total comprehensive income for the period</b>	<u><b>499,888</b></u>	<u>538,510</u>	<u><b>556,273</b></u>	<u>701,893</u>

*The above figures are subject to audit.*

## COMPANY STATEMENT OF FINANCIAL POSITION

As at	30.09.2012 Rs. '000	30.09.2011 Rs. '000	31.03.2012 Rs. '000	01.04.2011 Rs. '000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant & equipment	150,448	167,442	159,426	158,245
Intangible assets	81,164	47,071	48,537	50,884
Investment property	3,455,551	3,458,970	3,457,305	3,460,705
Investments in subsidiaries and joint ventures - unquoted	4,727,126	4,547,755	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	109,346	106,396	103,648	105,239
Other non-current assets	55,700	55,700	55,700	55,700
	<u>11,202,622</u>	<u>11,006,622</u>	<u>11,161,780</u>	<u>10,879,032</u>
<b>Current assets</b>				
Inventories	3,770	2,726	1,651	1,755
Trade and other receivables	755,287	205,986	629,107	274,359
Amounts due from subsidiaries & joint ventures	3,635,218	2,580,255	2,981,362	2,248,879
Amounts due from equity-accounted investees	5,531	6,552	3,983	8,143
Current investments	3,082	3,250	2,840	4,312
Deposits and prepayments	55,366	57,275	60,176	23,205
Current tax receivable	151,757	124,970	140,483	109,659
Short-term deposits	2,804,313	3,566,128	2,467,084	2,710,280
Cash and cash equivalents	794,896	138,341	819,042	20,554
	<u>8,209,220</u>	<u>6,685,483</u>	<u>7,105,728</u>	<u>5,401,146</u>
Assets classified as held for sale	57,237	57,337	57,237	70,837
<b>Total Assets</b>	<u>19,469,079</u>	<u>17,749,442</u>	<u>18,324,745</u>	<u>16,351,015</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Stated capital	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	6,491,401	5,734,764	6,488,695	5,734,668
Retained earnings	4,514,757	4,228,808	4,529,584	3,933,007
<b>Total Equity</b>	<u>13,141,298</u>	<u>12,098,712</u>	<u>13,153,419</u>	<u>11,802,815</u>
<b>Non-current liabilities</b>				
Interest bearing liabilities	2,647,500	1,884,000	2,100,000	844,000
Employee benefits	60,559	51,509	56,394	46,936
	<u>2,708,059</u>	<u>1,935,509</u>	<u>2,156,394</u>	<u>890,936</u>
<b>Current liabilities</b>				
Trade and other payables	720,456	443,518	235,264	334,209
Interest bearing liabilities repayable within one year	436,500	608,000	544,000	568,000
Amounts due to subsidiaries & joint ventures	1,160,818	2,663,693	1,967,010	1,940,706
Amounts due to equity-accounted investees	1,328	10	726	45
Short term bank borrowings	1,300,620	-	267,932	814,304
	<u>3,619,722</u>	<u>3,715,221</u>	<u>3,014,932</u>	<u>3,657,264</u>
<b>Total Equity and Liabilities</b>	<u>19,469,079</u>	<u>17,749,442</u>	<u>18,324,745</u>	<u>16,351,015</u>
<b>Net Assets per share (Rs.)</b>	<b>32.37</b>	29.80	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,  
12th November, 2012

## STATEMENT OF CHANGES IN EQUITY- COMPANY

For the six months ended 30th September 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
<b>Balance as at 01st April 2012</b>	2,135,140	6,301,070	193,746	(6,121)	4,529,584	13,153,419
Profit for the period	-	-	-	-	553,567	553,567
Other comprehensive income for the period	-	-	-	2,706	-	2,706
<b>Total comprehensive income for the period</b>	-	-	-	2,706	553,567	556,273
Dividends for 2011/2012	-	-	-	-	(568,394)	(568,394)
<b>Balance as at 30th September 2012</b>	<b>2,135,140</b>	<b>6,301,070</b>	<b>193,746</b>	<b>(3,415)</b>	<b>4,514,757</b>	<b>13,141,298</b>

For the six months ended 30th September 2011

	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
<b>Balance as at 01st April 2011</b>	2,135,140	5,543,980	193,746	(3,058)	3,933,007	11,802,815
Profit for the period	-	-	-	-	701,797	701,797
Other comprehensive income for the period	-	-	-	96	-	96
<b>Total comprehensive income for the period</b>	-	-	-	96	701,797	701,893
Dividends for 2010/2011	-	-	-	-	(405,996)	(405,996)
<b>Balance as at 30th September 2011</b>	<b>2,135,140</b>	<b>5,543,980</b>	<b>193,746</b>	<b>(2,962)</b>	<b>4,228,808</b>	<b>12,098,712</b>

## CASH FLOW STATEMENTS

For the six months ended 30th September	Group		Company	
	2012 Rs. '000	2011 Rs. '000	2012 Rs. '000	2011 Rs. '000
<b>Cash flow from operating activities</b>				
Net profit before taxation	2,073,559	1,368,406	556,748	704,232
<b>Adjustments for</b>				
Depreciation and amortisation	676,365	753,383	28,717	24,898
Interest expense	590,683	274,034	263,713	164,986
Gain on disposal of property plant & equipment	(20,869)	(34,844)	-	(5,144)
(Gain)/Loss on disposal of investments	(4,566)	-	(6,212)	-
Interest income	(393,178)	(221,255)	(339,247)	(189,837)
Share of equity-accounted investees' profit after tax	(87,840)	(43,420)	-	-
Provision of bad and doubtful debts	87,815	33,715	-	-
Surplus on acquisition of companies	-	(7,775)	-	-
Profit on retirement of assets held for sale	-	(343)	-	(343)
Foreign exchange gain	8,551	(29,228)	(7,392)	-
Provision for retirement benefit obligations	50,080	40,345	7,180	6,071
	<u>907,041</u>	<u>764,612</u>	<u>(53,241)</u>	<u>631</u>
<b>Operating profit before working capital changes</b>	<b>2,980,600</b>	<b>2,133,018</b>	<b>503,507</b>	<b>704,863</b>
(Increase)/decrease in trade and other receivables	(137,527)	(729,525)	(781,583)	(255,506)
(Increase)/decrease in inventories	(48,357)	40,323	(2,119)	(971)
(Increase)/ decrease in deposits & prepayments	(588,384)	(228,402)	4,810	(34,070)
Increase/(decrease) in trade and other payables	(289,452)	371,930	(323,026)	827,588
Increase/(decrease) in other current liabilities	(2,119)	-	-	-
Increase/(decrease) in provisions	(352,011)	165,879	-	-
	<u>(1,417,850)</u>	<u>(379,795)</u>	<u>(1,101,918)</u>	<u>537,041</u>
<b>Cash generated from / (used in) operations</b>	<b>1,562,750</b>	<b>1,753,223</b>	<b>(598,411)</b>	<b>1,241,904</b>
Interest paid	(590,683)	(264,708)	(263,713)	(164,986)
Income tax paid	(295,065)	(302,179)	(14,455)	(17,747)
Retirement benefit obligations paid	(31,137)	(25,687)	(3,015)	(1,499)
	<u>(916,885)</u>	<u>(592,574)</u>	<u>(281,183)</u>	<u>(184,232)</u>
<b>Net cash flow from operating activities</b>	<b>645,865</b>	<b>1,160,649</b>	<b>(879,594)</b>	<b>1,057,672</b>
<b>Cash flow from investing activities</b>				
Investments made during the period	(6,512)	(63,509)	(18,249)	(119,283)
Acquisition of subsidiaries & joint ventures	-	(265,753)	-	-
Effect of changes in percentage holding in subsidiaries	(1,021)	6,670	-	-
Purchase of property, plant and equipment	(1,450,889)	(1,258,163)	(9,018)	(28,437)
Purchase of intangible assets	(68,223)	-	(41,595)	-
Purchase of investment property	-	(108)	-	(108)
Proceeds from disposal of investments	8,974	-	7,978	-
Proceeds from disposal of property, plant and equipment & intangible assets	69,582	40,148	-	5,144
Proceeds from disposal of leasehold rights	38,859	-	-	-
Receipts of finance lease receivables	9,659	291,815	-	-
Proceeds / (purchase) of short-term deposits deposits (net)	(8,870)	(273,389)	(337,229)	(866,691)
Proceeds on retirement of assets held for sale	-	19,826	-	10,343
Dividends received from equity-accounted investees	9,936	-	-	-
Dividends and dividend taxes paid by subsidiary companies to outside shareholders	(237,522)	(459,289)	-	-
	<u>(1,636,027)</u>	<u>(1,961,752)</u>	<u>(398,113)</u>	<u>(999,032)</u>
<b>Net cash flow from investing activities</b>	<b>(1,636,027)</b>	<b>(1,961,752)</b>	<b>(398,113)</b>	<b>(999,032)</b>

## CASH FLOW STATEMENTS – CONTD.

<i>For the six months ended 30th September</i>	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Cash flow from financing activities</b>				
Interest received	<b>344,968</b>	238,523	<b>339,247</b>	194,774
Proceeds from interest-bearing liabilities	<b>1,233,827</b>	1,646,396	<b>600,000</b>	1,200,000
Repayment of interest-bearing liabilities	<b>(960,786)</b>	(668,682)	<b>(160,000)</b>	(120,000)
Dividends paid	<b>(565,766)</b>	(401,323)	<b>(565,766)</b>	(401,323)
<b>Net cash flow from financing activities</b>	<b>52,243</b>	814,914	<b>213,481</b>	873,451
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(937,919)</b>	13,811	<b>(1,064,226)</b>	932,091
Cash and cash equivalents at the beginning of the period (Note A)	<b>(2,676,586)</b>	(2,149,658)	<b>558,502</b>	(793,750)
<b>Cash and cash equivalents at the end of the period</b>	<b>(3,614,505)</b>	(2,135,847)	<b>(505,724)</b>	138,341
<b>Cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand & deposits	<b>2,415,286</b>	984,142	<b>794,896</b>	138,341
Short-term bank borrowings	<b>(6,029,791)</b>	(3,119,989)	<b>(1,300,620)</b>	-
<b>Cash and cash equivalents at the end of the period</b>	<b>(3,614,505)</b>	(2,135,847)	<b>(505,724)</b>	138,341
<b>Note A</b>				
<b>Cash and cash equivalents at the beginning of the period</b>				
Cash at bank and in hand & deposits	<b>2,176,837</b>	736,009	<b>819,042</b>	20,554
Bank loans and overdrafts	<b>(4,867,493)</b>	(2,911,944)	<b>(267,932)</b>	(814,304)
<b>Cash and cash equivalents as previously reported</b>	<b>(2,690,656)</b>	(2,175,935)	<b>551,110</b>	(793,750)
Effect of exchange rate changes	<b>14,070</b>	26,277	<b>7,392</b>	-
<b>Cash and cash equivalents as restated</b>	<b>(2,676,586)</b>	(2,149,658)	<b>558,502</b>	(793,750)

*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 September 2012 comprise the financial statements of the Company and its subsidiaries and the it’s interest in equity accounted investees and jointly controlled entities.

### 2 Basis of preparation

#### 2.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with the Sri Lanka Accounting Standards –LKAS 34 – Interim Financial Reporting and the option 1 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 all the periods presented have been prepared and presented based on the Sri Lanka Accounting Standards (SLFRSs/LKAS) effective from 1st January 2012. Financial Statements of the equity accounted investees have been prepared based on the Sri Lanka Accounting Standards that existed immediately prior to 1st 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 1st 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 on the company website [www.aitkenspence.com](http://www.aitkenspence.com).

Note 10 gives an explanation of how the transition to SLFRS/LKAS has affected the reported financial position and the financial performance of the Group for the periods 1st April 2011, 30th September 2011 and 31st March 2012.

#### 2.2 Basis of measurement

The condensed consolidated financial statements have been prepared on the historical cost basis, except for land recognised under property, plant & equipment and financial instruments which are measured at fair value.

#### 2. Approval of financial statements by Directors

The financial statements for the 6 months ended 30th September 2012 were authorised for issue by the Board of Directors on the 12th November 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 six months ended 30th September 2011 and 2012, for the year ended 31st March 2012, and in the opening SLFRS statement of financial position as at 1st April 2011 for the purpose of the transition to SLFRS/LKASs.

#### 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 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.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 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 its 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 3.3 Revenue Recognition

#### 3.3.1 Services

Revenue on installation of elevators 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

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### 3.4.1.1 Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss if it is identified as held for trading or 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.

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 or 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.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 3.5 Determining whether an arrangement containing a lease

The Group assessed the arrangement between Ceylon Electricity Board and Ace Power Embilipitiya (pvt) Ltd., 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 Group has adopted the IFRIC 4 guidelines and accounted the arrangement as a finance lease.

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

On initial adoption of IFRSs the 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 for business combinations

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

#### 3.6.2 Exemptions from other IFRSs

##### 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 their fair values and use the fair values 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 an 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

For the six months ended 30th September	Total revenue generated		Inter - segmental revenue		Intra - segmental revenue		Revenue from external customers	
	2012	2011	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tourism sector *	6,439,764	5,061,895	22,601	27,360	534,841	476,274	5,882,322	4,558,261
Cargo logistics sector	3,145,410	3,205,158	221,227	143,732	83,142	67,430	2,841,040	2,993,996
Strategic investments *	10,068,972	5,809,266	112,382	85,119	36,523	23,298	9,920,067	5,700,849
Services sector	359,032	328,124	95,633	76,355	10,101	7,505	253,298	244,264
Total revenue with equity-accounted investees	20,013,178	14,404,443	451,843	332,566	664,607	574,507	18,896,727	13,497,370
Share of equity-accounted investees revenue	(338,350)	(298,471)	-	-	-	-	(338,350)	(298,471)
<b>Total Revenue</b>	<b>19,674,828</b>	<b>14,105,972</b>	<b>451,843</b>	<b>332,566</b>	<b>664,607</b>	<b>574,507</b>	<b>18,558,377</b>	<b>13,198,899</b>

\* Includes equity-accounted investees

#### 4.2 Profit

For the six months ended 30th September	Profit from operations		Profit before tax *		Income tax expenses	
	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tourism sector	967,167	476,662	986,806	483,399	207,059	70,881
Cargo logistics sector	321,654	459,190	307,600	456,133	80,742	113,403
Strategic investments	856,046	384,889	687,421	340,098	27,044	36,155
Services sector	86,203	87,413	91,732	88,776	22,712	16,210
	<b>2,231,070</b>	<b>1,408,154</b>	<b>2,073,559</b>	<b>1,368,406</b>	<b>337,557</b>	<b>236,649</b>

\* 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 Financial Statements

#### 10.1 Reconciliation of Consolidated Income Statement for the six months ended 30th September 2011

Notes	Quarter ended 30th September 2011			Six months ended 30th September 2011		
	As per SLAS Rs. '000	Remeasure- ments Rs. '000	As per SLFRS/ LKAS Rs. '000	As per SLAS Rs. '000	Remeasure- ments Rs. '000	As per SLFRS/LKAS Rs. '000
<b>Revenue</b>						
Revenue tax	7,383,512 (116,973)	179,921 -	7,563,433 (116,973)	12,967,221 (225,583)	231,678 -	13,198,899 (225,583)
<b>Net revenue</b>	<u>7,266,539</u>	<u>179,921</u>	<u>7,446,460</u>	<u>12,741,638</u>	<u>231,678</u>	<u>12,973,316</u>
Other operating income	39,284	15,523	54,807	105,570	(5,778)	99,792
Changes in inventories of finished goods and work-in-progress	25,686	(337)	25,349	22,015	(337)	21,678
Raw materials and consumables used	(2,501,340)	(168,089)	(2,669,429)	(3,765,104)	(331,892)	(4,096,996)
Employee benefits expense	(887,012)	-	(887,012)	(1,626,401)	-	(1,626,401)
Depreciation and amortisation expense	(547,011)	147,439	(399,572)	(1,075,513)	322,130	(753,383)
Other operating expenses-direct	(1,445,464)	(323,655)	(1,769,119)	(2,758,772)	(514,894)	(3,273,666)
Other operating expenses-indirect	(996,981)	13,937	(983,044)	(1,950,123)	13,937	(1,936,186)
<b>Profit from operations</b>	<u>953,701</u>	<u>(135,261)</u>	<u>818,440</u>	<u>1,693,310</u>	<u>(285,156)</u>	<u>1,408,154</u>
Finance income	133,038	(11,171)	121,867	238,523	(17,268)	221,255
Finance expenses	(156,887)	(4,663)	(161,550)	(295,097)	(9,326)	(304,423)
<b>Net finance expense</b>	<u>(23,849)</u>	<u>(15,834)</u>	<u>(39,683)</u>	<u>(56,574)</u>	<u>(26,594)</u>	<u>(83,168)</u>
Share of profit of equity-accounted investees (net of tax)	15,886	-	15,886	43,420	-	43,420
<b>Profit before tax</b>	<u>945,738</u>	<u>(151,095)</u>	<u>794,643</u>	<u>1,680,156</u>	<u>(311,750)</u>	<u>1,368,406</u>
Income tax expenses	(165,126)	44	(165,082)	(236,693)	44	(236,649)
<b>Profit for the period</b>	<u>780,612</u>	<u>(151,051)</u>	<u>629,561</u>	<u>1,443,463</u>	<u>(311,706)</u>	<u>1,131,757</u>
<b>Attributable to:</b>						
Equity holders of the parent	583,177	(115,217)	467,960	1,133,920	(239,629)	894,291
Non-controlling interests	197,435	(35,834)	161,601	309,543	(72,077)	237,466
<b>Profit for the period</b>	<u>780,612</u>	<u>(151,051)</u>	<u>629,561</u>	<u>1,443,463</u>	<u>(311,706)</u>	<u>1,131,757</u>
Earnings per share - Basic/Diluted (Rs.)	1.44	(0.28)	1.15	2.79	(0.59)	2.20

The above figures are subject to audit.

#### 10.2 Reconciliation of Consolidated Statement of Comprehensive Income for the six months ended 30th September 2011

	Quarter ended 30th September 2011			Six months ended 30th September 2011		
	As per SLAS Rs. '000	Remeasure- ments Rs. '000	As per SLFRS/LKAS Rs. '000	As per SLAS Rs. '000	Remeasure- ments Rs. '000	As per SLFRS/LKAS Rs. '000
<b>Profit for the period</b>	-	629,561	629,561	-	1,131,757	1,131,757
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	-	8,020	8,020	-	(23,055)	(23,055)
Net change in fair value of available-for-sale financial assets	-	(22,626)	(22,626)	-	(22,626)	(22,626)
<b>Other comprehensive income for the period, net of tax</b>	<u>-</u>	<u>(14,606)</u>	<u>(14,606)</u>	<u>-</u>	<u>(45,681)</u>	<u>(45,681)</u>
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>614,955</u>	<u>614,955</u>	<u>-</u>	<u>1,086,076</u>	<u>1,086,076</u>
<b>Attributable to:</b>						
Equity holders of the parent	-	449,673	449,673	-	856,099	856,099
Non-controlling interests	-	165,282	165,282	-	229,977	229,977
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>614,955</u>	<u>614,955</u>	<u>-</u>	<u>1,086,076</u>	<u>1,086,076</u>

The above figures are subject to audit.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 10.3 Reconciliation of Consolidated Statement of Financial Position as at 30th September 2011

	Notes	Reconciliation of equity as at 30 September 2011		
		As per SLAS 30.09.2011 Rs. '000	Remeasurements Rs. '000	As per SLFRS/LKAS 30.09.2011 Rs. '000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant & equipment	x	24,599,866	(5,218,438)	19,381,428
Leasehold properties		1,321,059	-	1,321,059
Intangible assets	x	133,740	66,169	199,909
Investment property	xi	102,721	1,560,193	1,662,914
Finance lease receivables	xii	-	2,191,273	2,191,273
Investments in equity-accounted investees		1,393,275	-	1,393,275
Long term investment	xiii	473,945	(43,797)	430,148
Deferred tax assets	ix	151,807	(620)	151,187
Other non-current assets	xiii	-	55,700	55,700
		<u>28,176,413</u>	<u>(1,389,520)</u>	<u>26,786,893</u>
<b>Current assets</b>				
Inventories	xiv	1,569,447	(2,046)	1,567,401
Trade and other receivables	xv	4,840,973	28,979	4,869,952
Finance lease receivables within one year	xii	-	353,133	353,133
Amounts due from equity-accounted investees		8,203	-	8,203
Current investments	xiii	261,436	19,883	281,319
Deposits and prepayments		775,424	-	775,424
Current tax receivable		141,964	-	141,964
Short-term deposits	xvii	5,321,315	(848)	5,320,467
Cash and cash equivalents		984,142	-	984,142
		<u>13,902,904</u>	<u>399,101</u>	<u>14,302,005</u>
Assets classified as held for sale		161,663	-	161,663
<b>Total Assets</b>		<u>42,240,980</u>	<u>(990,419)</u>	<u>41,250,561</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Stated capital		2,135,140	-	2,135,140
Reserves		11,055,818	29,611	11,085,429
Retained earnings		9,036,282	(564,797)	8,471,485
		<u>22,227,240</u>	<u>(535,186)</u>	<u>21,692,054</u>
Non-controlling interests		4,970,312	(1,047,767)	3,922,545
<b>Total Equity</b>		<u>27,197,552</u>	<u>(1,582,953)</u>	<u>25,614,599</u>
<b>Non-current liabilities</b>				
Interest bearing liabilities		4,907,054	-	4,907,054
Deferred tax liabilities	xiv	286,904	(11,778)	275,126
Employee benefits		352,430	-	352,430
		<u>5,546,388</u>	<u>(11,778)</u>	<u>5,534,610</u>
<b>Current liabilities</b>				
Trade and other payables	xviii	4,319,250	(20,794)	4,298,456
Provisions	xix	-	623,707	623,707
Interest bearing liabilities repayable within one year		1,924,354	-	1,924,354
Amounts due to equity-accounted investees		20	-	20
Current tax payable		133,427	-	133,427
Other financial liabilities	xvi	-	1,399	1,399
Short term bank borrowings		3,119,989	-	3,119,989
		<u>9,497,040</u>	<u>604,312</u>	<u>10,101,352</u>
<b>Total Equity and Liabilities</b>		<u>42,240,980</u>	<u>(990,419)</u>	<u>41,250,561</u>
<b>Net Assets per share (Rs.)</b>		54.75	(1.32)	53.43

The above figures are subject to audit.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 10.4 Reconciliation of Consolidated Statement of Financial Position as at 1st April 2011 and 31st March 2012

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	Remeasure- ments	As per SLFRS / LKAS	As per SLAS	Remeasure- ments	As per SLFRS / LKAS	
	31.03.2012 Rs. '000	Rs. '000	31.03.2012 Rs. '000	01.04.2011 Rs. '000	Rs. '000	01.04.2011 Rs. '000	
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant & equipment	x	27,893,497	(5,362,620)	22,530,877	23,925,653	(5,378,671)	18,546,982
Leasehold properties		2,549,265	-	2,549,265	1,359,483	-	1,359,483
Intangible assets	x	528,857	73,757	602,614	134,026	70,284	204,310
Investment property	xi	102,156	1,560,193	1,662,349	102,799	1,560,193	1,662,992
Finance lease receivables	xii	-	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	xiii	383,495	(46,458)	337,037	473,945	(46,025)	427,920
Deferred tax assets	ix	210,468	(698)	209,770	138,314	(620)	137,694
Other non-current assets	xiii	-	55,700	55,700	-	55,700	55,700
		<u>33,137,895</u>	<u>(1,800,486)</u>	<u>31,337,409</u>	<u>27,469,222</u>	<u>(1,507,139)</u>	<u>25,962,083</u>
<b>Current assets</b>							
Inventories	xiv	1,788,467	(5,150)	1,783,317	1,607,724	-	1,607,724
Trade and other receivables	xv	8,953,827	2,518	8,956,345	4,148,373	10,678	4,159,051
Finance lease receivables within one year	xii	-	684,259	684,259	-	604,220	604,220
Amounts due from equity-accounted investees		6,100	-	6,100	23,326	-	23,326
Current investments	xiii	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	xvi	-	-	-	-	5,027	5,027
Short-term deposits	xvii	5,892,079	(1,537,006)	4,355,073	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>673,578</u>	<u>19,117,403</u>	<u>12,494,114</u>	<u>674,657</u>	<u>13,168,771</u>
Assets classified as held for sale		149,125	-	149,125	181,489	-	181,489
<b>Total Assets</b>		<u>51,730,845</u>	<u>(1,126,908)</u>	<u>50,603,937</u>	<u>40,144,825</u>	<u>(832,482)</u>	<u>39,312,343</u>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to equity holders of the parent</b>							
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	51,969	11,123,621
Retained earnings		10,855,377	(593,957)	10,261,421	8,309,395	(325,168)	7,984,227
		<u>25,547,644</u>	<u>(607,584)</u>	<u>24,940,061</u>	<u>21,516,187</u>	<u>(273,199)</u>	<u>21,242,988</u>
Non-controlling interests		5,700,409	(1,027,489)	4,672,919	5,129,687	(975,422)	4,154,265
<b>Total Equity</b>		<u>31,248,053</u>	<u>(1,635,073)</u>	<u>29,612,980</u>	<u>26,645,874</u>	<u>(1,248,621)</u>	<u>25,397,253</u>
<b>Non-current liabilities</b>							
Interest bearing liabilities		5,742,548	-	5,742,548	4,143,648	-	4,143,648
Deferred tax liabilities	ix	444,582	(19,279)	425,303	267,078	(11,077)	256,001
Employee benefits		387,984	-	387,984	335,637	-	335,637
		<u>6,575,114</u>	<u>(19,279)</u>	<u>6,555,835</u>	<u>4,746,363</u>	<u>(11,077)</u>	<u>4,735,286</u>
<b>Current liabilities</b>							
Trade and other payables	xviii	6,604,061	(21,037)	6,583,023	3,942,187	(30,611)	3,911,576
Provisions	xix	-	490,662	490,662	-	457,827	457,827
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	xvi	-	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>527,444</u>	<u>14,435,122</u>	<u>8,752,588</u>	<u>427,216</u>	<u>9,179,804</u>
<b>Total Equity and Liabilities</b>		<u>51,730,845</u>	<u>(1,126,908)</u>	<u>50,603,937</u>	<u>40,144,825</u>	<u>(832,482)</u>	<u>39,312,343</u>
<b>Net Assets per share (Rs.)</b>		62.93	(1.50)	61.43	53.00	(0.67)	52.32

The above figures are subject to audit.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 10.5 Reconciliation of Company Income Statement for the six months ended 30th September 2011

Notes	Quarter ended 30th September 2011			Six months ended 30th September 2011		
	As per SLAS	Remeasure- ments	As per SLFRS/LKAS	As per SLAS	Remeasure- ments	As per SLFRS/LKAS
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Revenue</b>	86,858	-	86,858	210,504	-	210,504
Revenue tax	(1,765)	-	(1,765)	(3,983)	-	(3,983)
<b>Net revenue</b>	85,093	-	85,093	206,521	-	206,521
Other operating income	565,586	-	565,586	721,205	-	721,205
Employee benefits expense	(50,594)	-	(50,594)	(107,086)	-	(107,086)
Depreciation and amortisation expense	(12,814)	-	(12,814)	(24,898)	-	(24,898)
Other operating expenses-indirect	(59,204)	-	(59,204)	(114,386)	-	(114,386)
<b>Profit from operations</b>	528,067	-	528,067	681,356	-	681,356
Finance income	102,091	247	102,338	194,774	(4,937)	189,837
Finance expenses	(89,556)	-	(89,556)	(166,961)	-	(166,961)
<b>Net finance expense</b>	12,535	247	12,782	27,813	(4,937)	22,876
<b>Profit before tax</b>	540,602	247	540,849	709,169	(4,937)	704,232
Income tax expenses	(2,435)	-	(2,435)	(2,435)	-	(2,435)
<b>Profit for the period</b>	540,602	247	538,414	706,734	(4,937)	701,797
Earnings per share - Basic/Diluted (Rs.)	1.33	0.00	1.33	1.74	(0.01)	(1.73)

### 10.6 Reconciliation of Company Statement of Comprehensive Income for the six months ended 30th September 2011

	Quarter ended 30th September 2011			Six months ended 30th September 2011		
	As per SLAS	Remeasure- ments	As per SLFRS/LKAS	As per SLAS	Remeasure- ments	As per SLFRS/LKAS
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Profit for the period</b>	-	538,414	538,414	-	701,797	701,797
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale financial assets	-	96	96	-	96	96
<b>Other comprehensive income for the period, net of tax</b>	-	96	96	-	96	96
<b>Total comprehensive income for the period</b>	-	538,510	538,510	-	701,893	701,893

The above figures are subject to audit.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 10.7 Reconciliation of Company Statement of Financial Position as at 30th September 2011

	Notes	Reconciliation of equity as at 30 September 2011		
		As per SLAS	Remeasurements	As per
		30.09.2011 Rs. '000	Rs. '000	SLFRS/LKAS 30.09.2011 Rs. '000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant & equipment	x	214,513	(47,071)	167,442
Intangible assets	x	-	47,071	47,071
Investment property	xi	674,153	2,784,817	3,458,970
Investments in subsidiaries and joint ventures - unquoted	xx	4,722,755	(175,000)	4,547,755
Investments in subsidiaries - quoted		2,458,287	-	2,458,287
Investments in equity-accounted investees		165,000	-	165,000
Long term investment	xiii	167,873	(61,477)	106,396
Other non-current assets	xiii	-	55,700	55,700
		<u>8,402,581</u>	<u>2,604,041</u>	<u>11,006,622</u>
<b>Current assets</b>				
Inventories		2,726	-	2,726
Trade and other receivables		205,986	-	205,986
Amounts due from subsidiaries & joint ventures	xx	2,328,474	251,781	2,580,255
Amounts due from equity-accounted investees		6,552	-	6,552
Current investments	xiii	436	2,814	3,250
Deposits and prepayments		57,275	-	57,275
Current tax receivable		124,970	-	124,970
Short-term deposits	xvii	3,566,976	(848)	3,566,128
Cash and cash equivalents		138,341	-	138,341
		<u>6,431,736</u>	<u>253,747</u>	<u>6,685,483</u>
Assets classified as held for sale		<u>57,337</u>	<u>-</u>	<u>57,337</u>
<b>Total Assets</b>		<u>14,891,654</u>	<u>2,857,788</u>	<u>17,749,442</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Stated capital		2,135,140	-	2,135,140
Reserves		5,737,726	(2,963)	5,734,764
Retained earnings		1,368,058	2,860,751	4,228,808
<b>Total Equity</b>		<u>9,240,924</u>	<u>2,857,788</u>	<u>12,098,712</u>
<b>Non-current liabilities</b>				
Interest bearing liabilities		1,884,000	-	1,884,000
Employee benefits		51,509	-	51,509
		<u>1,935,509</u>	<u>-</u>	<u>1,935,509</u>
<b>Current liabilities</b>				
Trade and other payables		443,518	-	443,518
Interest bearing liabilities repayable within one year		608,000	-	608,000
Amounts due to subsidiaries & joint ventures		2,663,693	-	2,663,693
Amounts due to equity-accounted investees		10	-	10
		<u>3,715,221</u>	<u>-</u>	<u>3,715,221</u>
<b>Total Equity and Liabilities</b>		<u>14,891,654</u>	<u>2,857,788</u>	<u>17,749,442</u>
<b>Net Assets per share (Rs.)</b>		22.76	7.04	29.80

The above figures are subject to audit.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 10.8 Reconciliation of Company Statement of Financial Position as at 1st April 2011 and 31st March 2012

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	Remeasure- ments Rs. '000	As per SLFRS/LKAS 31.03.2012 Rs. '000	As per SLAS 31.03.2011 Rs. '000	Remeasure- ments Rs. '000	As per SLFRS/LKAS 01.04.2011 Rs. '000	
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant & equipment	x	207,963	(48,537)	159,426	209,129	(50,884)	158,245
Intangible assets	x	-	48,537	48,537	-	50,884	50,884
Investment property	xi	672,488	2,784,817	3,457,305	675,888	2,784,817	3,460,705
Investments in subsidiaries and joint ventures - unquoted	xx	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	xiii	167,873	(64,225)	103,648	167,873	(62,634)	105,239
Other non-current assets	xiii	-	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>
<b>Current assets</b>							
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	xx	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	xiii	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	xvi	3,275,132	(808,048)	2,467,084	2,700,285	9,995	2,710,280
Cash and cash equivalents	xvi	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
<b>Total Assets</b>		<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>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to equity holders of the parent</b>							
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
<b>Total Equity</b>		<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>
<b>Non-current liabilities</b>							
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>
<b>Current liabilities</b>							
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>
<b>Total Equity and Liabilities</b>		<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>
<b>Net Assets per share (Rs.)</b>		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.

### 10.9 Notes to the reconciliations

i	<b>Revenue</b>	<b>Group</b>	
		<b>Quarter ended 30.09.2011 Rs. '000</b>	<b>6 months to 30.09.2011 Rs. '000</b>
	Adjustment arising from recognition of revenue on gross basis	326,475	517,714
	Decrease in revenue in Ace Power Embilipitiya (Pvt) Ltd resulting from application of IFRIC 4	<u>(146,554)</u>	<u>(286,036)</u>
		<u>179,921</u>	<u>231,678</u>
ii	<b>Other operating income</b>		
	Recognition of exchange gain/(loss) on application of IFRIC 4.		
iii	<b>Raw materials and consumables used</b>		
	Adjustment resulting from application of IFRIC 4 by Ace Power Embilipitiya (Pvt) Ltd.		
iv	<b>Depreciation and amortisation expense</b>		
		<b>Group</b>	
		<b>Quarter ended 30.09.2011 Rs. '000</b>	<b>6 months to 30.09.2011 Rs. '000</b>
	Adjustment in depreciation due to recognition of components in PPE	(26,513)	(26,513)
	Difference in depreciation due to restatement of assets at their fair value under the deemed cost exception given for the first time adoption of SLFRSs	11,927	23,793
	On application of IFRIC 4 by Ace Power Embilipitiya (Pvt) Ltd	<u>162,025</u>	<u>324,850</u>
		<u>147,439</u>	<u>322,130</u>
v	<b>Other operating expenses-direct</b>		
	Impact to the direct expenses on recognition of revenue on gross basis.		
vi	<b>Other operating expenses-indirect</b>		
	Impairment of trade debtors on application of SLFRS/LKAS.		
vii	<b>Finance income</b>		
	Fair valuing of financial instruments classified as fair value through profit & loss on application of SLFRS 32 & 39.		
viii	<b>Financial costs</b>		
	Interest adjustment due to acquisition of asset on deferred payment terms.		
ix	<b>Income tax expenses/Deferred taxation</b>		
	The deferred tax impact arising from the timing difference with the adoption of SLFRS/LKAS.		

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 10.9 Notes to the reconciliations - Contd.

#### x Property, plant & equipment

	Group			Company		
	30.09.2011 Rs. '000	31.03.2012 Rs. '000	01.04.2011 Rs. '000	30.09.2011 Rs. '000	31.03.2012 Rs. '000	01.04.2011 Rs. '000
Derecognition of the power plant of Ace Power Embilipitiya resulting from the application of IFRIC 4.	(4,072,830)	(4,224,372)	(4,231,668)	-	-	-
Reclassification of computer software as intangible assets.	(44,422)	(73,757)	(48,537)	(47,071)	(48,537)	(50,884)
Difference in depreciation due to the recognition of components.	(122,618)	(104,602)	(95,859)	-	-	-
Restatement of assets at their fair value under the deemed cost exemption available in SLFRS 1	(917,291)	(898,859)	(941,084)	-	-	-
Adjustment due to acquisition of land on deferred terms	(61,277)	(61,030)	(61,523)	-	-	-
	<u>(5,218,438)</u>	<u>(5,362,620)</u>	<u>(5,378,671)</u>	<u>(47,071)</u>	<u>(48,537)</u>	<u>(50,884)</u>

#### xi Investment property

Incorporation of fair value as at 31st March 2011 as deemed cost of investment property.

#### xii Finance lease receivables

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

#### xiii Long term & Current investments

	Group			Company		
	30.09.2011 Rs. '000	31.03.2012 Rs. '000	01.04.2011 Rs. '000	30.09.2011 Rs. '000	31.03.2012 Rs. '000	01.04.2011 Rs. '000
Reclassification investment in debentures as long term loan receivables	(55,700)	(55,700)	(55,700)	(55,700)	(55,700)	(55,700)
Fair valuing of unquoted investments designated as available-for-sale	11,903	9,242	9,675	(5,777)	(8,525)	(6,934)
Fair valuing of quoted investments designated as available-for-sale	19,883	-	43,384	2,814	2,404	3,876
	<u>(23,914)</u>	<u>(46,458)</u>	<u>(2,641)</u>	<u>(58,663)</u>	<u>(61,821)</u>	<u>(58,758)</u>

#### xiv Inventories

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

#### xv Trade and other receivables

	Group		
	30.09.2011 Rs. '000	31.03.2012 Rs. '000	01.04.2011 Rs. '000
Impairment to trade debtors due to SLFRS/LKAS	28,889	1,879	10,378
Others	90	410	300
	<u>28,979</u>	<u>2,289</u>	<u>10,678</u>

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

### 10.9 Notes to the reconciliations - Contd.

#### xvi Other financial assets & liabilities

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

#### xvii Short-term deposits and cash & cash equivalents

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

#### xviii Trade and other payables

	<b>Group</b>		
	<b>30.09.2011</b>	<b>31.03.2012</b>	<b>01.04.2011</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
Interest adjustment arising on assets purchased on deferred terms	(28,960)	(19,835)	(38,486)
Other adjustments	8,166	(1,202)	7,875
	<u>(20,794)</u>	<u>(21,037)</u>	<u>(30,611)</u>

#### xix Provisions

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

#### xx Amounts due from subsidiaries & joint ventures

	<b>Company</b>		
	<b>30.09.2011</b>	<b>31.03.2012</b>	<b>01.04.2011</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
Preference share being categorised as a long term loan on application of LKAS 32 & 39 (Investments in subsidiaries and joint ventures - unquoted)	175,000	175,000	175,000
Accrual of interest on the above loan	76,781	82,688	70,875
	<u>251,781</u>	<u>257,688</u>	<u>245,875</u>

#### xxi Cash flow statements

Adjustments to the cashflow statements due to the transition to SLFRS/ LKAS from LKAS

	<b>Group</b>	<b>Company</b>
	<b>30.09.2012</b>	<b>30.09.2012</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Cash flow from operating activities</b>		
Net profit before taxation	(311,750)	(4,937)
<b>Adjustments for</b>		
Depreciation and amortisation	(322,130)	-
Interest expense	9,326	-
Interest income	17,268	4,937
Provision of bad and doubtful debts	(18,333)	-
	<u>(313,869)</u>	<u>4,937</u>
<b>Operating profit before working capital changes</b>	(625,619)	-
(Increase)/decrease in inventories	2,046	-
Increase/(decrease) in provisions	165,879	-
	<u>167,925</u>	<u>-</u>
<b>Cash generated from / (used in) operations</b>	(457,694)	-
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	165,879	-
Receipts of finance lease receivables	291,815	-
	<u>457,694</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>-</u>	<u>-</u>

## NON FINANCIAL INFORMATION

	<b>30.09.2012</b>
<b>1. Stated Capital</b>	
Number of shares represented by the stated capital (31.03.2012 - 405,996,045)	405,996,045
Percentage of shares held by the Public	40.07%
<b>2. Shares Traded</b>	
Market Price per Share - Last traded (Rs.)	128.90
Market Price per Share - Highest (Rs.)	135.00
Market Price per Share - Lowest (Rs.)	100.00

### 3. Share Holding of Directors

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

<b>Name of Director</b>	<b>Position</b>	<b>30.09.2012</b>	<b>31.03.2012</b>
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	1,000

### 4. Substantial Shareholdings

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

<b>Name of the Share Holder</b>	<b>Share Holding</b>	<b>%</b>
1 Melstacorp Limited	161,629,983	39.811
2 Rubicond Enterprises Limited	65,990,145	16.254
3 HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	23,745,300	5.849
4 HSBC International Nominees Limited -BPSS LDN- Aberdeen Asia Pacific Fund	17,192,300	4.235
5 HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Emerging Markets Smaller Companies Fund	11,000,000	2.709
6 HSBC International Nominees Limited -SSBT-Aberdeen Institutional Commingled funds, LLC	9,473,966	2.334
7 Mr. G.C. Wickremasinghe	7,308,240	1.8
8 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	1.781
9 Placidrange Holdings Limited	5,521,500	1.36
10 Mellon Bank N.A.-Florida Retirement System	5,299,372	1.305
11 Employees Provident Fund	4,561,063	1.123
12 HSBC International Nominees Limited -BP2S London-Aberdeen New Dawn Investment Trust Xcc6	4,503,555	1.109
13 HSBC International Nominees Limited -BPSS LDN-Aberdeen Investment Fund - ICVC Aberdeen Emerging Markets Fund	4,342,500	1.07
14 Milford Exports (Ceylon) (Pvt) Limited	4,321,500	1.064
15 HSBC International Nominees Limited -BPSS LUX-Aberdeen Global-Emerging Markets Equity Fund	4,033,000	0.993
16 HSBC International Nominees Limited - SSBT -Janus Overseas Fund	3,768,000	0.928
17 Stassen Exports Limited	3,244,500	0.799
18 Ms. A.T. Wickremasinghe	3,211,975	0.791
19 Ms. K. Fernando	3,135,070	0.772
20 Mr. G. Wickremasinghe	3,019,090	0.744

**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**

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315, Vauxhall Street,

Colombo 02.

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