

Aitken Spence

Interim Statement
for the year ended 31st March 2018

Aitken Spence[®] 

Aitken Spence PLC

CONSOLIDATED INCOME STATEMENTS

	Quarter ended 31st March		Year ended 31st March	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Revenue	16,582,945	15,365,787	52,734,969	45,892,179
Revenue taxes	(177,341)	(165,414)	(581,848)	(515,589)
Net revenue	16,405,604	15,200,373	52,153,121	45,376,590
Other operating income / (expenses)	(66,124)	(162,888)	543,493	145,245
Changes in inventories of finished goods and work-in-progress	(91,524)	(42,767)	(20,969)	111,852
Raw materials and consumables used	(3,365,532)	(3,473,037)	(11,963,449)	(11,816,151)
Employee benefits expense	(1,992,063)	(2,294,455)	(8,044,419)	(7,474,224)
Depreciation, amortisation and impairment of non-financial assets	(579,244)	(642,334)	(2,542,884)	(2,330,861)
Other operating expenses-direct	(5,044,750)	(4,102,021)	(15,747,595)	(11,871,505)
Other operating expenses-indirect	(2,000,801)	(1,974,961)	(7,269,651)	(6,383,333)
Profit from operations	3,265,566	2,507,910	7,107,647	5,757,613
Finance income	167,115	231,525	743,519	761,496
Finance expenses	(416,587)	(454,996)	(1,733,095)	(1,656,633)
Net finance expense	(249,472)	(223,471)	(989,576)	(895,137)
Share of profit of equity-accounted investees (net of tax)	105,329	91,500	279,745	384,396
Profit before tax	3,121,423	2,375,939	6,397,816	5,246,872
Income tax expenses	(472,974)	(575,633)	(1,248,284)	(1,201,407)
Profit for the period	2,648,449	1,800,306	5,149,532	4,045,465
Attributable to:				
Equity holders of the company	1,809,436	1,230,449	3,560,348	2,890,032
Non-controlling interests	839,013	569,857	1,589,184	1,155,433
Profit for the period	2,648,449	1,800,306	5,149,532	4,045,465
Earnings per share - Basic/Diluted (Rs.)	4.46	3.03	8.77	7.12

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	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Profit for the period	2,648,449	1,800,306	5,149,532	4,045,465
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation of property, plant and equipment	2,858,132	207,671	2,858,132	207,671
Actuarial gains / (losses) on defined benefit obligations	(116,004)	76,155	(116,004)	76,155
Share of other comprehensive income of equity-accounted investees (net of tax)	163,063	85,912	163,063	85,832
Income tax on other comprehensive income	(972,808)	(15,348)	(972,808)	(15,348)
	<u>1,932,383</u>	<u>354,390</u>	<u>1,932,383</u>	<u>354,310</u>
<i>Items that are or may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	254,027	238,733	417,045	862,425
Net change in fair value of available-for-sale financial assets	(1,301)	1,925	1,614	(71,215)
Net movement on cash flow hedges	(213,504)	-	(960,398)	-
Share of other comprehensive income of equity-accounted investees (net of tax)	62,270	103,668	62,743	163,738
Income tax on other comprehensive income	(82)	-	(82)	-
	<u>101,410</u>	<u>344,326</u>	<u>(479,078)</u>	<u>954,948</u>
Other comprehensive income for the period, (net of tax)	2,033,793	698,716	1,453,305	1,309,258
Total comprehensive income for the period	<u>4,682,242</u>	<u>2,499,022</u>	<u>6,602,837</u>	<u>5,354,723</u>
Attributable to:				
Equity holders of the company	3,931,814	1,770,788	5,475,598	3,898,189
Non-controlling interests	750,428	728,234	1,127,239	1,456,534
Total comprehensive income for the period	<u>4,682,242</u>	<u>2,499,022</u>	<u>6,602,837</u>	<u>5,354,723</u>

The above figures are subject to audit.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>As at</i>	31.03.2018 Rs.'000	31.03.2017 Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	59,274,780	50,048,523
Investment properties	1,632,360	1,630,801
Intangible assets	890,378	886,103
Biological assets	47,293	43,583
Leasehold properties	2,023,903	2,042,459
Pre-paid operating leases	2,241,358	1,978,348
Investments in equity-accounted investees	6,334,455	6,060,842
Deferred tax assets	563,391	434,794
Other financial assets	284,588	285,629
	<u>73,292,506</u>	<u>63,411,082</u>
Current assets		
Inventories	1,526,162	1,655,875
Pre-paid operating leases	67,466	72,819
Trade and other receivables	14,146,283	11,664,152
Current tax receivable	243,352	210,095
Deposits and prepayments	1,480,413	1,781,102
Other current assets	7,300,814	10,318,598
Cash and short-term deposits	9,636,419	6,032,612
	<u>34,400,909</u>	<u>31,735,253</u>
Assets classified as held for sale	149,125	149,125
Total Assets	<u>107,842,540</u>	<u>95,295,460</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	2,135,140	2,135,140
Reserves	20,500,926	16,849,379
Retained earnings	22,163,669	20,492,912
Total equity attributable to equity holders of the company	<u>44,799,735</u>	<u>39,477,431</u>
Non-controlling interests	11,484,969	11,315,985
Total Equity	<u>56,284,704</u>	<u>50,793,416</u>
Non-current liabilities		
Interest-bearing liabilities	19,683,396	17,191,011
Deferred tax liabilities	1,949,193	863,958
Employee benefits	1,046,605	850,247
Other liabilities	881,272	597,833
	<u>23,560,466</u>	<u>19,503,049</u>
Current liabilities		
Interest-bearing liabilities	5,780,868	4,829,650
Trade and other payables	12,604,616	11,370,334
Current tax payable	454,427	371,693
Bank overdrafts and other short-term borrowings	9,157,459	8,427,318
	<u>27,997,370</u>	<u>24,998,995</u>
Total Equity and Liabilities	<u>107,842,540</u>	<u>95,295,460</u>
Net assets per share (Rs.)	110.35	97.24

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,
22nd May 2018

Sgd.
J.M.S. Brito
Deputy Chairman and
Managing Director

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2018

	Attributable to equity holders of the company										
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Available for sale 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 2017	2,135,140	148,440	7,976,675	6,580,537	2,110,655	33,072	-	20,492,912	39,477,431	11,315,985	50,793,416
Profit for the period	-	-	-	-	-	-	-	3,560,348	3,560,348	1,589,184	5,149,532
Other comprehensive income for the period	-	-	-	2,073,939	357,991	1,532	(429,240)	(88,972)	1,915,250	(461,945)	1,453,305
Total comprehensive income for the period	-	-	-	2,073,939	357,991	1,532	(429,240)	3,471,376	5,475,598	1,127,239	6,602,837
Share of net assets of equity-accounted investees	-	-	-	-	-	-	-	78,903	78,903	-	78,903
Transfer on disposal of subsidiary	-	-	-	(44,190)	-	-	-	44,190	-	-	-
Acquisition and changes in non-controlling interest	-	-	-	66	(1,298)	-	-	64,548	63,316	(63,316)	-
Purchase of own shares by subsidiary companies	-	-	-	-	-	-	-	(92,515)	(92,515)	(38,428)	(130,943)
Transfer to reserves	-	-	1,692,747	-	-	-	-	(1,692,747)	-	-	-
Final dividends for 2016/2017	-	-	-	-	-	-	-	(202,998)	(202,998)	-	(202,998)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(856,511)	(856,511)
Total contributions and distributions, recognised directly in equity	-	-	1,692,747	(44,124)	(1,298)	-	-	(1,800,619)	(153,294)	(958,255)	(1,111,549)
Balance as at 31st March 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

For the year ended 31st March 2017

	Attributable to equity holders of the company										
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Available for sale 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 2016	2,135,140	148,440	7,298,726	6,387,900	1,318,925	94,432	-	19,262,056	36,645,619	7,554,724	44,200,343
Profit for the period	-	-	-	-	-	-	-	2,890,032	2,890,032	1,155,433	4,045,465
Other comprehensive income for the period	-	-	-	192,637	791,863	(61,360)	-	85,017	1,008,157	301,101	1,309,258
Total comprehensive income for the period	-	-	-	192,637	791,863	(61,360)	-	2,975,049	3,898,189	1,456,534	5,354,723
Share of net assets of equity accounted investees	-	-	-	-	-	-	-	64,858	64,858	(4,043)	60,815
Amount vested on business combinations	-	-	-	-	-	-	-	-	-	3,055,607	3,055,607
Acquisition and changes in non-controlling interest	-	-	-	-	(133)	-	-	(14,613)	(14,746)	(2,590)	(17,336)
Transfer to general reserve	-	-	677,949	-	-	-	-	(677,949)	-	-	-
Final Dividends for 2015/2016	-	-	-	-	-	-	-	(608,994)	(608,994)	-	(608,994)
Interim dividends for 2016/2017	-	-	-	-	-	-	-	(507,495)	(507,495)	-	(507,495)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(744,247)	(744,247)
Total contributions and distributions, recognised directly in equity	-	-	677,949	-	(133)	-	-	(1,744,193)	(1,066,377)	2,304,727	1,238,350
Balance as at 31st March 2017	2,135,140	148,440	7,976,675	6,580,537	2,110,655	33,072	-	20,492,912	39,477,431	11,315,985	50,793,416

COMPANY INCOME STATEMENTS

	Quarter ended 31st March		Year ended 31st March	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Revenue	205,077	148,131	775,534	652,260
Revenue tax	(3,669)	(2,661)	(13,635)	(11,421)
Net revenue	201,408	145,470	761,899	640,839
Other operating income	566,281	999,953	1,942,968	1,767,232
Employee benefits expense	(128,574)	(122,679)	(497,413)	(468,004)
Depreciation, amortisation and impairment (losses) / reversals of non-financial assets	94,418	(143,059)	58,254	(178,363)
Other operating expenses-indirect	(113,675)	(275,305)	(324,929)	(491,653)
Profit from operations	619,858	604,380	1,940,779	1,270,051
Finance income	196,346	214,040	786,067	725,000
Finance expenses	(246,887)	(224,759)	(950,477)	(808,664)
Net finance expense	(50,541)	(10,719)	(164,410)	(83,664)
Profit before tax	569,317	593,661	1,776,369	1,186,387
Income tax expenses	52,420	48,654	97,542	49,693
Profit for the period	621,737	642,315	1,873,911	1,236,080
Earnings per share - Basic/Diluted (Rs.)	1.53	1.58	4.62	3.04

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	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Profit for the period	621,737	642,315	1,873,911	1,236,080
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial gains / (losses) on defined benefit obligations	(8,814)	9,242	(8,814)	9,242
Income tax on other comprehensive income	2,468	(2,588)	2,468	(2,588)
	(6,346)	6,654	(6,346)	6,654
<i>Items that are or may be reclassified to profit or loss</i>				
Net change in fair value of available-for-sale financial assets	99	1,895	(148)	(367)
Income tax on other comprehensive income	(40)	-	(40)	-
	59	1,895	(188)	(367)
Other comprehensive income for the period, (net of tax)	(6,287)	8,549	(6,534)	6,287
Total comprehensive income for the period	615,450	650,864	1,867,377	1,242,367

The above figures are subject to audit.

COMPANY STATEMENT OF FINANCIAL POSITION

<i>As at</i>	31.03.2018 Rs.'000	31.03.2017 Rs.'000
ASSETS		
Non-current assets		
Property, plant & equipment	134,565	141,198
Investment properties	3,428,933	3,431,687
Intangible assets	5,592	11,036
Investments in subsidiaries	7,952,128	7,252,083
Investments in equity-accounted investees	2,755,184	2,755,184
Deferred tax assets	303,115	195,421
Other financial assets	<u>95,194</u>	<u>145,412</u>
	14,674,711	13,932,021
Current assets		
Inventories	2,179	2,183
Trade and other receivables	4,786,472	3,212,249
Current tax receivable	213,054	171,103
Deposits and prepayments	100,169	62,801
Other financial assets	6,459,242	6,182,392
Cash and short-term deposits	<u>1,094,468</u>	<u>1,400,611</u>
	12,655,584	11,031,339
Assets classified as held for sale	<u>57,237</u>	<u>57,237</u>
Total Assets	<u>27,387,532</u>	<u>25,020,597</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	2,135,140	2,135,140
Reserves	9,627,127	7,937,490
Retained earnings	<u>3,313,384</u>	<u>3,338,642</u>
Total Equity	<u>15,075,651</u>	<u>13,411,272</u>
Non-current liabilities		
Interest-bearing liabilities	1,254,628	2,489,974
Employee benefits	<u>134,999</u>	<u>105,246</u>
	1,389,627	2,595,220
Current liabilities		
Interest-bearing liabilities	1,287,811	1,350,941
Trade and other payables	5,842,265	4,402,232
Bank overdrafts and other short-term borrowings	<u>3,792,178</u>	<u>3,260,932</u>
	10,922,254	9,014,105
Total Equity and Liabilities	<u>27,387,532</u>	<u>25,020,597</u>
Net assets per share (Rs.)	37.13	33.03

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,
22nd May 2018

Sgd.
J.M.S. Brito
Deputy Chairman and Managing Director

Sgd.
Ms. N. Sivapragasam
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2018

	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 2017	2,135,140	7,949,963	(12,473)	3,338,642	13,411,272
Profit for the period	–	–	–	1,873,911	1,873,911
Other comprehensive income for the period	–	–	(188)	(6,346)	(6,534)
Total comprehensive income for the period	–	–	((188))	1,867,565	1,867,377
Transfer to general reserve	–	1,689,825	–	(1,689,825)	–
Final Dividends for 2016/2017	–	–	–	(202,998)	(202,998)
Balance as at 31st March 2018	2,135,140	9,639,788	(12,661)	3,313,384	15,075,651

For the year ended 31st March 2017

	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 2016	2,135,140	7,272,014	(12,106)	3,890,346	13,285,394
Profit for the period	–	–	–	1,236,080	1,236,080
Other comprehensive income for the period	–	–	(367)	6,654	6,287
Total comprehensive income for the period	–	–	(367)	1,242,734	1,242,367
Transfer to general reserve	–	677,949	–	(677,949)	–
Final dividends for 2015/2016	–	–	–	(608,994)	(608,994)
Interim dividends for 2016/2017	–	–	–	(507,495)	(507,495)
Balance as at 31st March 2017	2,135,140	7,949,963	(12,473)	3,338,642	13,411,272

STATEMENTS OF CASH FLOWS

For the year ended 31st March	Group		Company	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Cash flow from operating activities				
Profit before taxation	6,397,816	5,246,872	1,776,369	1,186,387
Adjustments for				
Depreciation and amortisation	2,614,764	2,330,031	47,941	48,300
Interest expense	1,579,151	1,535,125	948,016	806,791
Gain on disposal of property plant and equipment	(18,615)	(28,205)	(8,119)	(2,568)
Gain on disposal of group investments	(309,202)	(18,573)	(14,350)	(3,256)
(Gain) / loss on disposal of equity securities classified as available-for-sale financial assets	315	–	–	–
Interest income	(743,519)	(761,496)	(786,067)	(725,000)
Share of profit of equity-accounted investees (net of tax)	(279,745)	(384,396)	–	–
Impairment of investments in subsidiaries	–	–	(106,195)	130,063
Impairment losses / (reversals) of inventories	(71,880)	830	–	–
Impairment losses / (reversals) and write offs of trade & other receivables	35,390	20,062	(416)	198,785
Net foreign exchange (gain)/loss	324,979	357,342	61,821	176,414
Provision for retirement benefit obligations	219,275	167,650	23,954	19,781
	<u>3,350,913</u>	<u>3,218,370</u>	<u>166,585</u>	<u>649,310</u>
Operating profit before working capital changes	9,748,729	8,465,242	1,942,954	1,835,697
(Increase)/decrease in trade and other receivables	(2,552,268)	(3,403,838)	(1,573,807)	(221,595)
(Increase)/decrease in inventories	195,288	(457,239)	4	139
(Increase)/decrease in deposits and prepayments	298,238	(197,532)	(37,368)	(24,452)
Increase/(decrease) in trade and other payables	1,779,948	(1,443,745)	1,942,360	(939,724)
	<u>(278,794)</u>	<u>(5,502,354)</u>	<u>331,189</u>	<u>(1,185,632)</u>
Cash generated from operations	9,469,935	2,962,888	2,274,143	650,065
Interest paid	(1,573,961)	(1,524,997)	(942,825)	(799,468)
Income tax paid	(1,212,006)	(1,336,415)	(49,676)	(34,287)
Retirement benefit obligations paid	(132,262)	(85,662)	(3,015)	(5,707)
	<u>(2,918,229)</u>	<u>(2,947,074)</u>	<u>(995,516)</u>	<u>(839,462)</u>
Net cash flow from operating activities	6,551,706	15,814	1,278,627	(189,397)
Cash flow from investing activities				
Interest received from deposits	743,492	761,496	786,067	725,000
Cash and cash equivalents vested on business combination	–	3,110,578	–	–
Investment in subsidiaries and equity-accounted investees	–	(75,095)	(594,500)	(52)
Investment in equity and debt securities	(100,000)	(150,000)	–	(150,000)
Net cash flow on divestment of subsidiaries (Note B)	737,712	(10,846)	15,000	–
Purchase of property, plant and equipment	(7,236,958)	(5,843,687)	(41,934)	(67,036)
Purchase of intangible assets	(18,568)	(23,696)	(821)	(1,767)
Purchase of biological assets	(8,172)	(18,159)	–	–
Operating leases pre-paid	(281,771)	(37,666)	–	–
Proceeds from disposal of property, plant and equipment	53,593	88,190	17,764	14,169
Proceeds from disposal of intangible assets	10	–	–	–
Proceeds from sale of equity and debt securities	73,330	45,711	48,570	45,711
Proceeds / (purchase) of other financial assets and liabilities (net)	1,698,172	(1,305,109)	(275,351)	(1,049,876)
Final liquidation proceeds of subsidiary	–	3,356	–	3,356
Dividends paid to non-controlling interests	(856,511)	(744,247)	–	–
Dividends received from equity-accounted investees	310,841	204,454	–	–
Net cash flow from investing activities	(4,884,830)	(3,994,720)	(45,205)	(480,495)

STATEMENTS OF CASH FLOWS – CONTD.

<i>For the year ended 31st March</i>	Group		Company	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Cash flow from financing activities				
Proceeds from interest-bearing liabilities	8,440,895	3,624,754	–	–
Repayment of interest-bearing liabilities	(6,407,690)	(4,659,051)	(1,366,917)	(1,799,587)
Purchase of own shares by subsidiary companies	(130,943)	–	–	–
Dividends paid to equity holders of the parent	(705,325)	(606,364)	(705,325)	(606,364)
Net cash flow from financing activities	1,196,937	(1,640,661)	(2,072,242)	(2,405,951)
Net increase/(decrease) in cash and cash equivalents	2,863,813	(5,619,567)	(838,820)	(3,075,843)
Cash and cash equivalents at the beginning of the period (Note A)	(2,384,853)	3,224,861	(1,858,890)	1,215,522
Cash and cash equivalents at the end of the period	478,960	(2,394,706)	(2,697,710)	(1,860,321)
Cash and cash equivalents at the end of the period				
Cash at bank and in hand & deposits	9,636,419	6,032,612	1,094,468	1,400,611
Short-term bank borrowings	(9,157,459)	(8,427,318)	(3,792,178)	(3,260,932)
Cash and cash equivalent at the end of the period	478,960	(2,394,706)	(2,697,710)	(1,860,321)
Note A				
Cash and cash equivalents at the beginning of the period				
Cash at bank and in hand & deposits	6,032,612	4,653,788	1,400,611	1,397,670
Short-term bank borrowings	(8,427,318)	(1,439,684)	(3,260,932)	(183,416)
Cash and cash equivalent as previously reported	(2,394,706)	3,214,104	(1,860,321)	1,214,254
Effect of exchange rate changes	9,853	10,757	1,431	1,268
Cash and cash equivalent as restated	(2,384,853)	3,224,861	(1,858,890)	1,215,522

Note B Divestment of subsidiaries.

During the period under review the Group divested its investments in the former subsidiaries M.P.S.Hotels (Pvt) Ltd., Vauxhall Cargo Logistics (Pvt) Ltd., and Spence Logistics (Pvt) Ltd., by sale or liquidation of the companies. The fair values of assets and liabilities thus divested by the group are as follows;

	Rs. '000
Property, plant & equipment	444,877
Inventories	4,486
Trade and other receivables	34,747
Deposits and prepayments	2,451
Deferred tax	(6,873)
Current tax receivable	1,655
Employee benefits	(9,494)
Trade and other payables	(43,339)
Cash and cash equivalent	(5,006)
Total identifiable net assets divested	423,504
Non-controlling interest divested	78,473
Gain on disposal	230,729
Cash and cash equivalents divested	5,006
Net cash inflow on divestment of subsidiaries	737,712

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 year ended</i>										
<i>31st March</i>	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Total revenue generated	28,468,218	24,083,360	10,701,001	9,933,383	19,350,600	18,196,279	1,973,690	1,689,148	60,493,509	53,902,170
Less: Inter-segmental revenue	18,854	10,846	333,892	315,074	396,737	321,508	210,417	228,875	959,900	876,303
Less: Intra-segmental revenue	2,337,736	1,960,375	344,148	320,439	748,387	663,727	72,168	67,999	3,502,439	3,012,540
Total revenue with equity-accounted investees	26,111,628	22,112,139	10,022,961	9,297,870	18,205,476	17,211,044	1,691,105	1,392,274	56,031,170	50,013,327
Share of equity-accounted investees' revenue	(371,124)	(1,658,664)	(1,437,602)	(1,256,735)	(1,433,662)	(1,198,893)	(53,813)	(6,856)	(3,296,201)	(4,121,148)
Revenue from external customers	25,740,504	20,453,475	8,585,359	8,041,135	16,771,814	16,012,151	1,637,292	1,385,418	52,734,969	45,892,179
Profit from operations	3,801,155	2,734,385	1,462,713	1,469,409	1,560,367	1,311,847	283,412	241,972	7,107,647	5,757,613
Finance income	627,452	454,573	52,078	61,747	53,629	234,990	10,360	10,186	743,519	761,496
Finance expenses	(1,163,099)	(999,733)	(112,235)	(87,750)	(440,856)	(556,499)	(16,905)	(12,651)	(1,733,095)	(1,656,633)
Share of profit / (loss) of equity-accounted investees (net of tax)	(138,376)	(62,459)	356,367	367,548	105,256	122,465	(43,502)	(43,158)	279,745	384,396
Profit before tax	3,127,132	2,126,766	1,758,923	1,810,954	1,278,396	1,112,803	233,365	196,349	6,397,816	5,246,872
Income tax expense	(748,615)	(674,250)	(382,103)	(375,558)	(31,530)	(72,923)	(86,036)	(78,676)	(1,248,284)	(1,201,407)
Profit for the period	2,378,517	1,452,516	1,376,820	1,435,396	1,246,866	1,039,880	147,329	117,673	5,149,532	4,045,465

1.2 Segment analysis of Group assets

	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
<i>As at</i>	31.03.2018 Rs.'000	31.03.2017 Rs.'000	31.03.2018 Rs.'000	31.03.2017 Rs.'000	31.03.2018 Rs.'000	31.03.2017 Rs.'000	31.03.2018 Rs.'000	31.03.2017 Rs.'000	31.03.2018 Rs.'000	31.03.2017 Rs.'000
Segment assets	63,890,431	56,494,140	10,209,845	8,880,141	29,483,972	24,613,100	4,062,292	3,330,551	107,646,540	93,317,932
Investments in equity-accounted investees	1,161,000	1,297,164	3,988,331	3,625,941	1,087,587	996,697	97,537	141,040	6,334,455	6,060,842
Goodwill on consolidation	—	—	—	—	—	—	—	—	853,060	843,470
Assets classified as held for sale	—	—	—	—	—	—	—	—	149,125	149,125
Eliminations / adjustments	—	—	—	—	—	—	—	—	(7,140,640)	(5,075,909)
Total assets	65,051,431	57,791,304	14,198,176	12,506,082	30,571,559	25,609,797	4,159,829	3,471,591	107,842,540	95,295,460

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 final ordinary dividend of Rs. 0.50 per share for the year ended 31st March 2017 was paid on 11th July 2017, after it was approved at the Annual General Meeting on the 30th June 2017. Total dividend paid was Rs. 202,998,022.50.
4. There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.
5. 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 2017.
6. **Disposal of subsidiary**
Aitken Spence Hotel Holdings PLC a Group company divested its entire holding in its fully owned subsidiary M.P.S. Hotels (Pvt) Ltd., on the 21st of September 2017. The resultant gain on disposal of this investment is reflected under other operating income.
7. **Cash flow hedging**
During the period under review Ahungalla Resorts Ltd., a group company, designated its identified foreign currency loan as the hedging instrument in order to hedge against the company's exposure to the changes in foreign exchange rates on the variable cash flows from the highly probable future foreign currency revenue.
Consequently the effective portion of gain or loss on the hedging instrument will be recognised in the cash flow hedge reserve, through other comprehensive income while any ineffective portion will be recognised immediately in the statement of profit or loss.
8. **Tax Expense**
The Inland Revenue Act, No 24 of 2017 which was certified on the 24th of October 2017 will be effective from 1st April 2018 . The deferred tax asset/ liability of the Company and the Group for 2017/2018 is accounted based on the income tax rates that would be applicable as per the above Act.
The income tax provisions for the period ending 31st March 2018 were made based on the rates applicable for the year of assessment 2017/2018.
9. **Events occurring after the reporting date**
The Board of Directors of the Company resolved to recommend a final ordinary dividend of Rs. 2.00 per share for the year 2017/2018 to be approved at the Annual General Meeting.
There were no other material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.
10. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The presentation and classification of the financial statements of the previous period have been adjusted where relevant, for better presentation and to be comparable with year end reporting.

NON FINANCIAL INFORMATION

31.03.2018

1. Stated Capital

Number of shares represented by the stated capital (31.03.2017 - 405,996,045)	405,996,045
Number of Public Shareholders	4,779
Percentage of shares held by the Public	46.96%
Floated adjusted market capitalisation - Rs.'000	9,647,653

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.)	50.60
Market Price per Share - Highest (Rs.)	55.00
Market Price per Share - Lowest (Rs.)	49.80

3. Shareholding of Directors

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

Name of Director	Position	31.03.2018	31.03.2017
1 D.H.S. Jayawardena	Chairman	Nil	Nil
2 J.M.S. Brito	Deputy Chairman and Managing Director	505,495	309,495
3 R.M. Fernando	Director	Nil	Nil
4 D.S.T. Jayawardena	Director	27,839	27,839
5 G.C. Wickremasinghe	Director	7,308,240	7,308,240
6 C.H. Gomez	Director	Nil	Nil
7 N. J. de Silva Deva Aditya	Director	Nil	Nil
8 R.N. Asirwatham	Director	1,000	1,000
9 A.L. Gooneratne	Alternate Director to Mr. N.J. de Silva Deva Aditya	Nil	Nil
10 M.P. Dissanayake (Resigned w.e.f. 01. 06. 2017)	Director	N/A	Nil

4. Substantial Shareholdings

The twenty largest shareholding as at 31st March 2018, are as follows ;

	Name of the Share Holder	Shareholding	%
1	Melstacorp PLC	199,623,617	49.17
2	Rubicond Enterprises Limited	65,990,145	16.25
3	Employees' Provident Fund	20,590,978	5.07
4	HSBC International Nominees Limited-BPSS LUX-Aberdeen Global-Asian Smaller Companies Fund	17,915,873	4.41
5	Mr. G.C. Wickremasinghe	7,308,240	1.80
6	Placidrange Holdings Limited	5,521,500	1.36
7	Renuka Hotels Limited	5,479,990	1.35
8	Milford Exports (Ceylon) (Pvt) Limited	4,321,500	1.06
9	HSBC International Nominees Limited -BP2S London-Aberdeen Asia Pasific Equity Fund	3,400,000	0.84
10	Stassen Exports (Pvt) Limited	3,244,500	0.80
11	Ms. A.T. Wickremasinghe	3,211,975	0.79
12	Mrs. K. Fernando	3,135,070	0.77
13	Mr. G.Wickremasinghe	3,019,090	0.74
14	Northern Trust Company S/A Hosking Global Fund PLC	2,883,313	0.71
15	Employees Trust Fund Board	2,621,870	0.65
16	Bank of Ceylon No. 1 Account	2,596,230	0.64
17	National Savings Bank	2,593,516	0.64
18	The Ceylon Investment PLC A/c No. 02	1,674,000	0.41
19	The Ceylon Guardian Investment Trust PLC A/c No. 02	1,674,000	0.41
20	Mr. A.B. Rodrigo	1,284,720	0.32

CORPORATE INFORMATION

as at 31st March 2018

DIRECTORS

Deshamanya D.H.S. Jayawardena - Chairman

Mr. J.M.S. Brito - Deputy Chairman and Managing Director

Dr. R.M. Fernando

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)

Dr. M.P. Dissanayake (Resigned w.e.f. 01st June 2017)

SECRETARIES

Aitken Spence Corporate Finance (Private) Limited.

REGISTERED OFFICE

Aitken Spence Tower II

315, Vauxhall Street,

Colombo 02,

Sri Lanka.