

Aitken Spence

Interim Statement

for the nine months ended 31st December 2014

Aitken Spence[®] 

Aitken Spence PLC

CONSOLIDATED INCOME STATEMENTS

	Quarter ended 31st December		Nine months ended 31st December	
	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000 (Re-stated)
Revenue	9,092,640	10,589,774	28,809,788	26,525,284
Revenue tax	(108,694)	(137,933)	(349,911)	(378,771)
Net revenue	8,983,946	10,451,841	28,459,877	26,146,513
Other operating income	102,202	29,163	515,170	261,874
Changes in inventories of finished goods and work-in-progress	108,690	40,069	141,683	90,806
Raw materials and consumables used	(1,473,714)	(3,010,000)	(7,404,293)	(6,830,520)
Employee benefits expense	(1,428,562)	(1,309,119)	(4,122,676)	(3,598,250)
Depreciation and amortisation	(358,551)	(373,798)	(1,090,100)	(1,090,944)
Other operating expenses-direct	(2,923,916)	(2,843,321)	(8,089,987)	(7,436,370)
Other operating expenses-indirect	(1,376,190)	(1,301,419)	(4,339,824)	(3,632,415)
Profit from operations	1,633,905	1,683,416	4,069,850	3,910,694
Finance income	135,521	194,031	482,882	595,095
Finance expenses	(219,857)	(293,965)	(769,854)	(975,632)
Net finance expense	(84,336)	(99,934)	(286,972)	(380,537)
Share of profit of equity-accounted investees (net of tax)	780	64,223	54,017	143,553
Profit before tax	1,550,349	1,647,705	3,836,895	3,673,710
Income tax expenses	(268,256)	(191,587)	(653,067)	(594,280)
Profit for the period	1,282,093	1,456,118	3,183,828	3,079,430
Attributable to:				
Equity holders of the parent	869,588	1,079,992	2,195,291	2,306,600
Non-controlling interests	412,505	376,126	988,537	772,830
Profit for the period	1,282,093	1,456,118	3,183,828	3,079,430
Earnings per share - Basic/Diluted (Rs.)	2.14	2.66	5.41	5.68

The above figures are subject to audit.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Quarter ended 31st December		Nine months ended 31st December	
	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000 (Re-stated)
Profit for the period	1,282,093	1,456,118	3,183,828	3,079,430
Other comprehensive income				
Revaluation of property, plant and equipment	–	181,143	–	181,143
Exchange differences on translation of foreign operations	40,102	(52,716)	(151,466)	174,950
Net change in fair value of available-for-sale financial assets	874	3,010	9,225	(7,759)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	–	–	(11,089)	1,817
Share of other comprehensive income of equity-accounted investees	–	(108)	–	246
Other comprehensive income for the period, net of tax	40,976	131,329	(153,330)	350,397
Total comprehensive income for the period	1,323,069	1,587,447	3,030,498	3,429,827
Attributable to:				
Equity holders of the parent	893,695	1,184,191	2,073,332	2,549,073
Non-controlling interests	429,374	403,256	957,166	880,754
Total comprehensive income for the period	1,323,069	1,587,447	3,030,498	3,429,827

The above figures are subject to audit.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	31.12.2014 Rs.'000	31.03.2014 Rs.'000 (Re-stated)	01.04.2013 Rs.'000 (Re-stated)
ASSETS			
Non-current assets			
Property, plant & equipment	27,785,124	25,065,484	23,796,518
Investment property	1,648,300	1,648,300	1,661,596
Intangible assets	570,871	605,521	356,440
Leasehold property	1,899,969	1,461,100	1,463,930
Pre-paid operating leases	1,018,990	1,010,249	980,731
Finance lease receivables	2,265,469	2,245,884	2,325,091
Investments in equity-accounted investees	4,081,673	2,826,550	2,590,713
Deferred tax assets	207,174	225,083	226,271
Other financial assets	352,617	387,248	462,117
	<u>39,830,187</u>	<u>35,475,419</u>	<u>33,863,407</u>
Current assets			
Inventories	1,577,571	1,731,696	1,880,351
Finance lease receivables	39,783	146,948	168,964
Trade and other receivables	9,145,203	9,799,382	10,525,361
Current tax receivable	219,546	243,910	182,589
Deposits and prepayments	1,745,406	1,268,381	1,258,077
Other financial assets	10,774,695	10,570,990	6,773,033
Cash and short-term deposits	3,259,391	2,931,674	2,453,706
	<u>26,761,595</u>	<u>26,692,981</u>	<u>23,242,081</u>
Assets classified as held for sale	149,125	149,125	149,125
Total Assets	<u>66,740,907</u>	<u>62,317,525</u>	<u>57,254,613</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	2,135,140	2,135,140	2,135,140
Reserves	13,762,697	13,884,656	12,695,793
Retained earnings	17,625,693	16,238,762	13,222,324
	<u>33,523,530</u>	<u>32,258,558</u>	<u>28,053,257</u>
Non-controlling interests	7,464,298	7,208,930	6,029,302
Total Equity	<u>40,987,828</u>	<u>39,467,488</u>	<u>34,082,559</u>
Non-current liabilities			
Interest bearing liabilities	9,575,546	7,312,336	6,216,851
Deferred tax liabilities	666,227	641,615	501,411
Employee benefits	667,581	629,341	483,704
	<u>10,909,354</u>	<u>8,583,292</u>	<u>7,201,966</u>
Current liabilities			
Interest bearing liabilities	2,356,745	1,626,693	1,363,236
Provisions	492,371	462,771	277,103
Trade and other payables	7,511,085	6,858,598	7,985,981
Current tax payable	589,609	600,709	512,738
Other financial liabilities	1,598	-	-
Bank overdrafts and other short-term borrowings	3,892,317	4,717,974	5,831,030
	<u>14,843,725</u>	<u>14,266,745</u>	<u>15,970,088</u>
Total Equity and Liabilities	<u>66,740,907</u>	<u>62,317,525</u>	<u>57,254,613</u>
Net Assets per share (Rs.)	82.57	79.46	69.10

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
Managing and Finance Director

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

Colombo,
10th February 2015

STATEMENT OF CHANGES IN EQUITY

GROUP

For the nine months ended 31st December 2014

	Attributable to equity holders of the parent						Retained earnings	Total	Non-controlling interests	Total equity
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve				
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2014 (Re-stated) *	2,135,140	127,521	6,390,190	6,541,269	818,882	6,794	16,238,762	32,258,558	7,208,930	39,467,488
Profit for the period	–	–	–	–	–	–	2,195,291	2,195,291	988,537	3,183,828
Other comprehensive income for the period	–	–	–	–	(120,038)	(1,921)	–	(121,959)	(31,371)	(153,330)
Total comprehensive income for the period	–	–	–	–	(120,038)	(1,921)	2,195,291	2,073,332	957,166	3,030,498
Effect of acquisitions, disposals and change in percentage holding in subsidiaries	–	–	–	–	–	–	3,632	3,632	(58,855)	(55,223)
Dividends for 2013/2014	–	–	–	–	–	–	(811,992)	(811,992)	–	(811,992)
Dividends paid by subsidiary companies to minority shareholders	–	–	–	–	–	–	–	–	(642,943)	(642,943)
Total contributions and distributions, recognised directly in equity	–	–	–	–	–	–	(808,360)	(808,360)	(701,798)	(1,501,158)
Balance as at 31st December 2014	2,135,140	127,521	6,390,190	6,541,269	698,844	4,873	17,625,693	33,523,530	7,464,298	40,987,828

For the nine months ended 31st December 2013

	Attributable to equity holders of the parent						Retained earnings	Total	Non-controlling interests	Total equity
	Stated capital	Capital reserves	General reserves	Revaluation reserve	Foreign currency translation reserve	Available for sale reserve				
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2013 (Re-stated) *	2,135,140	127,521	6,359,580	5,478,094	707,064	23,534	13,222,324	28,053,257	6,029,302	34,082,559
Profit for the period	–	–	–	–	–	–	2,306,600	2,306,600	772,830	3,079,430
Other comprehensive income for the period	–	–	–	134,933	111,978	(4,438)	–	242,473	107,924	350,397
Total comprehensive income for the period	–	–	–	134,933	111,978	(4,438)	2,306,600	2,549,073	880,754	3,429,827
Effect of acquisitions, disposals and change in percentage holding in subsidiaries	–	–	–	–	–	–	6,051	6,051	444,527	450,578
Dividends for 2012/2013	–	–	–	–	–	–	(608,994)	(608,994)	–	(608,994)
Dividends paid by subsidiary companies to minority shareholders	–	–	–	–	–	–	–	–	(543,112)	(543,112)
Total contributions and distributions, recognised directly in equity	–	–	–	–	–	–	(602,943)	(602,943)	(98,585)	(701,528)
Balance as at 31st December 2013	2,135,140	127,521	6,359,580	5,613,027	819,042	19,096	14,925,981	29,999,387	6,811,471	36,810,858

* Refer note 7 of the financial statements.

COMPANY INCOME STATEMENTS

	Quarter ended 31st December		Nine months ended 31st December	
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Revenue	141,885	145,765	471,830	463,356
Revenue tax	(2,665)	(2,781)	(8,678)	(8,378)
Net revenue	139,220	142,984	463,152	454,978
Other operating income	(515)	73,213	680,852	621,779
Employee benefits expense	(113,662)	(100,359)	(306,512)	(268,172)
Depreciation and amortisation	(16,596)	(16,182)	(48,834)	(47,409)
Other operating expenses-indirect	(73,477)	(77,770)	(227,276)	(223,417)
Profit from operations	(65,030)	21,886	561,382	537,759
Finance income	107,118	155,652	344,499	482,231
Finance expenses	(94,823)	(133,264)	(302,622)	(402,050)
Net finance income	12,295	22,388	41,877	80,181
Profit before tax	(52,735)	44,274	603,259	617,940
Income tax expenses	(60,987)	(1,655)	(62,913)	(6,076)
Profit for the period	(113,722)	42,619	540,346	611,864
Earnings per share - Basic/Diluted (Rs.)	(0.28)	0.10	1.33	1.51

The above figures are subject to audit.

COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Quarter ended 31st December		Nine months ended 31st December	
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Profit for the period	(113,722)	42,619	540,346	611,864
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	(157)	(319)	1,705	(2,496)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	–	–	(6,212)	–
Other comprehensive income for the period, net of tax	(157)	(319)	(4,507)	(2,496)
Total comprehensive income for the period	(113,879)	42,300	535,839	609,368

The above figures are subject to audit.

COMPANY STATEMENT OF FINANCIAL POSITION

<i>As at</i>	31.12.2014	31.03.2014
	Rs.'000	Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	154,073	143,967
Investment property	3,437,879	3,439,945
Intangible assets	36,258	53,059
Investments in subsidiaries and joint ventures-unquoted	5,576,612	5,583,951
Investments in subsidiaries-quoted	2,458,287	2,458,287
Investments in equity-accounted investees	165,000	165,000
Other financial assets	145,761	181,878
	<u>11,973,870</u>	<u>12,026,087</u>
Current assets		
Inventories	2,689	2,167
Trade and other receivables	2,911,927	2,768,751
Current tax receivable	178,686	215,560
Deposits and prepayments	23,733	44,151
Other financial assets	5,036,695	4,274,439
Cash and short-term deposits	434,611	62,504
	<u>8,588,341</u>	<u>7,367,572</u>
Assets classified as held for sale	57,237	57,237
Total Assets	<u>20,619,448</u>	<u>19,450,896</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	2,135,140	2,135,140
Reserves	6,352,597	6,357,104
Retained earnings	4,165,500	4,437,146
Total Equity	<u>12,653,237</u>	<u>12,929,390</u>
Non-current liabilities		
Interest bearing liabilities	2,848,230	3,426,394
Employee benefits	87,664	86,426
	<u>2,935,894</u>	<u>3,512,820</u>
Current liabilities		
Interest bearing liabilities	1,087,504	371,837
Trade and other payables	2,859,422	2,324,439
Bank overdrafts and other short-term borrowings	1,083,391	312,410
	<u>5,030,317</u>	<u>3,008,686</u>
Total Equity and Liabilities	<u>20,619,448</u>	<u>19,450,896</u>
Net Assets per share (Rs.)	31.17	31.85

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
Managing and Finance Director

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

Colombo,
10th February 2015

STATEMENT OF CHANGES IN EQUITY

COMPANY

For the nine months ended 31st December 2014

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2014	2,135,140	6,363,478	(6,374)	4,437,146	12,929,390
Profit for the period	–	–	–	540,346	540,346
Other comprehensive income for the period	–	–	(4,507)	–	(4,507)
Total comprehensive income for the period	–	–	(4,507)	540,346	535,839
Dividends for 2013/2014	–	–	–	(811,992)	(811,992)
Balance as at 31st December 2014	2,135,140	6,363,478	(10,881)	4,165,500	12,653,237

For the nine months ended 31st December 2013

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2013	2,135,140	6,332,868	(3,898)	4,669,527	13,133,637
Profit for the period	–	–	–	611,864	611,864
Other comprehensive income for the period	–	–	(2,496)	–	(2,496)
Total comprehensive income for the period	–	–	(2,496)	611,864	609,368
Dividends for 2012/2013	–	–	–	(608,994)	(608,994)
Balance as at 31st December 2013	2,135,140	6,332,868	(6,394)	4,672,397	13,134,011

CASH FLOW STATEMENTS

<i>For the nine months ended 31st December</i>	Group		Company	
	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000
Cash flow from operating activities				
Net profit before taxation	3,836,895	3,673,710	603,259	617,940
Adjustments for				
Depreciation and amortisation	1,090,100	1,090,944	48,834	47,409
Interest expense	684,914	921,607	293,773	398,126
Gain on disposal of property plant & equipment	(22,558)	(12,797)	(5,245)	–
(Gain)/loss on losing control of subsidiaries	(6,723)	–	128,974	–
Gain on disposal of available-for-sale financial assets reclassified from equity	(11,089)	(26,570)	(6,212)	–
Interest income	(482,882)	(595,095)	(344,499)	(482,231)
Share of equity-accounted investees' profit after tax	(54,017)	(143,553)	–	–
Impairment of trade & other receivables	79,521	43,208	–	–
Net foreign exchange (gain)/loss	(82,630)	(74,559)	2,305	(18,422)
Provision for retirement benefit obligations	114,979	99,219	14,820	11,328
	<u>1,309,615</u>	<u>1,302,404</u>	<u>132,750</u>	<u>(43,790)</u>
Operating profit before working capital changes	5,146,510	4,976,114	736,009	574,150
(Increase)/decrease in trade and other receivables	275,496	1,979,759	(143,176)	125,632
(Increase)/decrease in inventories	31,273	58,279	(522)	(623)
(Increase)/decrease in deposits & prepayments	(479,573)	(70,948)	20,418	(968)
Increase/(decrease) in trade and other payables	907,919	(1,135,136)	398,582	(108,137)
Increase/(decrease) in provisions	29,600	196,784	–	–
	<u>764,715</u>	<u>1,028,738</u>	<u>275,302</u>	<u>15,904</u>
Cash generated from/(used in) operations	5,911,225	6,004,852	1,011,311	590,054
Interest paid	(676,921)	(916,208)	(285,780)	(392,726)
Income tax paid	(599,265)	(547,401)	(26,038)	(34,680)
Retirement benefit obligations paid	(76,578)	(36,997)	(13,582)	(5,261)
	<u>(1,352,764)</u>	<u>(1,500,606)</u>	<u>(325,400)</u>	<u>(432,667)</u>
Net cash flow from operating activities	4,558,461	4,504,246	685,911	157,387
Cash flow from investing activities				
Interest received from deposits	491,782	583,786	351,236	470,326
Investment in subsidiaries, joint ventures & equity-accounted investees	(326,399)	(169,202)	(138,886)	(749,242)
Purchase of equity and debt securities	(5,218)	–	(5,000)	–
Proceeds from disposal of subsidiary	17,252	–	17,251	–
Cash and cash equivalents on disposal of subsidiary	347,200	–	–	–
Purchase of property, plant and equipment	(5,599,520)	(1,103,716)	(41,841)	(31,785)
Purchase of intangible assets	(6,893)	(5,740)	(333)	(1,530)
Purchase of leasehold rights	(464,842)	–	–	–
Proceeds from disposal of property, plant and equipment	629,784	87,546	7,346	–
Receipts of finance lease receivables	102,604	126,797	–	–
Proceeds from sale of equity and debt securities	56,437	319,169	48,918	35,781
Proceeds/(purchase) of other financial assets & liabilities (net)	(217,850)	(1,818,943)	(775,089)	(1,092,684)
Dividends and dividend taxes paid by subsidiary companies to outside shareholders	(642,943)	(541,774)	–	–
Dividends received from equity-accounted investees	21,600	25,592	–	–
Net cash flow from investing activities	<u>(5,597,006)</u>	<u>(2,496,485)</u>	<u>(536,398)</u>	<u>(1,369,134)</u>

CASH FLOW STATEMENTS – CONTD.

<i>For the nine months ended 31st December</i>	Group		Company	
	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000
Cash flow from operating activities				
Proceeds from interest bearing liabilities	5,109,351	1,356,385	394,560	1,265,363
Repayment of interest-bearing liabilities	(2,160,473)	(1,122,178)	(277,500)	(120,000)
Dividends paid	(675,591)	(607,019)	(675,591)	(607,019)
Net cash flow from financing activities	2,273,287	(372,812)	(558,531)	538,344
Net increase/(decrease) in cash and cash equivalents	1,234,742	1,634,949	(409,018)	(673,403)
Cash and cash equivalents at the beginning of the period (Note A)	(1,867,668)	(3,314,942)	(239,762)	(20,121)
Cash and cash equivalents at the end of the period	(632,926)	(1,679,993)	(648,780)	(693,524)
Cash and cash equivalents at the end of the period				
Cash at bank and in hand & deposits	3,259,391	4,197,223	434,611	266,532
Short-term bank borrowings	(3,892,317)	(5,877,216)	(1,083,391)	(960,056)
Cash and cash equivalent at the end of the period	(632,926)	(1,679,993)	(648,780)	(693,524)
Note A				
Cash and cash equivalents at the beginning of the period				
Cash at bank and in hand & deposits	2,931,674	2,453,706	62,504	62,885
Short-term bank borrowings	(4,717,974)	(5,831,030)	(312,410)	(99,881)
Cash and cash equivalent as previously reported	(1,786,300)	(3,377,324)	(249,906)	(36,996)
Effect of exchange rate changes	(81,368)	62,382	10,144	16,875
Cash and cash equivalent as restated	(1,867,668)	(3,314,942)	(239,762)	(20,121)

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	
<i>For the nine months ended 31st December</i>	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000 (Re-stated)	2014 Rs.'000	2013 Rs.'000 (Re-stated)
Total revenue generated	13,970,427	13,272,711	5,952,405	5,591,658	11,282,821	10,353,168	801,659	723,145	32,007,312	29,940,682
Inter - segmental revenue	24,185	63,075	232,053	205,703	202,633	181,338	171,782	168,615	630,653	618,731
Intra-segmental revenue	1,494,649	1,595,717	167,057	167,314	44,553	55,082	22,228	23,828	1,728,487	1,841,941
Total revenue with equity-accounted investees	12,451,593	11,613,919	5,553,295	5,218,641	11,035,635	10,116,748	607,649	530,702	29,648,172	27,480,010
Share of equity-accounted investees' revenue	(3,517)	-	(351,432)	(424,997)	(482,934)	(529,729)	(501)	-	(838,384)	(954,726)
Revenue from external customers	12,448,076	11,613,919	5,201,863	4,793,644	10,552,701	9,587,019	607,148	530,702	28,809,788	26,525,284
Profit from operations	2,540,641	2,344,608	512,937	498,952	901,092	872,508	115,180	194,626	4,069,850	3,910,694
Finance income	257,039	225,466	34,263	38,393	180,263	315,922	11,317	15,314	482,882	595,095
Finance expenses	(277,888)	(172,036)	(46,070)	(52,731)	(440,443)	(743,688)	(5,453)	(7,177)	(769,854)	(975,632)
Share of profit of equity-accounted investees (net of tax)	(7,232)	30,660	24,367	56,108	54,060	79,118	(17,178)	(22,333)	54,017	143,553
Profit before tax	2,512,560	2,428,698	525,497	540,722	694,972	523,860	103,866	180,430	3,836,895	3,673,710
Income tax expense	(429,602)	(436,354)	(109,458)	(98,761)	(96,686)	(17,537)	(17,321)	(41,628)	(653,067)	(594,280)
Profit for the year	2,082,958	1,992,344	416,039	441,961	598,286	506,323	86,545	138,802	3,183,828	3,079,430

1.2 Segment analysis of Group assets

	Tourism sector		Maritime & Logistics sector		Strategic Investments		Services sector		Total	
<i>As at</i>	31.12.14 Rs.'000	31.03.14 Rs.'000 (Re-stated)	31.12.14 Rs.'000	31.03.14 Rs.'000 (Re-stated)	31.12.14 Rs.'000	31.03.14 Rs.'000 (Re-stated)	31.12.14 Rs.'000	31.03.14 Rs.'000 (Re-stated)	31.12.14 Rs.'000	31.03.14 Rs.'000 (Re-stated)
Segment assets	31,308,689	26,725,540	7,306,979	7,178,928	20,531,667	21,949,348	2,864,953	2,990,213	62,012,288	58,844,029
Investments in equity-accounted investees	2,238,592	1,340,495	626,661	623,894	994,688	754,001	221,732	108,160	4,081,673	2,826,550
Goodwill on consolidation	-	-	-	-	-	-	-	-	497,821	497,821
Assets classified as held for sale	-	-	-	-	-	-	-	-	149,125	149,125
Total assets	33,547,281	28,066,035	7,933,640	7,802,822	21,526,355	22,703,349	3,086,685	3,098,373	66,740,907	62,317,525

- 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.
- A first & final ordinary dividend of Rs. 2.00 per share for the year ended 31st March 2014 was paid on 09th July 2014, after it was approved at the Annual General Meeting on the 30th June 2014. The total dividend payment for the year ended 31st March 2014 amounted to Rs. 811,992,090.
- There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.
- 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 2014.
- The accounting policies adopted by the Group are consistent with those adopted in the previous financial year except for changes described in note 7. These changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31st March 2015.

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

7. Changes in accounting policies

7.1. SLFRS 10 - Consolidated financial statements

With the adoption of SLFRS 10 in Sri Lanka with effect from 1st January 2014, the Group changed its accounting policy for determining whether an investee is a subsidiary based on the definition of control. The Group considers that control exists when the Company has power over an investee; has exposure or rights to variable returns from its involvement with the investee and when it has ability to use its power over the investee to affect the amount of the Company's returns.

With the adoption of SLFRS 10, the Group reassessed the control conclusion for its investees and changed the control conclusion for Aitken Spence Travels Ltd and its subsidiaries, Shipping & Cargo Logistics (Pvt) Ltd., Spence Maldives (Pvt) Ltd., Ace Aviation Services Maldives (Pvt) Ltd., Aitken Spence Garments Ltd., and MMBL Money Transfer (Pvt) Ltd., and treated them as subsidiaries based on de facto circumstances. These investees where applicable were previously accounted for as Joint Ventures using the proportionate consolidation method.

7.2. SLFRS 11 - Joint arrangements

With the adoption of SLFRS 11 in Sri Lanka, the Group changed its accounting policy for its interests in joint arrangements. Under SLFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group re-evaluated its involvement in its joint arrangements and identified the investments in Ace Bangladesh Ltd., Delta Shipping (Pvt) Ltd., Colombo International Nautical & Engineering College (Pvt) Ltd., and Aitken Spence C & T Investments (Pvt) Ltd., as joint ventures. Application of this standard impacted the Group financial statements by replacing proportionate consolidation of these companies with the equity method of accounting.

Changes to the basis of accounting of the companies mentioned in 8.1 and 8.2 above were applied with retrospective effect as per the transitional provisions under the relevant standards.

7.3. SLFRS 12 - Disclosure of interests in other entities

SLFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Non of these disclosure requirements are applicable for interim financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made such disclosures.

7.4. SLFRS 13 - Fair value measurement

SLFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other SLASs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Application of this standard has not materially impacted the fair value measurements carried out by the Group.

NOTES TO THE FINANCIAL STATEMENTS – CONTD.

7.5. Summary of quantitative impact

The following tables summarise the material impacts for the comparative periods resulting from the above changes in accounting policies on the Group's financial statements.

(a) Impact on consolidated income statement for the nine months ended 31st December 2013.

	Application of SLFRS 10 Rs.'000	Application of SLFRS 11 Rs.'000
Revenue	2,139,120	(424,997)
Revenue tax	(1,206)	5,166
Net revenue	2,137,914	(419,831)
Other operating income	49,581	341
Changes in inventories of finished goods and work-in-progress	43,185	-
Raw materials and consumables used	(315,071)	-
Employee benefits expense	(252,185)	92,465
Depreciation amortisation and impairment expense	(29,160)	18,870
Other operating expenses-direct	(1,326,015)	202,386
Other operating expenses-indirect	(103,160)	60,397
Profit from operations	205,089	(45,372)
Finance income	5,551	(3,338)
Finance expenses	10,868	6,876
Net financing income/(expenses)	16,419	3,538
Share of equity-accounted investees profits	-	33,775
Profit before tax	221,508	(8,059)
Income tax expenses	(13,468)	8,059
Net Profit for the period	208,040	-
Attributable to:		
Equity holders of the parent	-	-
Minority interest	208,040	-
Net Profit for the period	208,040	-

(b) Impact on consolidated statements of financial position

	As at 31.03.2014		As at 01.04.2013	
	Application of SLFRS 10 Rs.'000	Application of SLFRS 11 Rs.'000	Application of SLFRS 10 Rs.'000	Application of SLFRS 11 Rs.'000
Property, plant & equipment	204,505	(359,942)	194,505	(439,767)
Investment property	-	(89,274)	-	-
Intangible assets	2,504	(299,583)	3,399	(301,015)
Investments in equity-accounted investees	-	732,054	-	659,508
Deferred tax assets	5,062	-	4,124	-
Inventories	93,734	(1,438)	56,327	(699)
Trade and other receivables	537,554	(50,839)	577,049	(24,315)
Current tax receivable	2,694	(14)	1,685	(14)
Deposits and prepayments	213,902	(5,209)	134,063	(5,829)
Other financial assets	52,444	(69,026)	48,137	(39,267)
Cash and short-term deposits	204,306	(1,146)	273,975	(38,263)
Total Assets	1,316,705	(144,417)	1,293,264	(189,661)
Interest bearing liabilities	23,980	(41,838)	14,370	(49,727)
Deferred tax liabilities	4,579	(2,450)	4,574	(7,906)
Employee benefits	65,803	(12,878)	49,272	(12,958)
Trade and other payables	359,024	(76,879)	374,426	(102,083)
Current tax payable	7,716	(4,800)	14,899	(3,399)
Bank overdrafts and other short-term borrowings	166,379	(5,572)	255,865	(13,588)
Total Liabilities	627,481	(144,417)	713,406	(189,661)
Non-controlling interests	689,224	-	579,858	-
Total Equity	689,224	-	579,858	-

There is no material impact on interim consolidated other comprehensive income and cash flows.

NON FINANCIAL INFORMATION

	31.12.2014
1. Stated Capital	
Number of shares represented by the stated capital (31.03.2014 - 405,996,045)	405,996,045
Number of Public Shareholders	4,243
Percentage of shares held by the Public	38.65%
2. Shares Traded	
Market Price per Share - Last traded (Rs.)	103.50
Market Price per Share - Highest (Rs.)	111.00
Market Price per Share - Lowest (Rs.)	99.00

3. Share Holding of Directors

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

Name of Director	Position	31.12.2014	31.03.2014
1 D. H. S. Jayawardena	Chairman	Nil	Nil
2 J. M. S. Brito	Deputy Chairman/ Managing Director	304,495	294,495
3 R. M. Fernando	Director	Nil	Nil
4 M. P. Dissanayake	Director	Nil	Nil
5 D.S.T. Jayawardena	Director	27,839	N/A
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 31st December 2014, are as follows;

Name of the Shareholder	Share Holding	%
1 Melstacorp (Private) Limited	167,376,598	41.23
2 Rubicond Enterprises Limited	65,990,145	16.25
3 HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	33,145,934	8.16
4 HSBC International Nominees Limited -BP2S London-Aberdeen Asia Pasific Equity Fund	17,192,300	4.24
5 Mr. G.C. Wickremasinghe	7,308,240	1.80
6 Employees Provident Fund	7,046,554	1.74
7 HSBC International Nominees Limited -BP2S Luxembourg-Aberdeen Global-Frontier Markets Equity Fund	6,780,000	1.67
8 HSBC International Nominees Limited- SSBT-Aberdeen Institutional Commingled funds, LLC	5,795,500	1.43
9 Placidrange Holdings Limited	5,521,500	1.36
10 HSBC International Nominees Limited -BP2S London-Aberdeen New Dawn Investment Trust Xcc6	4,503,555	1.11
11 Milford Exports (Ceylon) (Private) Limited	4,321,500	1.06
12 HSBC International Nominees Limited -BP2S London-Aberdeen Asia Smaller Companies Investment Trust	3,400,000	0.84
13 Stassen Exports Limited	3,244,500	0.80
14 Ms. A.T. Wickremasinghe	3,211,975	0.79
15 Ms. K. Fernando	3,135,070	0.77
16 Mellon Bank N.A.-Florida Retirement System	3,100,000	0.76
17 Mr. G.Wickremasinghe	3,019,090	0.74
18 Employees Trust Fund Board	2,621,870	0.65
19 National Savings Bank	2,593,516	0.64
20 The Ceylon Investment PLC A/C No. 02	1,674,000	0.41

CORPORATE INFORMATION

as at 31st December 2014

DIRECTORS

Deshamanya D. H. S. Jayawardena - Chairman

Mr. J.M.S. Brito - Managing and Finance Director

Dr. R. M. Fernando

Dr. M. P. Dissanayake

Miss. D.S.T. Jayawardena

Mr. G. C. Wickremasinghe

Mr. C. H. Gomez

Mr. V. M. Fernando

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)

SECRETARY

Mr. R. E. V. Casie Chetty

REGISTERED OFFICE

Aitken Spence Tower II

315, Vauxhall Street,

Colombo 02,

Sri Lanka.