



AITKEN SPENCE PLANTATION MANagements PLC
INTERIM FINANCIAL STATEMENTS
Six months ended 30 September 2016

AITKEN SPENCE PLANTATION MANagements PLC
 INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2016
 STATEMENT OF FINANCIAL POSITION

Group Audited As at 31-Mar-2016 Rs.	Company Audited As at 31-Mar-2016 Rs.		Group Unaudited As at 30-Sep-2016 Rs.	Group Unaudited As at 30-Sep-2015 Rs.	Unaudited As at 30-Sep-2016 Rs.	Company Unaudited As at 30-Sep-2015 Rs.
ASSETS						
Non-current assets						
274,573,062	-	Leasehold property, plant and equipment	264,166,072	289,156,136	-	-
776,579,746	19,913	Freehold property, plant and equipment	767,574,023	723,673,016	7,961	31,865
2,796,547,567	-	Bearer biological assets	2,862,058,184	2,720,474,788	-	-
949,013,074	-	Consumable biological assets	954,092,042	914,864,861	-	-
37,500,000	-	Other non-current assets	37,500,000	-	-	-
220,057,076	683,875,133	Long-term investments	214,431,701	163,265,466	683,875,123	683,875,153
113,289,780	-	Intangible assets	113,289,780	113,289,780	-	-
744,978	744,978	Deferred tax assets	744,978	615,927	744,978	615,927
5,168,305,283	684,640,024		5,213,856,780	4,925,339,974	684,628,062	684,522,945
Current assets						
217,568,542	-	Inventories	210,721,718	209,408,967	-	-
204,767,283	-	Trade and other receivables	202,553,431	134,447,002	3,911	2,301
18,147,290	40,489,682	Amount due from related parties	36,115,341	29,996,422	68,529,043	36,578,350
803,795	803,795	Income tax receivables	904,781	1,238,593	904,781	85,256
34,722,401	2,174,548	Cash and cash equivalents	73,083,094	33,933,088	2,181,222	3,208,805
476,009,311	43,468,025		523,378,365	409,024,072	71,618,957	39,874,712
5,644,314,594	728,108,049		5,737,235,145	5,334,364,046	756,247,019	724,397,657
TOTAL ASSETS						
EQUITY AND LIABILITIES						
Equity						
421,666,250	421,666,250	Stated capital	421,666,250	421,666,250	421,666,250	421,666,250
466,536,882	-	Timber reserve	466,536,882	447,364,985	-	-
1,327,985,214	291,612,538	Retained earnings	1,435,621,855	1,248,738,403	313,878,853	287,540,688
2,216,188,346	713,278,788	Equity attributable to equity holders of the parent	2,323,824,987	2,117,769,638	735,545,103	709,206,938
1,308,546,350	-	Non-controlling interest	1,361,736,091	1,223,878,475	-	-
3,524,734,696	713,278,788	Total Equity	3,685,561,078	3,341,648,113	735,545,103	709,206,938
Non Current Liabilities						
331,054,771	-	Interest bearing borrowings	278,145,096	231,061,439	-	-
172,254,106	-	Liability to make lease payments	170,486,077	173,891,171	-	-
263,800,518	-	Deferred grants and subsidies	261,195,257	165,338,892	-	-
588,610,955	4,921,086	Retirement benefit obligations	572,498,017	628,040,000	5,372,352	4,508,526
125,918,344	-	Deferred tax liabilities	128,918,344	90,815,526	-	-
1,481,638,694	4,921,086		1,411,242,791	1,289,147,028	5,372,352	4,508,526
Current Liabilities						
353,325,231	-	Interest bearing borrowings	333,628,892	375,084,389	-	-
3,274,128	-	Liability to make lease rentals	3,339,611	3,211,164	-	-
272,218,401	7,454,174	Trade and other payables	291,196,561	257,876,277	7,955,697	7,313,798
6,217,254	2,454,001	Amount due to related parties	8,632,412	67,368,396	4,373,867	3,368,395
2,906,190	-	Income tax liabilities	3,633,800	28,679	3,000,000	-
637,941,204	9,908,175		640,431,276	703,568,905	15,329,564	10,682,193
5,644,314,594	728,108,049		5,737,235,145	5,334,364,046	756,247,019	724,397,657
TOTAL EQUITY AND LIABILITIES						
104.05	33.49	Net assets per share	109.10	99.43	34.53	33.30

Ruwan Nissanka
 Chief Financial Officer

Signed for and on behalf of the board of directors of Aitken Spence Plantation Managements PLC

Rohan M. Fernando
 Managing Director

A. L. W. Goonewardena
 Director

7 November 2016
 Colombo

AITKEN SPENCE PLANTATION MANagements PLC
 INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016
 INCOME STATEMENT

	Group			Group		
	30-Sep-2016	30-Sep-2015	Change	30-Sep-2016	30-Sep-2015	Change
	Rs.	Rs.	%	Rs.	Rs.	%
Revenue	789,429,971	619,060,922	28	1,402,256,822	1,294,798,503	8
Cost of sales	(670,941,501)	(624,895,090)	7	(1,189,852,100)	(1,216,710,360)	(2)
Gross profit	118,488,470	(5,834,168)	2,131	212,404,722	78,088,143	172
Other income	35,491,043	17,824,003	99	57,861,131	45,681,856	27
Administrative expenses	(40,386,233)	(40,609,006)	(1)	(82,752,255)	(72,113,849)	15
Management fees and workers profit share	(5,381,262)	2,243,574	(340)	(8,425,258)	(1,603,768)	425
Finance cost	(28,895,158)	(22,254,073)	30	(56,677,383)	(45,419,255)	25
Finance income	85,421	315,959	(73)	204,176	802,914	(75)
Profit share of joint venture	35,068,017	35,397,421	(1)	44,484,624	48,251,237	(8)
Profit before tax	114,470,298	(12,916,290)	986	167,099,757	53,687,278	211
Income tax expense	(3,005,466)	2,984,480	(201)	(6,273,375)	(1,544,619)	306
Net profit for the period	111,464,832	(9,931,810)	1,222	160,826,382	52,142,659	208
Attributable to:						
Equity holders of the parent	73,833,501	(17,993,799)		107,636,641	20,449,346	
Non-controlling interest	37,631,331	8,061,989		53,189,741	31,693,313	
	111,464,832	(9,931,810)		160,826,382	52,142,659	
Earnings per share	3.47	(0.84)		5.05	0.96	

AITKEN SPENCE PLANTATION MANagements PLC
 INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016
 INCOME STATEMENT

	Company			Company		
	Three months ended			Six months ended		
	30-Sep-2016	30-Sep-2015	Change	30-Sep-2016	30-Sep-2015	Change
	Rs.	Rs.	%	Rs.	Rs.	%
Service income	15,606,810	(66,391)	23,607	26,742,534	11,985,885	123
Gross profit	15,606,810	(66,391)	23,607	26,742,534	11,985,885	123
Administrative expenses	(696,587)	(705,122)	(1)	(1,483,635)	(1,339,812)	11
Finance income	3,725	260,532	(99)	7,416	643,561	(99)
Profit before tax	14,913,948	(510,981)	3,019	25,266,315	11,289,634	124
Income tax expense	(1,500,000)	-	100	(3,000,000)	(1,500,000)	100
Net profit for the period	13,413,948	(510,981)	2,725	22,266,315	9,789,634	127
Earnings per share	0.63	(0.02)		1.05	0.46	

AITKEN SPENCE PLANTATION MANagements PLC
 INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016
 STATEMENT OF COMPREHENSIVE INCOME

	Group		Group	
	Three months ended		Six months ended	
	30-Sep-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015
	Rs.	Rs.	Rs.	Rs.
Net profit for the period	111,464,832	(9,931,810)	160,826,382	52,142,659
Other comprehensive income				
Actuarial gains on defined benefits plans	-	-	-	-
Income tax effect	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	111,464,832	(9,931,810)	160,826,382	52,142,659
Attributable to:				
Equity holders of the parent	73,833,501	(17,993,799)	107,636,641	20,449,346
Non-controlling interest	37,631,331	8,061,989	53,189,741	31,693,313
	111,464,832	(9,931,810)	160,826,382	52,142,659

	Company		Company	
	Three months ended		Six months ended	
	30-Sep-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015
	Rs.	Rs.	Rs.	Rs.
Net profit for the period	13,413,948	(510,981)	22,266,315	9,789,634
Other comprehensive income				
Actuarial gains on defined benefits plans	-	-	-	-
Income tax effect	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period, net of tax	13,413,948	(510,981)	22,266,315	9,789,634

AITKEN SPENCE PLANTATION MANagements PLC
INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016
STATEMENT OF CHANGES IN EQUITY

Group Six months ended 30 September 2016	Attributable to equity holders of the parent				Non-controlling interest Rs.	Total equity Rs.
	Stated capital Rs.	Timber reserve Rs.	Retained earnings Rs.	Total Rs.		
Balance as at 1 April 2016	421,666,250	466,536,882	1,327,985,214	2,216,188,346	1,308,546,350	3,524,734,696
Profit for the period	-	-	107,636,641	107,636,641	53,189,741	160,826,382
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	107,636,641	107,636,641	53,189,741	160,826,382
Balance as at 30 September 2016	421,666,250	466,536,882	1,435,621,855	2,323,824,987	1,361,736,091	3,685,561,078

Group Six months ended 30 September 2015	Attributable to equity holders of the parent				Non-controlling interest Rs.	Total equity Rs.
	Stated capital Rs.	Timber reserve Rs.	Retained earnings Rs.	Total Rs.		
Balance as at 1 April 2015	421,666,250	447,364,985	1,267,679,198	2,136,710,433	1,216,695,021	3,353,405,454
Profit for the period	-	-	20,449,346	20,449,346	31,693,313	52,142,659
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	20,449,346	20,449,346	31,693,313	52,142,659
Dividend paid during the period	-	-	(39,390,141)	(39,390,141)	(24,509,859)	(63,900,000)
Balance as at 30 September 2015	421,666,250	447,364,985	1,248,738,403	2,117,769,638	1,223,878,475	3,341,648,113

Company Six months ended 30 September 2016	Stated capital Rs.	Retained earnings Rs.	Total equity Rs.
	Balance as at 1 April 2016	421,666,250	291,612,538
Profit for the period	-	22,266,315	22,266,315
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	22,266,315	22,266,315
Balance as at 30 September 2016	421,666,250	313,878,853	735,545,103

Company Six months ended 30 September 2015	Stated capital Rs.	Retained earnings Rs.	Total equity Rs.
	Balance as at 1 April 2015	421,666,250	341,651,054
Profit for the period	-	9,789,634	9,789,634
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	9,789,634	9,789,634
Dividend paid during the period	-	(63,900,000)	(63,900,000)
Balance as at 30 September 2015	421,666,250	287,540,688	709,206,938

AITKEN SPENCE PLANTATION MANagements PLC
INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016
STATEMENT OF CASH FLOW

	Group		Company	
	Six months ended		Six months ended	
	30-Sep-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015
	Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities				
Net profit before tax	167,099,757	53,687,278	25,266,315	11,289,634
Adjustments for				
Depreciation and amortization	93,100,226	83,951,849	11,952	11,952
Finance costs	56,677,383	45,419,255	-	-
Finance income	(204,176)	(802,914)	(7,416)	(643,561)
Provision for retirement benefit obligations	13,105,248	21,537,896	451,266	412,560
Impairment of trade and other receivables	-	2,006,171	-	-
Impairment of amounts due from related companies	-	3,000,000	-	-
Amortization of sub lease income	(6,006,090)	(2,897,881)	-	-
Profit share of joint venture	(44,484,624)	(48,251,237)	-	-
Operating profit before working capital changes	279,287,724	157,650,417	25,722,117	11,070,585
Decrease in inventories	6,846,824	80,600,017	-	-
(Increase)/decrease in trade and other receivables	2,213,852	52,688,376	(3,911)	(2,301)
Increase in amounts due from related companies	(17,968,051)	(17,662,374)	(28,039,361)	21,364,487
Increase/(decrease) in trade and other payables	18,978,162	(26,361,314)	501,523	(942,462)
Increase/(decrease) in amounts due to related parties	2,415,158	(2,325,072)	1,919,866	1,883,206
Cash generated from operations	291,773,669	244,590,050	100,234	33,373,515
Finance cost paid	(39,735,346)	(41,297,899)	-	-
Retiring gratuity paid	(29,218,182)	(20,652,563)	-	-
Grants received	2,634,219	1,643,660	-	-
Sublease income received	766,609	1,797,252	-	-
Income tax paid	(2,397,300)	(7,604,958)	(100,976)	(3,373,843)
Net cash inflow/(outflow) from operating activities	223,823,669	178,475,542	(742)	29,999,672
Cash flows from investing activities				
Improvements to biological assets	(122,283,884)	(107,128,728)	-	-
Purchase of property, plant and equipment	(21,993,222)	(30,982,270)	-	-
Finance income received	204,176	802,914	7,416	643,561
Dividend received from investments in joint venture	27,354,942	20,000,000	-	-
Proceeds from share disposals	22,505,611	23,333,224	-	-
Net cash inflow/(outflow) from investing activities	(94,212,377)	(93,974,860)	7,416	643,561
Cash flows from financing activities				
Payment of government lease rentals	(18,644,584)	(5,155,000)	-	-
Proceeds from loans	30,000,000	40,000,000	-	-
Settlements of loans	(81,243,009)	(149,117,329)	-	-
Other lease rentals paid	(809,406)	(4,078,566)	-	-
Dividend paid during the period	-	(63,900,000)	-	(63,900,000)
Net cash outflow from financing activities	(70,696,999)	(182,250,895)	-	(63,900,000)
Net increase/(decrease) in cash and cash equivalents	58,914,293	(97,750,213)	6,674	(33,256,767)
Cash and cash equivalents at the beginning of the period	(156,074,943)	(132,906,305)	2,174,548	36,465,572
Cash and cash equivalents at the end of the period	(97,160,650)	(230,656,518)	2,181,222	3,208,805
Cash and cash equivalents at the beginning of the period				
Cash and bank balances	34,722,401	71,544,114	2,174,548	36,465,572
Bank overdrafts	(190,797,344)	(204,450,419)	-	-
	<u>(156,074,943)</u>	<u>(132,906,305)</u>	<u>2,174,548</u>	<u>36,465,572</u>
Cash and cash equivalents at the end of the period				
Cash and bank balances	73,083,094	33,933,088	2,181,222	3,208,805
Bank overdrafts	(170,243,744)	(264,589,606)	-	-
	<u>(97,160,650)</u>	<u>(230,656,518)</u>	<u>2,181,222</u>	<u>3,208,805</u>

AITKEN SPENCE PLANTATION MANagements PLC
INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016
SEGEMENT INFORMATION

	Three months ended		Six months ended	
	30-Sep-2016	30-Sep-2015	30-Sep-2016	30-Sep-2015
	Rs.	Rs.	Rs.	Rs.
Segment analysis of Group revenue and profits				
Tea				
Segment revenue	497,063,075	416,559,998	915,431,355	912,105,895
Revenue expenditure	(540,324,272)	(496,671,832)	(954,524,060)	(985,611,965)
Segmental loss	(43,261,197)	(80,111,834)	(39,092,705)	(73,506,070)
Rubber				
Segment revenue	56,477,581	54,184,190	89,488,650	93,961,481
Revenue expenditure	(64,281,383)	(70,147,149)	(116,196,166)	(114,569,641)
Segmental loss	(7,803,802)	(15,962,959)	(26,707,516)	(20,608,160)
Oil Palm				
Segment revenue	211,240,690	131,313,463	352,874,633	258,270,601
Revenue expenditure	(56,548,371)	(51,006,166)	(101,220,450)	(100,156,719)
Segmental profit	154,692,319	80,307,297	251,654,183	158,113,882
Others revenue				
Others revenue	24,648,627	17,003,272	44,462,186	30,460,526
Revenue expenditure	(9,787,477)	(7,069,944)	(17,911,426)	(16,372,035)
Segmental profit	14,861,150	9,933,328	26,550,760	14,088,491
Total revenue	789,429,973	619,060,923	1,402,256,824	1,294,798,503
Total revenue expenditure	(670,941,503)	(624,895,091)	(1,189,852,102)	(1,216,710,360)
Gross profit/(loss)	118,488,470	(5,834,168)	212,404,722	78,088,143
Other income	35,491,043	17,824,003	57,861,131	45,681,856
Administrative expenses	(40,386,233)	(40,609,006)	(82,752,255)	(72,113,849)
Management fees and workers profit share	(5,381,262)	2,243,574	(8,425,258)	(1,603,768)
Finance cost	(28,895,158)	(22,254,073)	(56,677,383)	(45,419,255)
Finance income	85,421	315,959	204,176	802,914
Profit share of joint venture	35,068,017	35,397,421	44,484,624	48,251,237
Profit/(loss) before tax	114,470,298	(12,916,290)	167,099,757	53,687,278

1. These interim financial statements of the Company and the Group have been prepared based on the Sri Lanka Accounting Standards that came into effective from January 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2015/16. Further, these interim financial statements have been prepared in compliance with the requirement of the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting". Previous year figures and phrases have been re-arranged wherever necessary to confirm to the current presentation.

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.

2. Contingencies, capital and other commitments

During the period under review there were no significant changes in the nature of the contingent liabilities, capital and other commitments.

3. As per the Collective Agreement between the Employers' Federation of Ceylon and the Trade Unions, the daily basic wage has been increased from Rs.450/- to Rs.500/- with effect from 15 October 2016. An allowances of Rs 30/- as a Fixed Price Share is paid in addition to Rs 60/ as an attendance incentive and productive incentive of Rs 140/-, totaling to Rs 730/- per day against Rs 620/- paid previously.

4. Gains or losses arising from biological transformation for the period of six months have not been incorporated in this interim financial statements, assuming that the physical and price changes occurred during the period is immaterial.

5. Stated capital

No of shares represented by stated capital are 21,300,000 shares. (30 September 2015 - 21,300,000 shares)

6. Substantial shareholdings

	<u>Share holding</u>	<u>%</u>
Aitken Spence PLC	8,295,860	38.95%
M J F Holdings Limited	6,996,509	32.85%
D A de S Wickremanayake	3,498,254	16.42%
Dr. R D Bandaranaike	1,249,377	5.87%
David Panter	625,000	2.93%
Laxey Partners Limited	625,000	2.93%
Others *	10,000	0.05%
	<u>21,300,000</u>	<u>100%</u>

* Other share holders includes hundred share holders holding 100 shares each.

7. Public share holding

The public holding percentage, as defined under Colombo Stock Exchange Listing Rules, was 11.78% as at 30 September 2016. There were one hundred three public share holders as at 30 September 2016 (One hundred three public share holders - 30 September 2015).

8. Director's shareholding

	<u>Position</u>	<u>Share holding</u>	<u>%</u>
D A de S Wickremanayake	Director	3,498,254	16%

9. There were no any material events subsequent to the interim periods, which require disclosure of or adjustments to the interim financial statements.

10. Figures in brackets indicate deductions.

11. Market prices of shares recorded during the period

No shares have been traded during six months period ended 30 September 2016 (For six months period ended 30 September 2015 - Not traded)

12. Other general information

i. Group companies

Elpitiya Plantations PLC
Tea Country Homes (Private) Limited
Water Villas (Private) Limited
EPP Hydro Power Company (Private) Limited

ii. Joint venture companies

AEN Palm Oil Processing (Private) Limited
Elpitiya Dianhong Jin Ya Tea Company (Private) Limited
Elpitiya Lifestyle Solutions (Private) Limited
Venture Valley (Private) Limited

iii. Name of directors

Mr. J M S Brito - Executive Chairman
Dr. R M Fernando - Managing Director
Mr. Malik J Fernando
Mr. Merrill J Fernando
Mr. D A de S Wickremanayake
Mr. A L W Goonewardena
Mr. R E V Casie Chetty (Resigned w.e.f 30-06-2016)
Mr. L N De S Wijeyeratne
Mr. B Bulumulla (Appointed w.e.f 05-07-2016)
Dr. R A Fernando (Appointed w.e.f 11-08-2016)

iv. Company registration no - PB 1196 PQ