

Aitken Spence

**Interim Statements**  
*for the year ended 31st March 2019*

Aitken Spence<sup>®</sup> 

**Aitken Spence PLC**

## CONSOLIDATED INCOME STATEMENTS

	Quarter ended 31st March		Year ended 31st March	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<b>Revenue</b>	<b>18,986,006</b>	16,582,945	<b>55,680,903</b>	52,734,969
Revenue taxes	<b>(183,938)</b>	(177,341)	<b>(617,833)</b>	(581,848)
<b>Net revenue</b>	<b>18,802,068</b>	16,405,604	<b>55,063,070</b>	52,153,121
Other operating income	<b>(214,578)</b>	(66,124)	<b>702,629</b>	543,493
Changes in inventories of finished goods and work-in-progress	<b>(256,561)</b>	(91,524)	<b>297,560</b>	(20,969)
Raw materials and consumables used	<b>(4,365,868)</b>	(3,365,532)	<b>(10,861,524)</b>	(11,963,449)
Employee benefits expense	<b>(2,281,088)</b>	(1,992,063)	<b>(8,739,856)</b>	(8,044,419)
Depreciation, amortisation and impairment of non-financial assets	<b>(761,192)</b>	(605,956)	<b>(2,918,102)</b>	(2,569,596)
Other operating expenses-direct	<b>(5,501,027)</b>	(4,931,098)	<b>(18,027,448)</b>	(15,633,943)
Other operating expenses-indirect	<b>(1,972,459)</b>	(2,114,453)	<b>(7,499,878)</b>	(7,383,303)
<b>Profit from operations</b>	<b>3,449,295</b>	3,238,854	<b>8,016,451</b>	7,080,935
Finance income	<b>205,543</b>	167,115	<b>757,845</b>	743,519
Finance expenses	<b>(477,844)</b>	(416,587)	<b>(1,880,929)</b>	(1,733,095)
<b>Net finance expense</b>	<b>(272,301)</b>	(249,472)	<b>(1,123,084)</b>	(989,576)
Share of profit of equity-accounted investees (net of tax)	<b>130,658</b>	132,041	<b>389,241</b>	306,457
<b>Profit before tax</b>	<b>3,307,652</b>	3,121,423	<b>7,282,608</b>	6,397,816
Income tax expenses	<b>(426,542)</b>	(472,974)	<b>(1,511,258)</b>	(1,248,284)
<b>Profit for the period</b>	<b>2,881,110</b>	2,648,449	<b>5,771,350</b>	5,149,532
<b>Attributable to:</b>				
Equity holders of the company	<b>1,882,187</b>	1,809,436	<b>4,077,067</b>	3,560,348
Non-controlling interests	<b>998,923</b>	839,013	<b>1,694,283</b>	1,589,184
<b>Profit for the period</b>	<b>2,881,110</b>	2,648,449	<b>5,771,350</b>	5,149,532
<b>Earnings per share</b>				
Basic/Diluted (Rs.)	<b>4.64</b>	4.46	<b>10.04</b>	8.77

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	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<b>Profit for the period</b>	<b>2,881,110</b>	2,648,449	<b>5,771,350</b>	5,149,532
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Revaluation of property, plant and equipment	373,720	2,858,132	373,720	2,858,132
Actuarial gains / (losses) on defined benefit obligations	71,917	(116,004)	71,917	(116,004)
Equity investments at FVOCI – net change in fair value	5,600	–	(4,450)	–
Share of other comprehensive income of equity-accounted investees (net of tax)	(12,106)	163,063	(12,106)	163,063
Income tax on other comprehensive income	(104,334)	(972,808)	(104,334)	(972,808)
	<u>334,797</u>	<u>1,932,383</u>	<u>324,747</u>	<u>1,932,383</u>
<b>Items that are or may be reclassified to profit or loss</b>				
Exchange differences on translation of foreign operations	(674,099)	254,027	1,907,579	417,045
Available-for-sale financial assets – net change in fair value	–	(1,301)	–	1,614
Net movement on cash flow hedges	364,223	(213,504)	(84,129)	(960,398)
Share of other comprehensive income of equity-accounted investees (net of tax)	(48,391)	62,270	136,374	62,743
Income tax on other comprehensive income	–	(82)	–	(82)
	<u>(358,267)</u>	<u>101,410</u>	<u>1,959,824</u>	<u>(479,078)</u>
<b>Other comprehensive income for the period, (net of tax)</b>	<b>(23,470)</b>	2,033,793	<b>2,284,571</b>	1,453,305
<b>Total comprehensive income for the period</b>	<b>2,857,640</b>	4,682,242	<b>8,055,921</b>	6,602,837
<b>Attributable to:</b>				
Equity holders of the company	1,871,353	3,931,814	5,789,413	5,475,598
Non-controlling interests	986,287	750,428	2,266,508	1,127,239
<b>Total comprehensive income for the period</b>	<b>2,857,640</b>	4,682,242	<b>8,055,921</b>	6,602,837

The above figures are subject to audit.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>As at</i>	<b>31.03.2019</b> Rs.'000	<b>31.03.2018</b> Rs.'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	71,590,332	59,274,780
Investment properties	1,632,100	1,632,360
Intangible assets	945,468	890,378
Biological assets	49,332	47,293
Leasehold properties	2,214,519	2,023,903
Pre-paid operating leases	2,366,966	2,241,358
Investments in equity-accounted investees	6,434,116	6,334,455
Deferred tax assets	690,924	563,391
Other financial assets	834,096	873,340
	<u>86,757,853</u>	<u>73,881,258</u>
<b>Current assets</b>		
Inventories	2,202,047	1,526,162
Pre-paid operating leases	76,232	67,466
Trade and other receivables	15,143,496	13,557,531
Current tax receivable	186,158	243,352
Deposits and prepayments	2,018,261	1,480,413
Other financial assets	10,515,935	7,300,814
Cash and short-term deposits	7,932,428	9,636,419
	<u>38,074,557</u>	<u>33,812,157</u>
Assets classified as held for sale	164,125	149,125
<b>Total Assets</b>	<u>124,996,535</u>	<u>107,842,540</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,135,140	2,135,140
Reserves	23,416,042	20,500,926
Retained earnings	23,899,401	22,163,669
<b>Total equity attributable to equity holders of the company</b>	<u>49,450,583</u>	<u>44,799,735</u>
Non-controlling interests	12,635,237	11,484,969
<b>Total Equity</b>	<u>62,085,820</u>	<u>56,284,704</u>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	29,379,904	19,683,396
Deferred tax liabilities	2,283,840	1,949,193
Employee benefits	1,010,405	1,046,605
Other liabilities	1,851,909	881,272
	<u>34,526,058</u>	<u>23,560,466</u>
<b>Current liabilities</b>		
Interest-bearing liabilities	3,583,499	5,780,868
Trade and other payables	13,307,432	12,604,616
Current tax payable	436,021	454,427
Bank overdrafts and other short-term borrowings	11,057,705	9,157,459
	<u>28,384,657</u>	<u>27,997,370</u>
<b>Total Equity and Liabilities</b>	<u>124,996,535</u>	<u>107,842,540</u>
<b>Net assets per share (Rs.)</b>	<b>121.80</b>	<b>110.35</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.  
Deshamanya D.H.S. Jayawardena  
Chairman

Colombo,  
23rd May 2019

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

sgd.  
Ms. N. Sivapragasam  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2019

	Attributable to equity holders of the company										
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 01st April 2018</b>	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
Adjustment on initial application of IFRS 9, net of tax (Note 09)	-	-	-	-	-	(37,359)	-	17,321	(20,038)	(4,533)	(24,571)
<b>Adjusted balance as at 01st April 2018</b>	2,135,140	148,440	9,669,422	8,610,352	2,467,348	(2,755)	(429,240)	22,180,990	44,779,697	11,480,436	56,260,133
Profit for the period	-	-	-	-	-	-	-	4,077,067	4,077,067	1,694,283	5,771,350
Other comprehensive income for the period	-	-	-	280,672	1,435,593	(3,992)	(37,601)	37,674	1,712,346	572,225	2,284,571
<b>Total comprehensive income for the period</b>	-	-	-	280,672	1,435,593	(3,992)	(37,601)	4,114,741	5,789,413	2,266,508	8,055,921
Share of net assets of equity-accounted investees	-	-	-	-	-	-	-	80,041	80,041	-	80,041
Acquisition and changes in non-controlling interest	-	-	-	33	36	-	-	19,351	19,420	(19,420)	-
Transfer to reserves	-	-	1,277,734	-	-	-	-	(1,277,734)	-	-	-
Final dividends for 2017/2018	-	-	-	-	-	-	-	(811,992)	(811,992)	-	(811,992)
Interim dividends for 2018/2019	-	-	-	-	-	-	-	(405,996)	(405,996)	-	(405,996)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,092,287)	(1,092,287)
<b>Total contributions and distributions, recognised directly in equity</b>	-	-	1,277,734	33	36	-	-	(2,396,330)	(1,118,527)	(1,111,707)	(2,230,234)
<b>Balance as at 31st March 2019</b>	<b>2,135,140</b>	<b>148,440</b>	<b>10,947,156</b>	<b>8,891,057</b>	<b>3,902,977</b>	<b>(6,747)</b>	<b>(466,841)</b>	<b>23,899,401</b>	<b>49,450,583</b>	<b>12,635,237</b>	<b>62,085,820</b>

For year ended 31st March 2018

	Attributable to equity holders of the company										
	Stated capital	Other capital reserves	General reserves	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 01st April 2017</b>	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
<b>Total comprehensive income for the period</b>	-	-	-	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)
<b>Total contributions and distributions, recognised directly in equity</b>	-	-	1,692,747	(44,124)	(1,298)	-	-	(1,800,619)	(153,294)	(958,255)	(1,111,549)
<b>Balance as at 31st March 2018</b>	<b>2,135,140</b>	<b>148,440</b>	<b>9,669,422</b>	<b>8,610,352</b>	<b>2,467,348</b>	<b>34,604</b>	<b>(429,240)</b>	<b>22,163,669</b>	<b>44,799,735</b>	<b>11,484,969</b>	<b>56,284,704</b>

## COMPANY INCOME STATEMENTS

	Quarter ended 31st March		Year ended 31st March	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<b>Revenue</b>	<b>192,998</b>	205,077	<b>806,463</b>	775,534
Revenue taxes	<u>(3,078)</u>	<u>(3,669)</u>	<u>(13,293)</u>	<u>(13,635)</u>
<b>Net revenue</b>	<b>189,920</b>	201,408	<b>793,170</b>	761,899
Other operating income	<b>693,596</b>	566,281	<b>2,901,156</b>	1,942,968
Employee benefits expense	<b>(121,157)</b>	(128,574)	<b>(476,388)</b>	(497,413)
Depreciation, amortisation and impairment (losses) / reversals of non-financial assets	<b>(67,634)</b>	94,418	<b>(100,525)</b>	58,254
Other operating expenses-indirect	<u>(201,475)</u>	<u>(113,675)</u>	<u>(433,810)</u>	<u>(324,929)</u>
<b>Profit from operations</b>	<b>493,250</b>	619,858	<b>2,683,603</b>	1,940,779
Finance income	<b>216,213</b>	196,346	<b>831,667</b>	786,067
Finance expenses	<u>(355,740)</u>	<u>(246,887)</u>	<u>(1,226,907)</u>	<u>(950,477)</u>
<b>Net finance expense</b>	<b>(139,527)</b>	(50,541)	<b>(395,240)</b>	(164,410)
<b>Profit before tax</b>	<b>353,723</b>	569,317	<b>2,288,363</b>	1,776,369
Income tax expenses	<b>46,576</b>	52,420	<b>(78,968)</b>	97,542
<b>Profit for the period</b>	<b>400,299</b>	621,737	<b>2,209,395</b>	1,873,911
<b>Earnings per share</b>				
Basic/Diluted (Rs.)	<b>0.99</b>	1.53	<b>5.44</b>	4.62

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	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<b>Profit for the period</b>	<b>400,299</b>	621,737	<b>2,209,395</b>	1,873,911
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Actuarial gains / (losses) on defined benefit obligations	13,963	(8,814)	13,963	(8,814)
Equity investments at FVOCI – net change in fair value	1,401	–	(4,625)	–
Income tax on other comprehensive income	(3,434)	2,468	(3,434)	2,468
	<u>11,930</u>	<u>(6,346)</u>	<u>5,904</u>	<u>(6,346)</u>
<b>Items that are or may be reclassified to profit or loss</b>				
Available-for-sale financial assets – net change in fair value	–	99	–	(148)
Income tax on other comprehensive income	–	(40)	–	(40)
	<u>–</u>	<u>59</u>	<u>–</u>	<u>(188)</u>
<b>Other comprehensive income for the period, (net of tax)</b>	<b>11,930</b>	(6,287)	<b>5,904</b>	(6,534)
<b>Total comprehensive income for the period</b>	<b>412,229</b>	615,450	<b>2,215,299</b>	1,867,377

The above figures are subject to audit.

## COMPANY STATEMENT OF FINANCIAL POSITION

<i>As at</i>	<b>31.03.2019</b> Rs.'000	<b>31.03.2018</b> Rs.'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	155,627	134,565
Investment properties	3,426,085	3,428,933
Intangible assets	8,229	5,592
Investments in subsidiaries	10,148,778	7,995,933
Investments in equity-accounted investees	2,786,545	2,711,379
Deferred tax assets	299,592	303,115
Other financial assets	40,568	95,194
	<u>16,865,424</u>	<u>14,674,711</u>
<b>Current assets</b>		
Inventories	2,058	2,179
Trade and other receivables	3,606,397	4,786,472
Current tax receivable	146,307	213,054
Deposits and prepayments	93,576	100,169
Other financial assets	10,268,044	6,459,242
Cash and short-term deposits	2,036,706	1,094,468
	<u>16,153,088</u>	<u>12,655,584</u>
Assets classified as held for sale	72,237	57,237
<b>Total Assets</b>	<u><u>33,090,749</u></u>	<u><u>27,387,532</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,135,140	2,135,140
Reserves	10,898,187	9,627,127
Retained earnings	3,038,249	3,313,384
<b>Total Equity</b>	<u>16,071,576</u>	<u>15,075,651</u>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	2,757,893	1,254,628
Employee benefits	80,576	134,999
	<u>2,838,469</u>	<u>1,389,627</u>
<b>Current liabilities</b>		
Interest-bearing liabilities	1,303,220	1,287,811
Trade and other payables	7,207,918	5,842,265
Bank overdrafts and other short-term borrowings	5,669,566	3,792,178
	<u>14,180,704</u>	<u>10,922,254</u>
<b>Total Equity and Liabilities</b>	<u><u>33,090,749</u></u>	<u><u>27,387,532</u></u>
<b>Net assets per share (Rs.)</b>	<b>39.59</b>	37.13

The above figures are subject to audit.

The Chief Financial Officer certifies that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

sgd.  
Deshamanya D.H.S. Jayawardena  
Chairman  
Colombo,  
23rd May 2019

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

sgd.  
Ms. N. Sivapragasam  
Chief Financial Officer

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2019

	Stated capital	General reserve	Fair value reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April 2018</b>	2,135,140	9,639,788	(12,661)	3,313,384	15,075,651
Adjustment on initial application of IFRS 9, net of tax (Note 09)	–	–	(2,495)	1,109	(1,386)
<b>Adjusted balance as at 01st April 2018</b>	2,135,140	9,639,788	(15,156)	3,314,493	15,074,265
Profit for the period	–	–	–	2,209,395	2,209,395
Other comprehensive income for the period	–	–	(4,149)	10,053	5,904
<b>Total comprehensive income for the period</b>	–	–	(4,149)	2,219,448	2,215,299
Transfer to general reserve	–	1,277,704	–	(1,277,704)	–
Final Dividends for 2017/2018	–	–	–	(811,992)	(811,992)
Interim dividends for 2018/2019	–	–	–	(405,996)	(405,996)
<b>Balance as at 31st March 2019</b>	<b>2,135,140</b>	<b>10,917,492</b>	<b>(19,305)</b>	<b>3,038,249</b>	<b>16,071,576</b>

For the year ended 31st March 2018

	Stated capital	General reserve	Fair value reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01st April 2017</b>	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)
<b>Total comprehensive income for the period</b>	–	–	(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)
<b>Balance as at 31st March 2018</b>	<b>2,135,140</b>	<b>9,639,788</b>	<b>(12,661)</b>	<b>3,313,384</b>	<b>15,075,651</b>

## STATEMENTS OF CASH FLOWS

For the year ended 31st March	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<b>Cash flow from operating activities</b>				
Profit before taxation	7,282,608	6,397,816	2,288,363	1,776,369
<b>Adjustments for</b>				
Depreciation and amortisation	2,903,256	2,614,764	47,001	47,941
Interest expense	1,680,143	1,579,151	1,222,137	948,016
Gain on disposal of property plant and equipment	(59,035)	(18,615)	(2,234)	(8,119)
Loss on disposal of investment property	–	–	–	–
Gain on disposal of group investments	(800)	(309,202)	(800)	(14,350)
Gain on disposal of equity securities – at FVTPL	(509)	–	(509)	–
Loss on disposal of equity securities – at FVOCI	5,556	–	–	–
Loss on disposal of equity securities – available for sale financial assets	–	315	–	–
Interest income	(757,845)	(743,519)	(831,667)	(786,067)
Share of profit of equity-accounted investees (net of tax)	(389,241)	(306,457)	–	–
Impairment losses / (reversals) of investments in subsidiaries and equity-accounted investees	45,406	26,712	53,524	(106,195)
Impairment reversals of inventories	(30,560)	(71,880)	–	–
Impairment losses / (reversals) and write offs of trade & other receivables	(59,159)	149,042	58,925	(416)
Net foreign exchange (gain) / loss	495,589	324,979	223,969	61,821
Provision for retirement benefit obligations	200,225	219,275	21,415	23,954
	<u>4,033,026</u>	<u>3,464,565</u>	<u>791,761</u>	<u>166,585</u>
<b>Operating profit before working capital changes</b>	<b>11,315,634</b>	<b>9,862,381</b>	<b>3,080,124</b>	<b>1,942,954</b>
(Increase)/decrease in trade and other receivables	(1,547,864)	(2,077,168)	1,119,880	(1,573,807)
(Increase)/decrease in inventories	(645,325)	195,288	121	4
(Increase)/ decrease in deposits & prepayments	(537,848)	298,238	6,593	(37,368)
Increase/(decrease) in trade and other payables	627,848	1,779,948	1,237,417	1,942,360
Increase/(decrease) in other liabilities	549,892	–	–	–
	<u>(1,553,297)</u>	<u>196,306</u>	<u>2,364,011</u>	<u>331,189</u>
<b>Cash generated from operations</b>	<b>9,762,337</b>	<b>10,058,687</b>	<b>5,444,135</b>	<b>2,274,143</b>
Interest paid	(1,684,997)	(1,573,961)	(1,217,088)	(942,825)
Income tax paid	(1,395,112)	(1,212,006)	(11,593)	(49,676)
Retirement benefit obligations paid	(178,056)	(132,262)	(61,875)	(3,015)
<b>Net cash flow from operating activities</b>	<b>(3,258,165)</b>	<b>(2,918,229)</b>	<b>(1,290,556)</b>	<b>(995,516)</b>
<b>Cash flow from investing activities</b>	<b>6,504,172</b>	<b>7,140,458</b>	<b>4,153,579</b>	<b>1,278,627</b>
Interest received from deposits	762,734	743,492	831,820	786,067
Investment in subsidiaries and equity-accounted investees	(128,590)	–	(2,296,535)	(594,500)
Investment in equity and debt securities	(20,236)	(688,752)	(20,236)	–
Net cash flow on divestment of subsidiaries (Note B)	(14,024)	737,712	–	15,000
Purchase of property, plant and equipment	(11,556,526)	(7,236,958)	(66,232)	(41,934)
Purchase of intangible assets	(23,113)	(18,568)	(5,276)	(821)
Purchase of biological assets	(6,501)	(8,172)	–	–
Operating leases pre-paid	–	(281,771)	–	–
Proceeds from disposal of property, plant and equipment	109,246	53,593	5,890	17,764
Proceeds from disposal of intangible assets	–	10	–	–
Proceeds from sale of equity and debt securities	92,886	73,330	52,662	48,570
Proceeds / (purchase) of other financial assets and liabilities (net)	(3,214,109)	1,698,172	(3,794,075)	(275,351)
Final liquidation proceeds of subsidiary	800	–	800	–
Dividends paid to non-controlling interests	(1,092,287)	(856,511)	–	–
Dividends received from equity-accounted investees	577,641	310,841	–	–
	<u>(14,512,079)</u>	<u>(5,473,582)</u>	<u>(5,291,182)</u>	<u>(45,205)</u>
<b>Net cash flow from investing activities</b>	<b>(14,512,079)</b>	<b>(5,473,582)</b>	<b>(5,291,182)</b>	<b>(45,205)</b>

## STATEMENTS OF CASH FLOWS – CONTD.

For the year ended 31st March	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<b>Cash flow from operating activities</b>				
Proceeds from interest-bearing liabilities	14,011,202	8,440,895	2,686,200	–
Repayment of interest-bearing liabilities	(8,514,176)	(6,407,690)	(1,391,701)	(1,366,917)
Purchase of own shares by subsidiary companies	–	(130,943)	–	–
Dividends paid to equity holders of the parent	(1,073,867)	(705,325)	(1,073,867)	(705,325)
<b>Net cash flow from financing activities</b>	<b>4,423,159</b>	1,196,937	<b>220,632</b>	(2,072,242)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(3,584,748)</b>	2,863,813	<b>(916,971)</b>	(838,820)
Cash and cash equivalents at the beginning of the period (Note A)	459,471	(2,384,853)	(2,715,889)	(1,858,890)
<b>Cash and cash equivalents at the end of the period</b>	<b>(3,125,277)</b>	478,960	<b>(3,632,860)</b>	(2,697,710)
<b>Cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand & deposits	7,932,428	9,636,419	2,036,706	1,094,468
Short-term bank borrowings	(11,057,705)	(9,157,459)	(5,669,566)	(3,792,178)
Cash and cash equivalent at the end of the period	(3,125,277)	478,960	(3,632,860)	(2,697,710)
<b>Note A</b>				
<b>Cash and cash equivalents at the beginning of the period</b>				
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)
<b>Cash and cash equivalent as previously reported</b>	<b>478,960</b>	(2,394,706)	<b>(2,697,710)</b>	(1,860,321)
Effect of exchange rate changes	(19,489)	9,853	(18,179)	1,431
<b>Cash and cash equivalent as restated</b>	<b>459,470</b>	(2,384,853)	<b>(2,715,889)</b>	(1,858,890)

### Note B Divestment of subsidiaries

During the period under review the Group made a decision to divest its investments in the former subsidiary Spence International (Pvt) Ltd by liquidation of the company. The fair values of assets and liabilities thus divested by the group are as follows;

	Rs. '000
Income taxation	1,043
Trade and other payables	(67)
Cash and cash equivalents	14,024
<b>Total identifiable net assets disposed and reclassified under assets held for sale</b>	<b>15,000</b>
Cash and cash equivalents disposed	(14,024)
<b>Net cash flow on divestment of subsidiaries</b>	<b>(14,024)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Segment analysis

#### 1.1 Segment analysis of Group revenue and profit

	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<i>For the year ended</i>										
<i>31st March</i>										
Total revenue generated	<b>31,252,506</b>	28,472,082	<b>11,976,770</b>	10,701,001	<b>18,335,907</b>	19,347,498	<b>2,575,117</b>	1,972,928	<b>64,140,300</b>	60,493,509
Less: Inter-segmental revenue	<b>22,048</b>	18,854	<b>343,418</b>	333,892	<b>464,318</b>	396,737	<b>269,382</b>	210,417	<b>1,099,166</b>	959,900
Less: Intra-segmental revenue	<b>2,483,493</b>	2,341,371	<b>474,659</b>	344,148	<b>722,934</b>	745,285	<b>73,300</b>	71,635	<b>3,754,386</b>	3,502,439
Total revenue with equity-accounted investees	<b>28,746,965</b>	26,111,857	<b>11,158,693</b>	10,022,961	<b>17,148,655</b>	18,205,476	<b>2,232,435</b>	1,690,876	<b>59,286,748</b>	56,031,170
Share of equity-accounted investees' revenue	<b>(427,977)</b>	(371,124)	<b>(1,782,833)</b>	(1,437,602)	<b>(1,371,967)</b>	(1,433,662)	<b>(23,068)</b>	(53,813)	<b>(3,605,845)</b>	(3,296,201)
<b>Revenue from external customers</b>	<b>28,318,988</b>	25,740,733	<b>9,375,860</b>	8,585,359	<b>15,776,688</b>	16,771,814	<b>2,209,367</b>	1,637,063	<b>55,680,903</b>	52,734,969
Profit from operations	<b>3,785,371</b>	3,794,279	<b>1,761,512</b>	1,462,713	<b>2,177,541</b>	1,559,948	<b>292,027</b>	263,995	<b>8,016,451</b>	7,080,935
Finance income	<b>619,671</b>	627,452	<b>48,055</b>	52,078	<b>67,092</b>	53,285	<b>23,027</b>	10,704	<b>757,845</b>	743,519
Finance expenses	<b>(1,175,089)</b>	(1,163,121)	<b>(95,041)</b>	(112,235)	<b>(572,416)</b>	(440,838)	<b>(38,383)</b>	(16,901)	<b>(1,880,929)</b>	(1,733,095)
Share of profit / (loss) of equity-accounted investees (net of tax)	<b>(133,568)</b>	(138,376)	<b>411,272</b>	356,367	<b>119,340</b>	105,256	<b>(7,803)</b>	(16,790)	<b>389,241</b>	306,457
<b>Profit before tax</b>	<b>3,096,385</b>	3,120,234	<b>2,125,798</b>	1,758,923	<b>1,791,557</b>	1,277,651	<b>268,868</b>	241,008	<b>7,282,608</b>	6,397,816
Income tax expense	<b>(936,582)</b>	(747,516)	<b>(399,560)</b>	(382,103)	<b>(102,626)</b>	(31,511)	<b>(72,490)</b>	(87,154)	<b>(1,511,258)</b>	(1,248,284)
<b>Profit for the period</b>	<b>2,159,803</b>	2,372,718	<b>1,726,238</b>	1,376,820	<b>1,688,931</b>	1,246,140	<b>196,378</b>	153,854	<b>5,771,350</b>	5,149,532

#### 1.2 Segment analysis of Group assets

	Tourism sector		Maritime & logistics sector		Strategic investments		Services sector		Total	
	31.03.2019 Rs.'000	31.03.2018 Rs.'000	31.03.2019 Rs.'000	31.03.2018 Rs.'000	31.03.2019 Rs.'000	31.03.2018 Rs.'000	31.03.2019 Rs.'000	31.03.2018 Rs.'000	31.03.2019 Rs.'000	31.03.2018 Rs.'000
Segment assets	<b>71,753,972</b>	63,921,024	<b>11,160,372</b>	10,209,845	<b>37,560,224</b>	29,207,296	<b>4,745,571</b>	4,308,375	<b>125,220,139</b>	107,646,540
Investments in equity-accounted investees	<b>1,027,595</b>	1,161,000	<b>4,064,690</b>	3,988,331	<b>1,295,502</b>	1,087,587	<b>46,329</b>	97,537	<b>6,434,116</b>	6,334,455
Goodwill on consolidation	—	—	—	—	—	—	—	—	<b>906,066</b>	853,060
Assets classified as held for sale	—	—	—	—	—	—	—	—	<b>164,125</b>	149,125
Eliminations / adjustments	—	—	—	—	—	—	—	—	<b>(7,727,911)</b>	(7,140,640)
<b>Total assets</b>	<b>72,781,567</b>	65,082,024	<b>15,225,062</b>	14,198,176	<b>38,855,726</b>	30,294,883	<b>4,791,900</b>	4,405,912	<b>124,996,535</b>	107,842,540

## 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. 2.00 per share for the year ended 31st March 2018 was paid on 10th July 2018, after it was approved at the Annual General Meeting on the 29th June 2018. Total dividend paid was Rs. 811,992,090.

An interim ordinary dividend of Rs. 1.00 per share for the year ended 31st March 2019 was declared on 08th March 2019 and paid on 29th March 2019. The total interim dividend payment amounted to Rs. 405,996,045.

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 2018.

### 6. Events occurring after the reporting date

The Board of Directors of the Company resolved to recommend a final ordinary dividend of Rs. 1.50 per share for the year 2018/2019 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.

7. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year except for changes described in notes 8 and 9.

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.

### 8. Change of presentation currency

The offshore headquarter companies in the hotels sector, changed their presentation currency from Sri Lankan Rupees (LKR) to United States Dollar (USD) with effect from 1st April 2018 to reflect the companies predominant operating currency in their financial statements. The Group accounted for this change in accounting policy by the subsidiary companies on prospective basis as the effect of the application of this change on the group financial statements is not material for the comparative periods. The Group information presented for the quarter reflects the quarterly information of the companies presented in the new presentation currency.

### 9. New accounting standards and interpretations

#### 9.1. SLFRS 15 – Revenue from Contracts with Customers

SLFRS 15 became effective for financial periods beginning on or after 1st January 2018. This accounting standard supersedes LKAS 11 Construction Contract, LKAS 18 Revenue and revenue relate IFRICs and SICs and establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted SLFRS 15 with effect from the beginning of the current financial year -1st April 2018 using the full retrospective method and has recognised revenue for the year ended 31st March 2018 (comparative period) and 2019 based on this standard.

## NOTES TO THE FINANCIAL STATEMENTS - CONTD.

### 9.2. SLFRS 9 – Financial Instruments

The final version of SLFRS 9 - Financial Instruments that replaces LKAS 39 - Financial Instruments: Recognition and Measurement and all previous versions of SLFRS 9. This standard brings together all three aspects of the accounting for the financial instruments i.e. classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for financial periods beginning on or after 1st January 2018. SLFRS 9 requires retrospective application of the standard except for hedge accounting where requirements are generally applied prospectively with some limited exceptions.

The Group has adopted SLFRS 9 using the modified retrospective application with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 April 2018). Accordingly the information presented for 2017/2018 has not been restated. Additionally, the disclosure requirements in SLFRS 9 have not generally been applied to comparative information.

The following table summarizes the impact, net of tax, of transition to SLFRS 9 - “Financial Instruments” on reserves, retained earnings & non-controlling interests as at 01 April 2018.

	Group			Company	
	Fair value reserve	Retained earnings	Non-controlling interests	Fair value reserve	Retained earnings
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Closing balance as reported - 31 March 2018	34,604	22,163,669	11,484,969	(12,661)	3,313,384
<b>Impact on reclassification and measurement:</b>					
Classification of quoted equity securities as financial asset at FVPL	(37,359)	37,359	-	(2,495)	2,495
<b>Impact on recognition of expected credit losses:</b>					
Recognition of expected credit losses under SLFRS 09 for subsidiaries, net of tax	-	(20,634)	(4,503)	-	(1,386)
Recognition of expected credit losses under SLFRS 09 for equity-accounted investees, net of tax	-	596	(30)	-	-
<b>Adjustment on initial application of IFRS 9, net of tax</b>	<b>(37,359)</b>	<b>17,321</b>	<b>(4,533)</b>	<b>(2,495)</b>	<b>1,109</b>
<b>Opening balance restated - 01 April 2018</b>	<b>(2,755)</b>	<b>22,180,990</b>	<b>11,480,436</b>	<b>(15,156)</b>	<b>3,314,493</b>

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim consolidated financial statements of the Group.

## NOTES TO THE FINANCIAL STATEMENTS - CONTD.

### NON FINANCIAL INFORMATION

**31.03.2019**

#### 1. Stated Capital

Number of shares represented by the stated capital (31.03.2018 - 405,996,045)	405,996,045
Number of Public Shareholders	4,817
Percentage of shares held by the Public	46.07%
Floated adjusted market capitalisation - Rs.'000	7,667,955

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.)	41.00
Market Price per Share - Highest (Rs.)	47.80
Market Price per Share - Lowest (Rs.)	40.00

#### 3. Shareholding of Directors

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

Name of Director	Position	31.03.2019	31.03.2018
1 Deshamanya D.H.S. Jayawardena	Chairman	Nil	Nil
2 Dr. M. P. Dissanayake	Deputy Chairman and Managing Director	Nil	Nil
3 Dr. R.M. Fernando	Director	Nil	Nil
4 Ms. D.S.T. Jayawardena	Director	27,839	27,839
5 Mr. J.M.S. Brito	Director	505,495	505,495
5 Mr. G.C. Wickremasinghe	Director	7,308,240	7,308,240
6 Mr. C.H. Gomez	Director	Nil	Nil
7 Mr. N. J. de Silva Deva Aditya	Director	Nil	Nil
8 Mr. R.N. Asirwatham	Director	1,000	1,000
9 Mr. A.L. Gooneratne	Alternate Director to Mr. N.J. de Silva Deva Aditya	Nil	Nil

#### 4. Substantial Shareholdings

The twenty largest shareholding as at 31st March 2019 are as follows ;

	Name of the Share Holder	Shareholding	%
1	Melstacorp PLC	203,564,171	50.14
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	9,775,090	2.41
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	Seylan Bank PLC / W.D.N.H. Perera	3,589,035	0.88
10	HSBC International Nominees Limited -BP2S London-Aberdeen Standard Asia Focus PLC	3,400,000	0.84
11	Stassen Exports (Pvt) Limited	3,244,500	0.80
12	Ms. A.T. Wickremasinghe	3,211,975	0.79
13	Mrs. K. Fernando	3,135,070	0.77
14	Mr. G.Wickremasinghe	3,019,090	0.74
15	Northern Trust Company S/A Hosking Global Fund PLC	2,907,475	0.72
16	Employees Trust Fund Board	2,621,870	0.65
17	Bank of Ceylon No. 1 Account	2,596,230	0.64
18	National Savings Bank	2,493,516	0.61
19	The Ceylon Investment PLC A/c No. 02	1,284,800	0.32
20	Mr. A.B. Rodrigo	1,284,720	0.32

## NOTES TO THE FINANCIAL STATEMENTS - CONTD.

### CORPORATE INFORMATION

as at 31st March 2019

#### DIRECTORS

- Deshamanya D.H.S. Jayawardena - Chairman  
Dr. M. P. Dissanayake - Deputy Chairman and Managing Director  
(Appointed w.e.f. 15th March 2019)
- Dr. R.M. Fernando  
Miss. D.S.T. Jayawardena  
Mr. J.M.S. Brito - (Retired from the office of Deputy Chairman and  
Managing Director w.e.f. 15th March 2019 and  
continues as a Non-Executive Director)
- Mr. G.C. Wickremasinghe  
Mr. C.H. Gomez  
Mr. N.J. de Silva Deva Aditya  
Mr. R.N. Asirwatham  
Mr. A.L. Gooneratne - (Alternate Director to Mr. N.J. de Silva Deva Aditya)

#### SECRETARIES

Aitken Spence Corporate Finance (Private) Limited.

#### REGISTERED OFFICE

Aitken Spence Tower II  
315, Vauxhall Street,  
Colombo 02,  
Sri Lanka.