

Aitken Spence

**Interim Statement**  
*for the year ended 31st March 2016*

Aitken Spence<sup>®</sup> 

**Aitken Spence PLC**

## CONSOLIDATED INCOME STATEMENTS

	Quarter ended 31st March		Year ended 31st March	
	2016 Rs.'000	2015 Rs.'000 (Re-stated)	2016 Rs.'000	2015 Rs.'000 (Re-stated)
<b>Revenue</b>	<b>7,393,316</b>	9,456,813	<b>25,977,795</b>	35,318,891
Revenue taxes	<b>(134,212)</b>	(41,736)	<b>(286,807)</b>	(388,398)
<b>Net revenue</b>	<b>7,259,104</b>	9,415,077	<b>25,690,988</b>	34,930,493
Other operating income	<b>(210)</b>	37,916	<b>174,645</b>	507,572
Changes in inventories of finished goods and work-in-progress	<b>(194,477)</b>	(82,926)	<b>(20,850)</b>	58,757
Raw materials and consumables used	<b>(470,760)</b>	(1,619,166)	<b>(1,825,981)</b>	(9,023,459)
Employee benefits expense	<b>(1,526,040)</b>	(1,319,721)	<b>(5,905,093)</b>	(5,183,101)
Depreciation, amortisation and impairment of non-financial assets	<b>(842,095)</b>	(1,350,893)	<b>(2,089,386)</b>	(2,398,707)
Other operating expenses-direct	<b>(2,076,926)</b>	(1,882,239)	<b>(7,483,985)</b>	(7,712,699)
Other operating expenses-indirect	<b>(849,761)</b>	(1,319,518)	<b>(4,643,836)</b>	(5,522,147)
<b>Profit from operations</b>	<b>1,298,835</b>	1,878,530	<b>3,896,502</b>	5,656,709
Finance income	<b>143,159</b>	148,228	<b>647,715</b>	623,857
Finance expenses	<b>(306,342)</b>	(95,928)	<b>(970,879)</b>	(901,530)
<b>Net finance income/(expense)</b>	<b>(163,183)</b>	52,300	<b>(323,164)</b>	(277,673)
Share of profit of equity-accounted investees (net of tax)	<b>58,442</b>	135,972	<b>232,170</b>	330,887
<b>Profit before tax</b>	<b>1,194,094</b>	2,066,802	<b>3,805,508</b>	5,709,923
Income tax expenses	<b>(329,070)</b>	(209,553)	<b>(861,229)</b>	(826,323)
<b>Profit for the period</b>	<b>865,024</b>	1,857,249	<b>2,944,279</b>	4,883,600
<b>Attributable to:</b>				
Equity holders of the Company	<b>608,281</b>	1,383,717	<b>2,027,112</b>	3,579,008
Non-controlling interests	<b>256,743</b>	473,532	<b>917,167</b>	1,304,592
<b>Profit for the period</b>	<b>865,024</b>	1,857,249	<b>2,944,279</b>	4,883,600
<b>Earnings per share</b>				
Basic/Diluted (Rs.)	<b>1.50</b>	3.41	<b>4.99</b>	8.82

The above figures are subject to audit.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 31st March		Year ended 31st March	
	2016 Rs.'000	2015 Rs.'000 (Re-stated)	2016 Rs.'000	2015 Rs.'000 (Re-stated)
<b>Profit for the period</b>	<b>865,024</b>	1,857,249	<b>2,944,279</b>	4,883,600
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation of property, plant and equipment	–	90,961	–	90,961
Actuarial gains / (losses) on defined benefit obligations	<b>17,821</b>	(48,207)	<b>17,821</b>	(48,207)
Share of other comprehensive income of equity-accounted investees (net of tax)	<b>19,366</b>	(15,912)	<b>19,452</b>	(15,912)
Income tax on other comprehensive income	<b>(3,941)</b>	7,478	<b>(3,941)</b>	7,478
	<b>33,246</b>	34,320	<b>33,332</b>	34,320
<i>Items that are or may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	<b>178,575</b>	42,279	<b>826,893</b>	(103,062)
Net change in fair value of available-for-sale financial assets	<b>2,983</b>	61,884	<b>22,477</b>	71,109
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	<b>(1,554)</b>	20,521	<b>(56)</b>	9,432
Share of other comprehensive income of equity-accounted investees (net of tax)	<b>33,724</b>	–	<b>34,332</b>	–
	<b>213,728</b>	124,684	<b>883,646</b>	(22,521)
<b>Other comprehensive income for the period, net of tax</b>	<b>246,974</b>	159,004	<b>916,978</b>	11,799
<b>Total comprehensive income for the period</b>	<b>1,111,998</b>	2,016,253	<b>3,861,257</b>	4,895,399
<b>Attributable to:</b>				
Equity holders of the Company	<b>810,390</b>	1,501,585	<b>2,672,708</b>	3,578,041
Non-controlling interests	<b>301,608</b>	514,668	<b>1,188,549</b>	1,317,358
<b>Total comprehensive income for the period</b>	<b>1,111,998</b>	2,016,253	<b>3,861,257</b>	4,895,399

The above figures are subject to audit.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	31.03.2016 Rs.'000	31.03.2015 Rs.'000 (Re-stated)	01.04.2014 Rs.'000 (Re-stated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	35,278,046	28,696,631	24,799,321
Investment properties	1,630,801	1,648,301	1,648,301
Intangible assets	867,223	558,040	651,796
Biological assets	25,838	-	-
Leasehold properties	2,006,728	1,906,527	1,461,100
Pre-paid operating leases	1,828,797	1,072,370	1,010,199
Finance lease receivables	-	-	2,245,884
Investments in equity-accounted investees	9,771,984	5,403,518	3,367,589
Deferred tax assets	328,140	215,907	224,495
Other financial assets	257,799	279,346	339,540
	<u>51,995,356</u>	<u>39,780,640</u>	<u>35,748,225</u>
<b>Current assets</b>			
Inventories	1,195,831	1,484,504	1,723,718
Pre paid operating leases	32,795	930	50
Finance lease receivable	-	1,333,200	146,948
Trade and other receivables	4,800,506	7,677,448	8,947,612
Current tax receivable	224,257	229,366	243,779
Deposits and prepayments	1,165,943	799,353	867,318
Other current assets	9,136,630	10,947,256	10,514,376
Cash and short-term deposits	4,653,788	2,911,135	2,672,100
	<u>21,209,750</u>	<u>25,383,192</u>	<u>25,115,901</u>
Assets classified as held for sale	149,125	226,923	149,125
<b>Total Assets</b>	<u>73,354,231</u>	<u>65,390,755</u>	<u>61,013,251</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	2,135,140	2,135,140	2,135,140
Reserves	15,248,423	13,867,687	13,883,457
Retained earnings	19,262,056	19,022,310	16,238,762
<b>Total equity attributable to equity holders of the Company</b>	<u>36,645,619</u>	<u>35,025,137</u>	<u>32,257,359</u>
Non-controlling interests	7,554,724	7,211,980	6,617,863
<b>Total Equity</b>	<u>44,200,343</u>	<u>42,237,117</u>	<u>38,875,222</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	12,242,494	9,436,495	7,312,336
Deferred tax liabilities	678,010	655,224	635,979
Employee benefits	718,654	635,684	545,527
	<u>13,639,158</u>	<u>10,727,403</u>	<u>8,493,842</u>
<b>Current liabilities</b>			
Interest bearing liabilities	3,736,594	2,723,741	1,626,693
Provisions	-	-	457,751
Trade and other payables	9,783,515	7,074,023	6,402,722
Current tax payable	554,937	538,103	594,741
Other financial liabilities	-	639	-
Bank overdrafts and other short-term borrowings	1,439,684	2,089,729	4,562,280
	<u>15,514,730</u>	<u>12,426,235</u>	<u>13,644,187</u>
<b>Total Equity and Liabilities</b>	<u>73,354,231</u>	<u>65,390,755</u>	<u>61,013,251</u>
<b>Net Assets per share (Rs.)</b>	<b>90.26</b>	86.27	79.45

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  
Colombo,  
27th May 2016

Sgd.  
J.M.S. Brito  
Managing and Finance Director

Sgd.  
Ms. N. Sivapragasam  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2016

	Attributable to equity holders of the Company									
	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 2015 (Re-stated)</b>	2,135,140	127,521	6,544,890	6,387,900	732,476	74,900	19,022,310	35,025,137	7,211,980	42,237,117
Super gain tax	–	–	–	–	–	–	(274,277)	(274,277)	(45,009)	(319,286)
<b>Adjusted balance as at 01st April 2015</b>	2,135,140	127,521	6,544,890	6,387,900	732,476	74,900	18,748,033	34,750,860	7,166,971	41,917,831
Profit for the period	–	–	–	–	–	–	2,027,112	2,027,112	917,167	2,944,279
Other comprehensive income for the period	–	–	–	–	593,835	19,532	32,229	645,596	271,382	916,978
<b>Total comprehensive income for the period</b>	–	–	–	–	593,835	19,532	2,059,341	2,672,708	1,188,549	3,861,257
Share of net assets of equity-accounted investees	–	–	–	–	–	–	(30)	(30)	(10)	(40)
Acquisition of non controlling interest	–	20,919	–	–	(7,386)	–	37,829	51,362	(51,362)	–
Acquisition of Subsidiary with non controlling interest	–	–	–	–	–	–	–	–	17,096	17,096
Effect of capital reduction by subsidiary	–	–	–	–	–	–	–	–	(246,223)	(246,223)
Transaction costs on subsidiary share issue	–	–	–	–	–	–	(17,289)	(17,289)	(2,585)	(19,874)
Transfer to general reserve	–	–	753,836	–	–	–	(753,836)	–	–	–
Dividends for 2014/2015	–	–	–	–	–	–	(811,992)	(811,992)	–	(811,992)
Dividends paid by subsidiary companies to minority shareholders	–	–	–	–	–	–	–	–	(517,712)	(517,712)
<b>Total contributions and distributions, recognised directly in equity</b>	–	20,919	753,836	–	(7,386)	–	(1,545,318)	(777,949)	(800,796)	(1,578,745)
<b>Balance as at 31st March 2016</b>	<b>2,135,140</b>	<b>148,440</b>	<b>7,298,726</b>	<b>6,387,900</b>	<b>1,318,925</b>	<b>94,432</b>	<b>19,262,056</b>	<b>36,645,619</b>	<b>7,554,724</b>	<b>44,200,343</b>

For the year ended 31st March 2015

	Attributable to equity holders of the Company									
	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 2014 (Re-stated) *</b>	2,135,140	127,521	6,390,190	6,541,269	817,683	6,794	16,238,762	32,257,359	6,617,863	38,875,222
Profit for the period	–	–	–	–	–	–	3,579,008	3,579,008	1,304,592	4,883,600
Other comprehensive income for the period	–	–	–	67,757	(85,207)	68,106	(51,623)	(967)	12,766	11,799
<b>Total comprehensive income for the period</b>	–	–	–	67,757	(85,207)	68,106	3,527,385	3,578,041	1,317,358	4,895,399
Share of net assets of equity accounted investees	–	–	–	–	–	–	(1,827)	(1,827)	(625)	(2,452)
Effect of acquisitions, disposals and change in percentage holding in subsidiaries	–	–	–	–	–	–	3,556	3,556	(133,675)	(130,119)
Transfer of revaluation reserve on disposed land	–	–	–	(221,126)	–	–	221,126	–	–	–
Transfer to general reserve	–	–	154,700	–	–	–	(154,700)	–	–	–
Dividends for 2013/2014	–	–	–	–	–	–	(811,992)	(811,992)	–	(811,992)
Dividends paid by subsidiary companies to minority shareholders	–	–	–	–	–	–	–	–	(588,941)	(588,941)
<b>Total contributions and distributions, recognised directly in equity</b>	–	–	154,700	(221,126)	–	–	(743,837)	(810,263)	(723,241)	(1,533,504)
<b>Balance as at 31st March 2015</b>	<b>2,135,140</b>	<b>127,521</b>	<b>6,544,890</b>	<b>6,387,900</b>	<b>732,476</b>	<b>74,900</b>	<b>19,022,310</b>	<b>35,025,137</b>	<b>7,211,980</b>	<b>42,237,117</b>

\* Refer note 7 of the financial statements.

## COMPANY INCOME STATEMENTS

	Quarter ended 31st March		Year ended 31st March	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Revenue</b>	<b>145,663</b>	121,344	<b>624,946</b>	593,174
Revenue taxes	<b>(2,608)</b>	(2,312)	<b>(11,120)</b>	(10,990)
<b>Net revenue</b>	<b>143,055</b>	119,032	<b>613,826</b>	582,184
Other operating income	<b>725,009</b>	166,585	<b>1,553,228</b>	847,437
Employee benefits expense	<b>(94,570)</b>	(105,581)	<b>(454,769)</b>	(412,093)
Depreciation, amortisation and impairment of non-financial assets	<b>(61,983)</b>	(30,112)	<b>(102,961)</b>	(78,946)
Other operating expenses-indirect	<b>(72,082)</b>	(91,760)	<b>(265,755)</b>	(319,036)
<b>Profit from operations</b>	<b>639,429</b>	58,164	<b>1,343,569</b>	619,546
Finance income	<b>148,849</b>	105,316	<b>538,546</b>	449,815
Finance expenses	<b>(158,045)</b>	(91,501)	<b>(524,028)</b>	(394,123)
<b>Net finance income/(expense)</b>	<b>(9,196)</b>	13,815	<b>14,518</b>	55,692
<b>Profit before tax</b>	<b>630,233</b>	71,979	<b>1,358,087</b>	675,238
Income tax expenses	<b>22,959</b>	10,863	<b>42,097</b>	(52,050)
<b>Profit for the period</b>	<b>653,192</b>	82,842	<b>1,400,184</b>	623,188
<b>Earnings per share</b>				
Basic/Diluted (Rs.)	<b>1.61</b>	0.20	<b>3.45</b>	1.53

The above figures are subject to audit.

## COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended 31st March		Year ended 31st March	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Profit for the period</b>	<b>653,192</b>	82,842	<b>1,400,184</b>	623,188
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial gains / (losses) on defined benefit obligations	<b>4,210</b>	(6,915)	<b>4,210</b>	(6,915)
Income tax on other comprehensive income	<b>(1,179)</b>	–	<b>(1,179)</b>	–
	<b>3,031</b>	(6,915)	<b>3,031</b>	(6,915)
<i>Items that are or may be reclassified to profit or loss</i>				
Net change in fair value of available-for-sale financial assets	<b>(761)</b>	699	<b>(1,868)</b>	2,404
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	–	–	<b>(56)</b>	(6,212)
	<b>(761)</b>	699	<b>(1,924)</b>	(3,808)
<b>Other comprehensive income for the period (net of tax)</b>	<b>2,270</b>	(6,216)	<b>1,107</b>	(10,723)
<b>Total comprehensive income for the period</b>	<b>655,462</b>	76,626	<b>1,401,291</b>	612,465

The above figures are subject to audit.

## COMPANY STATEMENT OF FINANCIAL POSITION

<i>As at</i>	<b>31.03.2016</b> <b>Rs.'000</b>	<b>31.03.2015</b> <b>Rs.'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	118,702	143,187
Investment properties	3,434,441	3,437,195
Intangible assets	21,876	30,862
Investments in subsidiaries	7,287,194	7,740,483
Investments in equity-accounted investees	2,850,235	498,980
Deferred tax assets	78,385	–
Other financial assets	43,779	89,733
	<u>13,834,612</u>	<u>11,940,440</u>
<b>Current assets</b>		
Inventories	2,322	1,999
Trade and other receivables	3,189,439	2,849,860
Current tax receivable	206,746	204,687
Deposits and prepayments	38,349	34,350
Other current assets	5,130,226	4,863,453
Cash and short-term deposits	1,397,670	185,561
	<u>9,964,752</u>	<u>8,139,910</u>
Assets classified as held for sale	57,237	135,035
<b>Total Assets</b>	<u>23,856,601</u>	<u>20,215,385</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,135,140	2,135,140
Reserves	7,259,908	6,507,996
Retained earnings	3,890,346	4,086,727
<b>Total Equity</b>	<u>13,285,394</u>	<u>12,729,863</u>
<b>Non-current liabilities</b>		
Interest bearing liabilities	3,684,817	2,690,920
Employee benefits	100,414	98,240
	<u>3,785,231</u>	<u>2,789,160</u>
<b>Current liabilities</b>		
Interest bearing liabilities	1,770,729	1,161,334
Trade and other payables	4,831,831	3,279,879
Other financial liabilities	–	530
Bank overdrafts and other short-term borrowings	183,416	254,619
	<u>6,785,976</u>	<u>4,696,362</u>
<b>Total Equity and Liabilities</b>	<u>23,856,601</u>	<u>20,215,385</u>
<b>Net Assets per share (Rs.)</b>	<b>32.72</b>	<b>31.35</b>

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,  
27th May 2016



## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2016

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April 2015</b>	2,135,140	6,518,178	(10,182)	4,086,727	12,729,863
Super gain tax	–	–	–	(33,768)	(33,768)
<b>Adjusted balance as at 01st April 2015</b>	2,135,140	6,518,178	(10,182)	4,052,959	12,696,095
Profit for the period	–	–	–	1,400,184	1,400,184
Other comprehensive income for the period	–	–	(1,924)	3,031	1,107
<b>Total comprehensive income for the period</b>	–	–	(1,924)	1,403,215	1,401,291
Transfer to general reserve	–	753,836	–	(753,836)	–
Dividends for 2014/2015	–	–	–	(811,992)	(811,992)
<b>Balance as at 31st March 2016</b>	<b>2,135,140</b>	<b>7,272,014</b>	<b>(12,106)</b>	<b>3,890,346</b>	<b>13,285,394</b>

For the year ended 31st March 2015

	Stated capital	General reserve	Available for sale reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April 2014</b>	2,135,140	6,363,478	(6,374)	4,437,146	12,929,390
Profit for the period	–	–	–	623,188	623,188
Other comprehensive income for the period	–	–	(3,808)	(6,915)	(10,723)
<b>Total comprehensive income for the period</b>	–	–	(3,808)	616,273	612,465
Transfer to general reserve	–	154,700	–	(154,700)	–
Dividends for 2013/2014	–	–	–	(811,992)	(811,992)
<b>Balance as at 31st March 2015</b>	<b>2,135,140</b>	<b>6,518,178</b>	<b>(10,182)</b>	<b>4,086,727</b>	<b>12,729,863</b>

## CASH FLOW STATEMENTS

For the year ended 31st March	Group		Company	
	2016 Rs.'000	2015 Rs.'000 (Re-stated)	2016 Rs.'000	2015 Rs.'000
<b>Cash flow from operating activities</b>				
Net profit before taxation	3,805,508	5,709,923	1,358,087	675,238
<b>Adjustments for</b>				
Depreciation and amortisation	1,746,018	1,391,376	52,988	64,627
Impairment of intangible assets and finance lease receivables	50,000	1,007,179	–	–
Interest expense	873,846	806,365	515,532	384,516
(Gain)/loss on disposal of property plant and equipment	(22,697)	(16,100)	(805)	(8,011)
(Gain)/loss on disposal of group investments	–	(6,724)	–	128,974
(Gain)/loss on disposal of equity securities classified as available-for-sale financial assets	(53)	9,315	(53)	(6,212)
Interest income	(647,715)	(623,857)	(538,546)	(449,815)
Share of profit of equity-accounted investees (net of tax)	(232,170)	(330,887)	–	–
Impairment of investments in subsidiaries	–	–	50,000	14,292
Impairment losses/(reversals) of inventories	293,368	152	(27)	27
Impairment losses/(reversals) and write offs of trade and other receivables and deposits	34,204	(20,051)	(926)	3,635
Recognition of assets held for sale	–	(77,798)	–	–
Net unrealised foreign exchange (gain)/loss	876,496	(147,614)	259,235	31,141
Provision for retirement benefit obligations	122,437	127,216	18,655	18,669
	<u>3,093,734</u>	<u>2,118,572</u>	<u>356,053</u>	<u>181,843</u>
<b>Operating profit before working capital changes</b>	<b>6,899,242</b>	<b>7,828,495</b>	<b>1,714,140</b>	<b>857,081</b>
(Increase)/decrease in trade and other receivables	2,855,488	988,728	(338,653)	(84,744)
(Increase)/decrease in inventories	11,489	116,210	(296)	141
(Increase)/decrease in deposits & prepayments	(379,340)	65,417	(3,999)	9,801
Increase/(decrease) in trade and other payables	2,683,335	927,200	1,681,610	819,245
Increase/(decrease) in provisions	–	(457,751)	–	–
	<u>5,170,972</u>	<u>1,639,804</u>	<u>1,338,662</u>	<u>744,443</u>
<b>Cash generated from/(used in) operations</b>	<b>12,070,214</b>	<b>9,468,299</b>	<b>3,052,802</b>	<b>1,601,524</b>
Interest paid	(863,778)	(795,702)	(506,085)	(373,853)
Income tax paid	(1,300,080)	(841,593)	(73,294)	(41,177)
Retirement benefit obligations paid	(91,737)	(81,785)	(12,271)	(13,770)
	<u>(2,255,595)</u>	<u>(1,719,080)</u>	<u>(591,650)</u>	<u>(428,800)</u>
<b>Net cash flow from operating activities</b>	<b>9,814,619</b>	<b>7,749,219</b>	<b>2,461,152</b>	<b>1,172,724</b>
<b>Cash flow from investing activities</b>				
Interest received from deposits	640,025	635,116	540,301	462,106
Assets/liabilities acquired on business combination	(5,476,675)	–	–	–
Investment in subsidiaries & equity-accounted investees	(4,404,787)	(1,013,638)	(2,648,755)	(270,540)
Investment in equity and debt securities	(466)	(5,000)	–	(5,000)
Proceeds from disposal of subsidiary	–	289,587	–	17,252
Capital reduction by subsidiary	(246,223)	–	700,789	–
Acquisition of property, plant and equipment	(2,837,892)	(6,477,417)	(13,706)	(42,601)
Acquisition of intangible assets	(11,914)	(7,541)	(6,991)	(332)
Acquisition of biological assets	(25,838)	–	–	–
Acquisition of leasehold rights	–	(464,842)	–	–
Operating leases pre-paid	(734,516)	(44,003)	–	–
Proceeds from disposal of property, plant and equipment	191,921	191,565	4,738	12,044
Proceeds from disposal of investment property	17,500	–	–	–
Receipts on finance lease receivables	–	147,725	–	–
Proceeds from sale of equity and debt securities	45,801	144,684	45,857	60,346
Proceeds/(purchase) of other financial assets and liabilities (net)	3,289,970	(450,742)	(270,777)	(561,572)
Proceeds on retirement of assets held for sale	77,798	–	77,798	–
Dividends paid to non-controlling interests	(517,712)	(588,941)	–	–
Dividends received from equity-accounted investees	322,234	186,259	–	–
	<u>(9,670,774)</u>	<u>(7,457,188)</u>	<u>(1,570,746)</u>	<u>(328,297)</u>
<b>Net cash flow from investing activities</b>	<b>(9,670,774)</b>	<b>(7,457,188)</b>	<b>(1,570,746)</b>	<b>(328,297)</b>

## CASH FLOW STATEMENTS – CONTD.

<i>For the year ended 31st March</i>	<b>Group</b>		<b>Company</b>	
	<b>2016</b> <b>Rs. '000</b>	<b>2015</b> <b>Rs. '000</b> <b>(Re-stated)</b>	<b>2016</b> <b>Rs. '000</b>	<b>2015</b> <b>Rs. '000</b>
<b>Cash flow from financing activities</b>				
Proceeds from interest-bearing liabilities	<b>6,843,802</b>	5,825,248	<b>2,340,250</b>	394,560
Repayment of interest-bearing liabilities	<b>(3,647,621)</b>	(2,729,268)	<b>(1,000,680)</b>	(382,500)
Issue of shares by subsidiaries	<b>17,094</b>	2,382	<b>–</b>	–
Transaction costs on subsidiary share issue.	<b>(19,874)</b>	–	<b>–</b>	–
Dividends paid to equity holders of the parent	<b>(941,651)</b>	(675,796)	<b>(941,651)</b>	(675,796)
<b>Net cash flow from financing activities</b>	<b>2,251,750</b>	2,422,566	<b>397,919</b>	(663,736)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,395,595</b>	2,714,597	<b>1,288,325</b>	180,691
Cash and cash equivalents at the beginning of the period (Note A)	<b>818,509</b>	(1,893,191)	<b>(74,071)</b>	(249,749)
<b>Cash and cash equivalents at the end of the period</b>	<b>3,214,104</b>	821,406	<b>1,214,254</b>	(69,058)
<b>Cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand & deposits	<b>4,653,788</b>	2,911,135	<b>1,397,670</b>	185,561
Short-term bank borrowings	<b>(1,439,684)</b>	(2,089,729)	<b>(183,416)</b>	(254,619)
<b>Cash and cash equivalents at the end of the period</b>	<b>3,214,104</b>	821,406	<b>1,214,254</b>	(69,058)
<b>Note A</b>				
<b>Cash and cash equivalents at the beginning of the period</b>				
Cash at bank and in hand & deposits	<b>2,911,135</b>	2,672,100	<b>185,561</b>	62,504
Short-term bank borrowings	<b>(2,089,729)</b>	(4,562,280)	<b>(254,619)</b>	(312,410)
<b>Cash and cash equivalents as previously reported</b>	<b>821,406</b>	(1,890,180)	<b>(69,058)</b>	(249,906)
Effect of exchange rate changes	<b>(2,897)</b>	(3,011)	<b>(5,013)</b>	157
<b>Cash and cash equivalents as re-stated</b>	<b>818,509</b>	(1,893,191)	<b>(74,071)</b>	(249,749)

## 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	
	2016 Rs. '000	2015 Rs. '000 (Re-stated)	2016 Rs. '000	2015 Rs. '000 (Re-stated)	2016 Rs. '000	2015 Rs. '000 (Re-stated)	2016 Rs. '000	2015 Rs. '000 (Re-stated)	2016 Rs. '000	2015 Rs. '000 (Re-stated)
<i>For the year ended 31st March</i>										
Total revenue generated	<b>18,249,643</b>	17,829,450	<b>8,278,653</b>	7,738,781	<b>5,941,562</b>	15,165,970	<b>1,181,395</b>	1,086,303	<b>33,651,253</b>	41,820,504
Less: Inter-segmental revenue	<b>14,652</b>	23,496	<b>93,315</b>	290,652	<b>246,843</b>	213,041	<b>203,003</b>	178,086	<b>557,813</b>	705,275
Less: Intra-segmental revenue	<b>1,089,915</b>	985,772	<b>239,067</b>	219,414	<b>635,952</b>	56,365	<b>67,083</b>	29,619	<b>2,032,017</b>	1,291,170
Total revenue with equity-accounted investees	<b>17,145,076</b>	16,820,182	<b>7,946,271</b>	7,228,715	<b>5,058,767</b>	14,896,564	<b>911,309</b>	878,598	<b>31,061,423</b>	39,824,059
Share of equity-accounted investees' revenue	<b>(3,424,568)</b>	(3,006,134)	<b>(681,850)</b>	(482,162)	<b>(969,216)</b>	(1,015,408)	<b>(7,994)</b>	(1,464)	<b>(5,083,628)</b>	(4,505,168)
<b>Revenue from external customers</b>	<b>13,720,508</b>	13,814,048	<b>7,264,421</b>	6,746,553	<b>4,089,551</b>	13,881,156	<b>903,315</b>	877,134	<b>25,977,795</b>	35,318,891
Profit from operations	<b>2,946,956</b>	3,974,501	<b>1,230,874</b>	706,411	<b>(489,206)</b>	825,635	<b>207,878</b>	150,162	<b>3,896,502</b>	5,656,709
Finance income	<b>166,525</b>	265,989	<b>47,726</b>	44,839	<b>415,838</b>	297,811	<b>17,626</b>	15,218	<b>647,715</b>	623,857
Finance expenses	<b>(417,200)</b>	(237,587)	<b>(66,116)</b>	(60,596)	<b>(478,298)</b>	(595,628)	<b>(9,265)</b>	(7,719)	<b>(970,879)</b>	(901,530)
Share of profit of equity-accounted investees (net of tax)	<b>86,771</b>	227,326	<b>118,519</b>	44,830	<b>57,012</b>	84,772	<b>(30,132)</b>	(26,041)	<b>232,170</b>	330,887
<b>Profit before tax</b>	<b>2,783,052</b>	4,230,229	<b>1,331,003</b>	735,484	<b>(494,654)</b>	612,590	<b>186,107</b>	131,620	<b>3,805,508</b>	5,709,923
Income tax expense	<b>(494,607)</b>	(551,968)	<b>(289,162)</b>	(121,611)	<b>(15,494)</b>	(103,644)	<b>(61,966)</b>	(49,100)	<b>(861,229)</b>	(826,323)
<b>Profit for the period</b>	<b>2,288,445</b>	3,678,261	<b>1,041,841</b>	613,873	<b>(510,148)</b>	508,946	<b>124,141</b>	82,520	<b>2,944,279</b>	4,883,600

#### 1.2 Segment analysis of Group assets

	Tourism sector		Maritime & Logistics sector		Strategic investments		Services sector		Total	
	31.03.16 Rs. '000	31.03.15 Rs. '000 (Re-stated)	31.03.16 Rs. '000	31.03.15 Rs. '000 (Re-stated)	31.03.16 Rs. '000	31.03.15 Rs. '000 (Re-stated)	31.03.16 Rs. '000	31.03.15 Rs. '000 (Re-stated)	31.03.16 Rs. '000	31.03.15 Rs. '000 (Re-stated)
<i>As at</i>										
Segment assets	<b>33,606,894</b>	29,979,653	<b>6,133,432</b>	7,141,924	<b>20,173,527</b>	19,426,671	<b>2,694,389</b>	2,713,376	<b>62,608,242</b>	59,261,624
Investments in equity-accounted investees	<b>5,612,048</b>	3,729,241	<b>3,112,779</b>	633,300	<b>863,137</b>	826,780	<b>184,020</b>	214,197	<b>9,771,984</b>	5,403,518
Goodwill on consolidation	-	-	-	-	-	-	-	-	<b>824,880</b>	498,690
Assets classified as held for sale	-	-	-	-	-	-	-	-	<b>149,125</b>	226,923
Eliminations / adjustments	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>39,218,942</b>	33,708,894	<b>9,246,211</b>	7,775,224	<b>21,036,664</b>	20,253,451	<b>2,878,409</b>	2,927,573	<b>73,354,231</b>	65,390,755

- 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 2015 was paid on 10th July 2015, after it was approved at the Annual General Meeting on the 30th June 2015. The total dividend payment for the year ended 31st March 2015 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 2015.

#### 6. Super Gain Tax (SGT)

As per the provisions of part III of the Finance Act No. 10 of 2015, the Group and the Company paid Super Gain Tax of Rs. 319.3 million and Rs. 33.8 million respectively during the quarter ended 31st December 2015. As recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka this expenditure has been recorded as an adjustment to the opening retained earnings reported in the Statement of Changes in Equity as at 1st April 2015.

## NOTES TO THE FINANCIAL STATEMENTS – CONTD.

**7.** Events occurring after the reporting date

The Board of Directors of the Company resolved to recommend a first and final ordinary dividend of Rs. 1.50 per share for the year 2015/2016 to be approved at the Annual General Meeting.

On 6th April 2016 Ace Power Embilipitiya (Pvt) Ltd, a subsidiary company entered into a short term power purchase agreement with the Ceylon Electricity Board (CEB) for a period of one year on the same terms and conditions of the PPA dated 9th May 2003 with amendments to certain clauses, and recommenced generation and supply of power to the national grid.

There were no other material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.

**8.** The consolidated statement of financial position as at 31st March 2015 and the statements of changes in equity for the period ending 31st March 2015 have been restated to adjust for the prior period error correction accounted by Fiji Ports Terminal Limited (FPTL) which affected the period prior to the Group acquiring the controlling stake in the company.

**9.** The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

## NON FINANCIAL INFORMATION

	<b>31.03.2016</b>
<b>1. Stated Capital</b>	
Number of shares represented by the stated capital (31.03.2015 - 405,996,045)	405,996,045
Number of Public Shareholders	4,404
Percentage of shares held by the Public	36.48%
<b>2. Shares Traded</b>	
Market Price per Share - Last traded (Rs.)	73.50
Market Price per Share - Highest (Rs.)	104.50
Market Price per Share - Lowest (Rs.)	67.10

### 3. Shareholding of Directors

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

<b>Name of Director</b>	<b>Position</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
1 D. H. S. Jayawardena	Chairman	Nil	Nil
2 J. M. S. Brito	Managing and Finance Director	309,495	304,495
3 R. M. Fernando	Director	Nil	Nil
4 M. P. Dissanayake	Director	Nil	Nil
5 D.S.T. Jayawardena	Director	27,839	27,839
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 R. N. Asirwatham	Director	1,000	1,000
10 V. M. Fernando	Director (retired w.e.f. 30.06.2015)	N/A	Nil

### 4. Substantial Shareholdings

The twenty largest shareholding as at 31st March 2016, are as follows:

<b>Name of the Shareholder</b>	<b>Shareholding</b>	<b>%</b>
1 Melstacorp Limited	176,193,390	43.40
2 Rubicond Enterprises Limited	65,990,145	16.25
3 HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	24,355,179	6.00
4 Employees' Provident Fund	20,590,978	5.07
5 HSBC International Nominees Limited -BP2S London-Aberdeen Asia Pasific Equity Fund	12,192,300	3.00
6 Mr. G.C. Wickremasinghe	7,308,240	1.80
7 HSBC International Nominees Limited- SSBT-Aberdeen Institutional Commingled funds, LLC	5,795,500	1.43
8 Placidrange Holdings Limited	5,521,500	1.36
9 HSBC International Nominees Limited -BP2S London-Aberdeen New Dawn Investment Trust Xcc6	4,503,555	1.11
10 HSBC International Nominees Limited -BP2S Luxembourg-Aberdeen Global-Frontier Markets Equity Fund	4,502,000	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 (Private) 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 Mr. G.Wickremasinghe	3,019,090	0.74
17 Employees Trust Fund Board	2,621,870	0.65
18 Bank of Ceylon No. 1 Account	2,596,230	0.64
19 National Savings Bank	2,593,516	0.64
20 Mellon Bank N.A.-Florida Retirement System	2,490,000	0.61

## **CORPORATE INFORMATION**

*as at 31st March 2016*

### **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. N. J. de Silva Deva Aditya

Mr. R. N. Asirwatham

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

Mr. V. M. Fernando (Retired w.e.f. 30th June 2015)

### **SECRETARY**

Mr. R. E. V. Casie Chetty

### **REGISTERED OFFICE**

Aitken Spence Tower II

315, Vauxhall Street,

Colombo 02,

Sri Lanka.