

Aitken Spence

Interim Statements

for the six months ended 30th September 2019

Aitken Spence[®] 

Aitken Spence PLC

CONSOLIDATED INCOME STATEMENTS

	Quarter ended 30th September		Six months ended 30th September	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Revenue	12,355,613	12,409,455	24,776,396	22,976,185
Revenue taxes	(125,687)	(140,894)	(250,061)	(266,266)
Net revenue	12,229,926	12,268,561	24,526,335	22,709,919
Other operating income	379,261	368,040	377,777	479,486
Changes in inventories of finished goods and work-in-progress	(11,860)	137,519	(58,003)	135,628
Raw materials and consumables used	(3,324,326)	(2,416,808)	(7,198,006)	(4,338,532)
Employee benefits expense	(2,172,248)	(2,051,424)	(4,432,302)	(4,181,698)
Depreciation and amortisation	(947,560)	(718,032)	(1,869,770)	(1,417,060)
Other operating expenses-direct	(3,419,563)	(4,270,786)	(6,373,672)	(7,570,255)
Other operating expenses-indirect	(1,665,662)	(1,942,773)	(3,058,083)	(3,664,548)
Profit from operations	1,067,968	1,374,297	1,914,276	2,152,940
Finance income	194,355	187,924	414,346	370,550
Finance expenses	(615,942)	(453,599)	(1,261,593)	(921,361)
Net finance expense	(421,587)	(265,675)	(847,247)	(550,811)
Share of profit of equity-accounted investees (net of tax)	55,541	90,779	110,051	135,322
Profit before tax	701,922	1,199,401	1,177,080	1,737,451
Income tax expenses	(341,265)	(365,902)	(569,379)	(580,216)
Profit for the period	360,657	833,499	607,701	1,157,235
Attributable to:				
Equity holders of the company	355,246	681,990	571,993	943,361
Non-controlling interests	5,411	151,509	35,708	213,874
Profit for the period	360,657	833,499	607,701	1,157,235
Earnings per share				
Basic/Diluted (Rs.)	0.87	1.68	1.41	2.32

The above figures are subject to audit.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 30th September		Six months ended 30th September	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Profit for the period	360,657	833,499	607,701	1,157,235
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Equity investments at FVOCI – net change in fair value	(1,124)	-	(1,666)	-
Share of other comprehensive income of equity-accounted investees (net of tax)	(13)	-	(13)	-
	<u>(1,137)</u>	-	<u>(1,679)</u>	-
Items that are or may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	399,100	886,554	444,937	981,681
Available-for-sale financial assets – net change in fair value	-	(4,552)	-	(6,751)
Net movement on cash flow hedges	94,275	(335,064)	9,591	(55,255)
Share of other comprehensive income of equity-accounted investees (net of tax)	(24,939)	89,570	(21,405)	70,616
	<u>468,436</u>	<u>636,508</u>	<u>433,123</u>	<u>990,291</u>
Other comprehensive income for the period, (net of tax)	467,299	636,508	431,444	990,291
Total comprehensive income for the period	827,956	1,470,007	1,039,145	2,147,526
Attributable to:				
Equity holders of the company	632,011	1,195,684	845,240	1,605,707
Non-controlling interests	195,945	274,323	193,905	541,819
Total comprehensive income for the period	827,956	1,470,007	1,039,145	2,147,526

The above figures are subject to audit.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	30.09.2019 Rs.'000	31.03.2019 Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	76,569,199	71,590,332
Investment properties	1,631,969	1,632,100
Intangible assets	965,266	945,468
Biological assets	50,435	49,332
Right-of-use assets	13,240,695	-
Leasehold properties	-	2,214,519
Pre-paid operating leases	-	2,366,966
Investments in equity-accounted investees	6,472,203	6,434,116
Deferred tax assets	670,993	690,924
Other financial assets	790,659	834,096
	<u>100,391,419</u>	<u>86,757,853</u>
Current assets		
Inventories	2,394,619	2,202,047
Pre-paid operating leases	-	76,232
Trade and other receivables	13,321,356	15,143,496
Current tax receivable	195,893	186,158
Deposits and prepayments	1,881,942	2,018,261
Other financial assets	10,343,374	10,515,935
Cash and short-term deposits	5,888,665	7,932,428
	<u>34,025,849</u>	<u>38,074,557</u>
Assets classified as held for sale	1,145,477	164,125
Total Assets	<u>135,562,745</u>	<u>124,996,535</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	2,135,140	2,135,140
Reserves	23,680,415	23,416,042
Retained earnings	22,986,398	23,899,401
Total equity attributable to equity holders of the company	<u>48,801,953</u>	<u>49,450,583</u>
Non-controlling interests	12,260,630	12,635,237
Total Equity	<u>61,062,583</u>	<u>62,085,820</u>
Non-current liabilities		
Interest-bearing liabilities	43,443,879	29,379,904
Deferred tax liabilities	2,331,462	2,283,840
Employee benefits	1,071,948	1,010,405
Other liabilities	509,004	1,851,909
	<u>47,356,293</u>	<u>34,526,058</u>
Current liabilities		
Interest-bearing liabilities	3,248,715	3,583,499
Trade and other payables	12,222,282	13,307,432
Current tax payable	238,218	436,021
Bank overdrafts and other short-term borrowings	11,434,654	11,057,705
	<u>27,143,869</u>	<u>28,384,657</u>
Total Equity and Liabilities	<u>135,562,745</u>	<u>124,996,535</u>
Net assets per share (Rs.)	120.20	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,
13th November 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 six months ended 30th September 2019

	Attributable to equity holders of the company										
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total	Non controlling interests	Total equity
	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 16, net of tax (Note 10)	-	-	-	-	-	-	-	(896,745)	(896,745)	(212,308)	(1,109,053)
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)	23,002,656	48,553,838	12,422,929	60,976,767
Profit for the period	-	-	-	-	-	-	-	571,993	571,993	35,708	607,701
Other comprehensive income for the period	-	-	-	-	270,636	(1,666)	4,287	(10)	273,247	158,197	431,444
Total comprehensive income for the period	-	-	-	-	270,636	(1,666)	4,287	571,983	845,240	193,905	1,039,145
Acquisition and changes in non-controlling interest	-	-	-	33	(8,917)	-	-	20,753	11,869	(4,856)	7,013
Final dividends for 2018/2019	-	-	-	-	-	-	-	(608,994)	(608,994)	-	(608,994)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(351,348)	(351,348)
Total contributions and distributions, recognised directly in equity	-	-	-	33	(8,917)	-	-	(588,241)	(597,125)	(356,204)	(953,329)
Balance as at 30th September 2019	2,135,140	148,440	10,947,156	8,891,090	4,164,696	(8,413)	(462,554)	22,986,398	48,801,953	12,260,630	61,062,583

For the six months ended 30th September 2018

	Attributable to equity holders of the company										
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total	Non controlling interests	Total equity
	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	-	-	-	-	-	-	-	943,361	943,361	213,874	1,157,235
Other comprehensive income for the period	-	-	-	-	693,793	(6,751)	(24,696)	-	662,346	327,945	990,291
Total comprehensive income for the period	-	-	-	-	693,793	(6,751)	(24,696)	943,361	1,605,707	541,819	2,147,526
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	-	-	-	-	-	-	-	-	-	(209,552)	(209,552)
Total contributions and distributions, recognised directly in equity	-	-	30	-	-	-	-	(812,073)	(812,043)	(209,501)	(1,021,544)
Balance as at 30th September 2018	2,135,140	148,440	9,669,452	8,610,352	3,161,141	27,853	(453,936)	22,294,957	45,593,399	11,817,287	57,410,686

COMPANY INCOME STATEMENTS

	Quarter ended 30th September		Six months ended 30th September	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Revenue	190,203	185,503	460,382	431,355
Revenue taxes	(3,115)	(3,129)	(7,266)	(7,256)
Net revenue	187,088	182,374	453,116	424,099
Other operating income	599,359	295,628	1,061,929	800,615
Employee benefits expense	(125,518)	(98,158)	(253,791)	(222,251)
Depreciation and amortisation	(11,982)	(10,196)	(24,113)	(22,873)
Other operating expenses-indirect	(80,059)	(74,495)	(217,222)	(173,551)
Profit from operations	568,888	295,153	1,019,919	806,039
Finance income	207,845	199,131	435,888	408,649
Finance expenses	(357,116)	(294,271)	(733,355)	(559,494)
Net finance expense	(149,271)	(95,140)	(297,467)	(150,845)
Profit before tax	419,617	200,013	722,452	655,194
Income tax expenses	(6,134)	(31,394)	(10,385)	(50,530)
Profit for the period	413,483	168,619	712,067	604,664
Earnings per share				
Basic/Diluted (Rs.)	1.02	0.42	1.75	1.49

The above figures are subject to audit.

COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 30th September		Six months ended 30th September	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Profit for the period	413,483	168,619	712,067	604,664
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Equity investments at FVOCI – net change in fair value	<u>(1,508)</u>	-	<u>(2,352)</u>	-
	<u>(1,508)</u>	-	<u>(2,352)</u>	-
<i>Items that are or may be reclassified to profit or loss</i>				
Available-for-sale financial assets – net change in fair value	-	(1,009)	-	(1,531)
	-	(1,009)	-	(1,531)
Other comprehensive income for the period, (net of tax)	<u>(1,508)</u>	(1,009)	<u>(2,352)</u>	(1,531)
Total comprehensive income for the period	<u>411,975</u>	167,610	<u>709,715</u>	603,133

The above figures are subject to audit.

COMPANY STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	30.09.2019	31.03.2019
	Rs.'000	Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	135,117	155,627
Investment properties	3,424,708	3,426,085
Intangible assets	6,791	8,229
Investments in subsidiaries	11,368,778	10,148,778
Investments in equity-accounted investees	2,786,545	2,786,545
Deferred tax assets	299,475	299,592
Other financial assets	21,550	40,568
	<u>18,042,964</u>	<u>16,865,424</u>
Current assets		
Inventories	2,311	2,058
Trade and other receivables	3,984,203	3,606,397
Current tax receivable	142,117	146,307
Deposits and prepayments	72,945	93,576
Other financial assets	9,693,418	10,268,044
Cash and short-term deposits	1,715,441	2,036,706
	<u>15,610,435</u>	<u>16,153,088</u>
Assets classified as held for sale	72,237	72,237
Total Assets	<u>33,725,636</u>	<u>33,090,749</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	2,135,140	2,135,140
Reserves	10,895,835	10,898,187
Retained earnings	3,141,322	3,038,249
Total Equity	<u>16,172,297</u>	<u>16,071,576</u>
Non-current liabilities		
Interest-bearing liabilities	2,699,953	2,757,893
Employee benefits	88,698	80,576
	<u>2,788,651</u>	<u>2,838,469</u>
Current liabilities		
Interest-bearing liabilities	803,338	1,303,220
Trade and other payables	6,769,618	7,207,918
Bank overdrafts and other short-term borrowings	7,191,732	5,669,566
	<u>14,764,688</u>	<u>14,180,704</u>
Total Equity and Liabilities	<u>33,725,636</u>	<u>33,090,749</u>
Net assets per share (Rs.)	39.83	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,
13th November 2019

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

sgd.
Ms. N. Sivapragasam
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 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	-	-	-	712,067	712,067
Other comprehensive income for the period	-	-	(2,352)	-	(2,352)
Total comprehensive income for the period	-	-	(2,352)	712,067	709,715
Final Dividends for 2018/2019	-	-	-	(608,994)	(608,994)
Balance as at 30th September 2019	2,135,140	10,917,492	(21,657)	3,141,322	16,172,297

For the six months ended 30th September 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	-	-	-	604,664	604,664
Other comprehensive income for the period	-	-	(1,531)	-	(1,531)
Total comprehensive income for the period	-	-	(1,531)	604,664	603,133
Final dividends for 2017/2018	-	-	-	(811,992)	(811,992)
Balance as at 30th September 2018	2,135,140	9,639,788	(14,192)	3,106,056	14,866,792

STATEMENTS OF CASH FLOWS

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<i>For the six months ended 30th September</i>				
Cash flow from operating activities				
Profit before taxation	1,177,080	1,737,451	722,452	655,194
Adjustments for				
Depreciation and amortisation	1,869,770	1,417,060	24,112	22,873
Interest expense	1,158,059	828,912	729,025	557,936
Gain on disposal of property plant and equipment	(2,997)	(44,399)	-	(2,246)
Gain on disposal of group investments	(54)	-	(54)	-
Interest income	(414,346)	(370,550)	(435,888)	(408,649)
Share of profit of equity-accounted investees (net of tax)	(110,051)	(135,322)	-	-
Impairment losses and write offs of trade & other receivables	42,406	16,312	-	-
Net foreign exchange (gain) / loss	92,961	213,396	86,755	133,363
Provision for retirement benefit obligations	119,509	118,457	10,466	15,047
	2,755,257	2,043,866	414,416	318,324
Operating profit before working capital changes	3,932,337	3,781,317	1,136,868	973,518
(Increase)/decrease in trade and other receivables	1,800,761	3,521,023	(377,806)	1,129,251
(Increase)/decrease in inventories	(192,572)	(416,438)	(253)	(257)
(Increase)/ decrease in deposits & prepayments	(71,930)	(757,941)	20,631	(12,640)
Increase/(decrease) in trade and other payables	(997,365)	(541,226)	(351,280)	1,661,425
Increase/(decrease) in other liabilities	(40,890)	626,280	-	-
	498,004	2,431,698	(708,708)	2,777,779
Cash generated from / (used in) operations	4,430,341	6,213,015	428,160	3,751,297
Interest paid	(711,320)	(1,071,851)	(734,481)	(556,756)
Income tax paid	(719,339)	(618,703)	(6,078)	(4,733)
Retirement benefit obligations paid	(59,594)	(27,926)	(2,344)	-
	(1,490,253)	(1,718,480)	(742,903)	(561,489)
Net cash flow from operating activities	2,940,088	4,494,535	(314,743)	3,189,808
Cash flow from investing activities				
Interest received from deposits	414,540	375,059	435,110	408,878
Investment in subsidiaries and equity-accounted investees	(14)	-	(1,220,000)	(1,000,000)
Investment in equity and debt securities	(20,849)	(20,080)	(20,849)	(20,080)
Purchase of property, plant and equipment	(6,252,139)	(4,790,244)	(788)	(4,593)
Purchase of intangible assets	(17,217)	(11,841)	-	(930)
Purchase of biological assets	(948)	(2,336)	-	-
Proceeds from disposal of property, plant and equipment	17,620	83,400	-	5,750
Proceeds from sale of equity and debt securities	39,167	33,359	29,167	20,833
Proceeds / (purchase) of other financial assets and liabilities (net)	179,993	(1,103,323)	584,985	(1,306,105)
Final liquidation proceeds of subsidiary	54	-	54	-
Dividends paid to non-controlling interests	(351,348)	(209,552)	-	-
Dividends received from equity-accounted investees	40,672	24,888	-	-
	(5,950,469)	(5,620,670)	(192,321)	(1,896,247)
Net cash flow from investing activities	(5,950,469)	(5,620,670)	(192,321)	(1,896,247)

STATEMENTS OF CASH FLOWS – CONTD.

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<i>For the six months ended 30th September</i>				
Cash flow from operating activities				
Proceeds from interest-bearing liabilities	3,421,025	6,207,156	-	-
Repayment of interest-bearing liabilities	(2,199,819)	(6,301,041)	(663,939)	(651,406)
Purchase of own shares by subsidiary companies	7,027	-	-	-
Dividends paid to equity holders of the parent	(696,014)	(807,193)	(696,014)	(807,193)
Net cash flow from financing activities	<u>532,219</u>	<u>(901,078)</u>	<u>(1,359,953)</u>	<u>(1,458,599)</u>
Net decrease in cash and cash equivalents	(2,478,162)	(2,027,213)	(1,867,017)	(165,038)
Cash and cash equivalents at the beginning of the period (Note A)	<u>(3,067,827)</u>	538,094	<u>(3,609,274)</u>	(2,670,121)
Cash and cash equivalents at the end of the period	<u>(5,545,989)</u>	<u>(1,489,119)</u>	<u>(5,476,291)</u>	<u>(2,835,159)</u>
Cash and cash equivalents at the end of the period				
Cash at bank and in hand & deposits	5,888,665	6,076,439	1,715,441	1,333,876
Short-term bank borrowings	(11,434,654)	(7,565,558)	(7,191,732)	(4,169,035)
Cash and cash equivalent at the end of the period	<u>(5,545,989)</u>	<u>(1,489,119)</u>	<u>(5,476,291)</u>	<u>(2,835,159)</u>
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	<u>(3,125,277)</u>	478,960	<u>(3,632,860)</u>	(2,697,710)
Effect of exchange rate changes	57,450	59,134	23,586	27,589
Cash and cash equivalent as restated	<u>(3,067,827)</u>	<u>538,094</u>	<u>(3,609,274)</u>	<u>(2,670,121)</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Segment analysis

1.1 Segment analysis of Group revenue and profit

	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
	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
<i>For the six months ended 30th September</i>										
Total revenue generated	10,294,355	12,059,086	6,088,349	5,620,336	11,112,296	7,431,770	1,072,746	1,281,174	28,567,746	26,392,366
Less: Inter-segmental revenue	49,142	10,320	157,617	151,051	284,566	247,359	134,085	138,758	625,410	547,488
Less: Intra-segmental revenue	808,337	881,213	244,052	164,877	364,284	339,954	36,412	33,976	1,453,085	1,420,020
Total revenue with equity-accounted investees	9,436,876	11,167,553	5,686,680	5,304,408	10,463,446	6,844,457	902,249	1,108,440	26,489,251	24,424,858
Share of equity-accounted investees' revenue	(106,516)	(175,153)	(946,831)	(861,795)	(646,243)	(395,236)	(13,265)	(16,489)	(1,712,855)	(1,448,673)
Revenue from external customers	9,330,360	10,992,400	4,739,849	4,442,613	9,817,203	6,449,221	888,984	1,091,951	24,776,396	22,976,185
Profit / (loss) from operations	(172,419)	286,184	910,181	745,521	1,014,928	933,894	161,586	187,341	1,914,276	2,152,940
Finance income	325,367	298,924	32,709	22,601	39,812	40,249	16,458	8,776	414,346	370,550
Finance expenses	(784,845)	(561,332)	(74,415)	(49,030)	(380,312)	(301,963)	(22,021)	(9,036)	(1,261,593)	(921,361)
Share of profit / (loss) of equity - accounted investees (net of tax)	(135,398)	(85,854)	239,272	170,332	2,517	55,106	3,660	(4,262)	110,051	135,322
Profit / (loss) before tax	(767,295)	(62,078)	1,107,747	889,424	676,945	727,286	159,683	182,819	1,177,080	1,737,451
Income tax expense	(273,105)	(284,112)	(201,118)	(178,222)	(59,953)	(77,314)	(35,203)	(40,568)	(569,379)	(580,216)
Profit / (loss) for the period	(1,040,400)	(346,190)	906,629	711,202	616,992	649,972	124,480	142,251	607,701	1,157,235

1.2 Segment analysis of Group assets

	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
	30.09.2019 Rs.'000	31.03.2019 Rs.'000	30.09.2019 Rs.'000	31.03.2019 Rs.'000	30.09.2019 Rs.'000	31.03.2019 Rs.'000	30.09.2019 Rs.'000	31.03.2019 Rs.'000	30.09.2019 Rs.'000	31.03.2019 Rs.'000
<i>As at</i>										
Segment assets	76,159,656	71,753,972	13,386,452	11,160,372	39,764,156	37,560,224	4,889,420	4,745,571	134,199,684	125,220,139
Investments in equity accounted investees	884,458	1,027,595	4,260,237	4,064,690	1,277,519	1,295,502	49,989	46,329	6,472,203	6,434,116
Goodwill on consolidation	—	—	—	—	—	—	—	—	920,715	906,066
Assets classified as held for sale	—	—	—	—	—	—	—	—	1,145,477	164,125
Eliminations / adjustments	—	—	—	—	—	—	—	—	(7,175,334)	(7,727,911)
Total assets	77,044,114	72,781,567	17,646,689	15,225,062	41,041,675	38,855,726	4,939,409	4,791,900	135,562,745	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 six months ended 30 September 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

The carrying value of the leasehold rights of Raafushi Island was classified under "Assets held for sale" during period under review, consequent to the decision made by Ace Resorts (Pvt) Ltd to dispose its lease.

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	(9,874)
Deposits and prepayments	(208,249)
Total Assets	<u>7,283,382</u>
Equity	
Retained earnings	(896,745)
Non-controlling interests	(212,308)
	<u>(1,109,053)</u>
Liabilities	
Interest bearing liabilities	9,047,204
Other liabilities	(654,004)
Other payables	(765)
	<u>8,392,435</u>
Total Equity & Liabilities	<u>7,283,382</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. 13.2 billion as right-of-use assets and Rs. 11.0 billion as lease liabilities as at 30 September 2019 in the statement of financial position. Also, in relation to those leases under SLFRS 16, the Group recognised Rs. 436.8 million of depreciation charges and Rs. 283.6 million of interest costs during the six months ended 30 September 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 for the period under review is Rs. 71.0 million.

NOTES TO THE FINANCIAL STATEMENTS - CONTD.

NON FINANCIAL INFORMATION

30.09.2019

1. Stated Capital

Number of shares represented by the stated capital (31.03.2019 - 405,996,045)	405,996,045
Number of Public Shareholders	5,249
Percentage of shares held by the Public	45.69%
Floated adjusted market capitalisation - Rs.'000	8,161,133

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.)	44.10
Market Price per Share - Highest (Rs.)	49.80
Market Price per Share - Lowest (Rs.)	40.10

3. Shareholding of Directors

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

	Name of Director	Position	30.09.2019	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
6	Mr. G.C. Wickremasinghe	Director	7,308,240	7,308,240
7	Mr. C.H. Gomez	Director	Nil	Nil
8	Mr. N. J. de Silva Deva Aditya	Director	Nil	Nil
9	Mr. R.N. Asirwatham	Director	1,000	1,000
10	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 September 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	Mr. G.C. Wickremasinghe	7,308,240	1.80
5	Placidrange Holdings Limited	5,521,500	1.36
6	Renuka Hotels Limited	5,479,990	1.35
7	Milford Exports (Ceylon) (Pvt) Limited	5,114,500	1.26
8	Seylan Bank PLC / W.D.N.H. Perera	4,200,110	1.03
9	Stassen Exports (Pvt) Limited	3,244,500	0.80
10	Ms. A.T. Wickremasinghe	3,211,975	0.79
11	Mrs. K. Fernando	3,135,070	0.77
12	Mr. G.Wickremasinghe	3,019,090	0.74
13	Northern Trust Company S/A Hosking Global Fund PLC	2,744,036	0.68
14	Employees Trust Fund Board	2,621,870	0.65
15	Bank of Ceylon No. 1 Account	2,596,230	0.64
16	National Savings Bank	2,493,516	0.61
17	SSBT-Retail Employees Superannuation Trust	1,742,951	0.43
18	Hatton National Bank PLC-Candor Opportunities Fund	1,400,000	0.34
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 September 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.