



Aitken Spence Hotel Holdings PLC

Interim Financial Statement - 2nd Quarter

(For the six months ended 30th September 2016)

Consolidated Income Statement

	Quarter ended 30th September		Six months ended 30th September	
	2016 Rs.' 000	2015 Rs.' 000	2016 Rs.' 000	2015 Rs.' 000
Revenue	3,238,464	2,821,769	6,013,154	5,563,762
Revenue Tax	(91,524)	(17,237)	(170,197)	(30,826)
Net Revenue	3,146,940	2,804,532	5,842,957	5,532,936
Other Operating Income	17,200	36,951	7,788	58,474
Staff Costs	(609,492)	(504,580)	(1,257,061)	(989,859)
Depreciation	(287,093)	(223,727)	(565,715)	(440,307)
Amortisation	(27,143)	(11,496)	(57,076)	(34,777)
Other Operating Expenses - Direct	(691,696)	(575,713)	(1,311,399)	(1,146,065)
Other Operating Expenses - Indirect	(1,226,861)	(1,085,102)	(2,346,902)	(2,083,112)
Profit from Operations	321,855	440,865	312,592	897,290
Finance Income	27,397	49,853	74,669	99,516
Finance Expenses	(148,429)	(72,700)	(304,152)	(136,741)
Net Finance Income/(Expenses)	(121,032)	(22,847)	(229,483)	(37,225)
	200,823	418,018	83,109	860,065
Share of loss of equity accounted investees net of tax	(176,337)	(4,322)	(205,000)	(12,062)
Profit/(Loss) before Tax	24,486	413,696	(121,891)	848,003
Income Tax Expense	(159,659)	(118,506)	(215,554)	(244,922)
Profit/(Loss) for the period	(135,173)	295,190	(337,445)	603,081
Attributable to:				
Equity Holders of the Parent Company	(174,585)	210,209	(347,731)	405,725
Non - controlling interests	39,412	84,981	10,286	197,356
	(135,173)	295,190	(337,445)	603,081
Earnings/(Loss) per share for the period - Rs. (Basic / Diluted)	(0.53)	0.61	(1.06)	1.18

The above figures are provisional and subject to Audit.

Colombo
03rd November 2016

Company Income Statement

	Quarter ended 30th September		Six months ended 30th September	
	2016 Rs.' 000	2015 Rs.' 000	2016 Rs.' 000	2015 Rs.' 000
Revenue	122,611	173,081	233,722	305,761
Revenue Tax	(2,167)	(3,800)	(5,159)	(6,731)
Net Revenue	120,444	169,281	228,563	299,030
Other Operating Income	206,059	534,242	208,016	536,677
Staff Costs	(33,000)	(35,828)	(72,217)	(73,239)
Depreciation	(13,564)	(24,227)	(28,191)	(48,379)
Amortisation	(4)	(68)	(14)	(135)
Other Operating Expenses - Direct	(38,721)	(46,408)	(75,004)	(80,388)
Other Operating Expenses - Indirect	(72,616)	(66,716)	(131,048)	(128,064)
Profit/(Loss) from Operations	168,598	530,276	130,105	505,502
Finance Income	13,899	11,772	16,045	32,058
Finance Expenses	(67,022)	(514)	(67,620)	(1,152)
Net Finance Income/(Expenses)	(53,123)	11,258	(51,575)	30,906
Profit before Tax	115,475	541,534	78,530	536,408
Income Tax Expense	731	(1,638)	3,197	(4,304)
Profit/(Loss) for the period	116,206	539,896	81,727	532,104
Earnings per share for the period - Rs. (Basic/Diluted)	0.33	1.59	0.22	1.56

The above figures are provisional and subject to Audit.

Colombo
03rd November 2016

Consolidated Statement of Comprehensive Income

	GROUP			
	Quarter ended 30th September		Six months ended 30th September	
	2016 Rs.' 000	2015 Rs.' 000	2016 Rs.' 000	2015 Rs.' 000
Profit/(Loss) for the period	(135,173)	295,190	(337,445)	603,081
Other Comprehensive Income				
Foreign Currency translation differences of foreign operations	26,143	428,516	162,387	411,159
Share of other comprehensive income of equity -accounted investees	–	–	–	–
Net change in fair value of available for sale financial assets	(75,745)	11,447	(75,745)	13,755
Other comprehensive income for the period net of tax	(49,602)	439,963	86,642	424,914
Total comprehensive income for the period net of tax	(184,775)	735,153	(250,803)	1,027,995
Attributable to:				
Equity Holders of the Parent Company	(196,429)	401,364	(229,874)	590,498
Non -controlling interests	11,654	333,789	(20,929)	437,497
	(184,775)	735,153	(250,803)	1,027,995

Statement of Comprehensive Income - Company

	COMPANY			
	Quarter ended 30th September		Six months ended 30th September	
	2016 Rs.' 000	2015 Rs.' 000	2016 Rs.' 000	2015 Rs.' 000
Profit for the period	116,206	539,896	81,727	532,104
Other Comprehensive Income				
Net change in fair value of available for sale financial assets	–	–	–	–
Other comprehensive income for the period net of tax	–	–	–	–
Total comprehensive income for the period net of tax	116,206	539,896	81,727	532,104

The above figures are provisional and subject to Audit.

Consolidated Statement of Financial Position


As at	30.09.2016 Rs.' 000	GROUP 30.09.2015 Rs.' 000	31.03.2016 Rs.' 000
ASSETS			
Non Current Assets			
Property, plant and equipment	23,930,007	17,394,479	23,101,360
Leasehold properties	2,001,063	1,987,501	2,006,728
Prepaid operating leases	1,756,299	1,783,944	1,811,071
Intangible assets	387,293	1,733	380,166
Investment in equity accounted investees	4,802,690	3,469,545	4,982,212
Other investments	126,650	193,946	202,395
Deferred tax assets	143,734	131,944	147,969
	33,147,736	24,963,092	32,631,901
Current Assets			
Inventories	348,934	293,784	303,420
Trade and other receivables	983,539	740,496	1,267,940
Amount due from ultimate holding company	229,449	8,961	33,823
Amount due from parent's group entities	374,324	1,133,700	374,290
Prepaid operating leases	74,443	31,935	32,746
Deposits and prepayments	802,011	628,876	689,950
Current tax receivable	13,489	4,975	4,640
Other financial assets	1,199,210	3,934,153	2,151,263
Cash and cash equivalents	765,068	1,142,083	958,241
	4,790,467	7,918,963	5,816,313
TOTAL ASSETS	37,938,203	32,882,055	38,448,214
EQUITY AND LIABILITIES			
Equity Attributable to equity holders of the Parent			
Stated capital	3,554,587	3,554,587	3,554,587
Reserves	3,764,057	3,418,139	3,646,200
Retained earnings	10,412,540	10,329,662	11,205,005
	17,731,184	17,302,388	18,405,792
Non Controlling Interests	5,340,571	4,967,856	5,429,111
Total Equity	23,071,755	22,270,244	23,834,903
Non Current Liabilities			
Interest - bearing borrowings	8,513,156	5,545,322	8,186,477
Government grants	221	377	299
Deferred tax liabilities	264,758	249,106	237,166
Employee benefits	189,036	108,450	174,333
	8,967,171	5,903,255	8,598,275
Current Liabilities			
Trade payables	412,530	299,457	417,712
Other provisions and payables	1,949,212	1,802,313	2,351,448
Amount due to ultimate holding company	189,761	90,173	155,804
Amount due to parent's group entities	126,427	103,719	97,581
Interest bearing borrowings	1,953,041	1,431,982	1,826,509
Current tax payable	128,296	335,489	329,295
Short term bank borrowings	1,140,010	645,423	836,687
	5,899,277	4,708,556	6,015,036
Total Liabilities	14,866,448	10,611,811	14,613,311
TOTAL EQUITY AND LIABILITIES	37,938,203	32,882,055	38,448,214
Net Asset value per share Rs.	52.24	50.96	54.24

The above figures are provisional and subject to Audit.

The Chief Financial Officer certifies that the Financial Statements have been prepared in compliance with the requirement of the Companies Act No. 07 of 2007.


D.H.S Jayawardena
 Chairman


J.M.S Brito
 Managing Director


J.T.P Gunawardana
 Chief Financial Officer

Colombo
 03rd November 2016

Company Statement of Financial Position


As at	30.09.2016 Rs.' 000	COMPANY 30.09.2015 Rs.' 000	31.03.2016 Rs.' 000
ASSETS			
Non Current Assets			
Property, plant and equipment	1,362,506	1,409,886	1,370,811
Intangible assets	-	53	14
Investments in subsidiaries	4,238,200	3,045,142	4,234,420
Investment in equity accounted investees	4,059,336	2,357,587	4,024,336
Deferred tax assets	10,549	4,138	5,349
	9,670,591	6,816,806	9,634,930
Current Assets			
Inventories	24,949	22,751	18,633
Trade and other receivables	63,761	63,430	128,863
Amount due from ultimate holding company	204,361	5,244	14,436
Amount due from parent's group entities	612,889	2,417,982	359,106
Deposits and prepayments	38,855	12,552	5,173
Current tax receivable	1,833	2,222	-
Other financial assets	400,000	310,442	-
Cash and cash equivalents	59,918	40,862	114,113
	1,406,566	2,875,485	640,324
TOTAL ASSETS	11,077,157	9,692,291	10,275,254
EQUITY AND LIABILITIES			
Equity Attributable to equity holders of the parent			
Stated capital	3,554,587	3,554,587	3,554,587
Reserves	662,139	662,139	662,139
Retained earnings	4,690,606	4,899,616	5,044,092
Total Equity	8,907,332	9,116,342	9,260,818
Non Current Liabilities			
Interest - bearing borrowings	1,000,000	-	-
Employee benefits	35,668	34,925	32,935
	1,035,668	34,925	32,935
Current Liabilities			
Trade creditors	18,923	22,843	33,418
Other Provisions and payables	110,256	94,875	101,790
Amount due to ultimate holding company	33,923	20,709	24,326
Amount due to parent's group entities	957,132	386,356	801,338
Current tax payable	5,996	-	4,381
Short term bank borrowings	7,927	16,241	16,248
	1,134,157	541,024	981,501
Total Liabilities	2,169,825	575,949	1,014,436
TOTAL EQUITY AND LIABILITIES	11,077,157	9,692,291	10,275,254
Net Asset value per share (Rs.)	26.00	26.62	27.05

The above figures are provisional and subject to Audit.

The Chief Financial Officer certifies that the Financial Statements have been prepared in compliance with the requirement of the Companies Act No. 07 of 2007.


D.H.S Jayawardena
 Chairman


J.M.S Brito
 Managing Director


J.T.P Gunawardana
 Chief Financial Officer

Colombo
 03rd November 2016

Statement of Changes in Equity

For the six months ended 30th September 2016

GROUP	Attributable to Equity Holders of the parent								
	Stated Capital	Reserves	Foreign Currency Translation Reserve	Available for Sale Reserve	Revaluation Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01st April 2015	3,554,587	22,929	804,529	27,306	2,378,602	10,443,262	17,231,215	4,638,017	21,869,232
Profit for the period	-	-	-	-	-	405,725	405,725	197,356	603,081
Other comprehensive income	-	-	177,758	7,015	-	-	184,773	240,141	424,914
Total Comprehensive Income	-	-	177,758	7,015	-	405,725	590,498	437,497	1,027,995
Share issue expenses	-	-	-	-	-	(40)	(40)	-	(40)
Dividends - 2014/15	-	-	-	-	-	(519,285)	(519,285)	(107,658)	(626,943)
Balance as at 30th September 2015	3,554,587	22,929	982,287	34,321	2,378,602	10,329,662	17,302,388	4,967,856	22,270,244
Balance as at 01st April 2016	3,554,587	22,929	1,206,039	38,630	2,378,602	11,205,005	18,405,792	5,429,111	23,834,903
Profit for the period	-	-	-	-	-	(347,731)	(347,731)	10,286	(337,445)
Other comprehensive income	-	-	156,487	(38,630)	-	-	117,857	(31,215)	86,642
Total Comprehensive Income	-	-	156,487	(38,630)	-	(347,731)	(229,874)	(20,929)	(250,803)
Share of net assets of equity-accounted investees	-	-	-	-	-	(9,521)	(9,521)	-	(9,521)
Effect of acquisitions, disposals and change in percentage holding in subsidiaries	-	-	-	-	-	-	-	(17,094)	(17,094)
Dividends - 2015/16	-	-	-	-	-	(435,213)	(435,213)	(50,517)	(485,730)
Balance as at 30th September 2016	3,554,587	22,929	1,362,526	-	2,378,602	10,412,540	17,731,184	5,340,571	23,071,755

Statement of Changes in Equity

For the six months ended 30th September 2016

COMPANY	Stated Capital Rs '000	Reserves Rs '000	Revaluation Reserve Rs '000	Retained Earnings Rs '000	Total Rs '000
Balance as at 01st April 2015	3,554,587	22,929	639,210	4,886,797	9,103,523
Profit for the period	-	-	-	532,104	532,104
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	-	-	532,104	532,104
Dividends - 2014/15	-	-	-	(519,285)	(519,285)
Balance as at 30th September 2015	3,554,587	22,929	639,210	4,899,616	9,116,342
Balance as at 01st April 2016	3,554,587	22,929	639,210	5,044,092	9,260,818
Profit for the period	-	-	-	81,727	81,727
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	-	-	81,727	81,727
Dividends - 2015/16	-	-	-	(435,213)	(435,213)
Balance as at 30th September 2016	3,554,587	22,929	639,210	4,690,606	8,907,332

Cash Flow Statement

For the six months ended	GROUP		COMPANY	
	30.09.2016 Rs.' 000	30.09.2015 Rs.' 000	30.09.2016 Rs.' 000	30.09.2015 Rs.' 000
Cash flow from operating activities				
Profit/(Loss) before taxation	(121,891)	848,003	78,530	536,408
Adjustments for				
Depreciation	565,715	440,307	28,191	48,379
Amortisation	57,076	34,777	14	135
Amortisation of government grant	(78)	(78)	–	–
Provision for impairment of debtors	4,563	1,353	436	526
Interest expense	304,152	136,741	67,620	1,152
Interest income	(74,669)	(99,516)	(16,045)	(32,058)
Profit/(Loss) on sale of property, plant and equipment	(1,750)	(4,413)	–	–
Provision for Employee Benefits	18,281	13,158	3,941	3,771
Share of (Profit)/Loss of equity accounted investees net of tax	205,000	12,062	–	–
	956,399	1,382,394	162,687	558,313
Operating profit before working capital changes				
(Increase) / Decrease in inventories	(45,514)	(9,243)	(6,316)	(3,566)
(Increase) / Decrease in trade and other receivables	291,572	390,852	71,569	35,591
(Increase) / Decrease in amount due from ultimate holding company	(195,626)	124,889	(189,925)	19,761
(Increase) / Decrease in amount due from parents group entities	(34)	(407,892)	(253,783)	(990,525)
(Increase) / Decrease in deposits and prepayments	(112,061)	(212,940)	(33,682)	(8,062)
Increase / (Decrease) in trade creditors	(5,182)	13,125	(14,495)	104
Increase / (Decrease) in provisions and other payables	(402,236)	(136,839)	8,466	6,954
Increase / (Decrease) in amount due to ultimate holding company	33,957	52,655	9,597	(3,349)
Increase / (Decrease) in amount due to parents group entities	28,846	11,404	155,794	121,354
Cash Generated/ (used in) from Operations	550,121	1,208,405	(90,088)	(263,425)
Interest paid	(304,152)	(136,741)	(67,620)	(1,152)
Gratuity Paid	(15,658)	(4,632)	(1,208)	(2,197)
Income tax paid	(393,575)	(386,575)	(2,221)	(5,423)
Net Cash generated / (used in) from operating activities	(163,264)	680,457	(161,137)	(272,197)
(Carried Forward to next page)				

Cash Flow Statement

<i>For the six months ended</i>	GROUP		COMPANY	
	30.09.2016 Rs.' 000	30.09.2015 Rs.' 000	30.09.2016 Rs.' 000	30.09.2015 Rs.' 000
Net Cash generated/(used in) from operating activities	(163,264)	680,457	(161,137)	(272,197)
Cash Flows from Investing Activities				
Investments made during the period	(149,352)	(383,172)	(38,780)	(383,172)
Purchase of leasehold property	–	(668,500)	–	–
Purchase of property, plant and equipment	(1,227,615)	(1,106,496)	(19,886)	(4,994)
Purchase of intangible assets	(4,513)	(182)	–	–
Proceeds from sale of property, plant and equipment	3,615	7,009	–	–
Proceeds/(Purchase) of term deposits	952,053	1,755,817	(400,000)	1,125,589
Interest received from deposits	62,935	110,005	9,142	41,044
Net cash used in investing activities	(362,877)	(285,519)	(449,524)	778,467
Cash Flows from financing activities				
Proceeds from long term borrowings	2,025,920	705,000	1,000,000	–
Repayment of long term borrowings	(1,677,431)	(1,382,766)	–	(16,442)
Shares issued by Subsidiary	97,258	–	–	–
Dividends paid	(435,213)	(519,285)	(435,213)	(519,285)
Dividend paid to shareholders of non-controlling interest	(50,517)	(107,658)	–	–
Net cash flow/(used in) from financing activities	(39,983)	(1,304,709)	564,787	(535,727)
Net Increase/(Decrease) in cash & cash equivalents	(566,124)	(909,771)	(45,874)	(29,457)
Cash & cash equivalents at the beginning of the period adjusted for effect of exchange rate change	191,182	1,406,431	97,865	54,078
Cash & cash equivalents at the end of the period	(374,942)	496,660	51,991	24,621
Analysis of cash & cash Equivalents at the end of the period				
Cash at Bank and in hand and short term deposits	765,068	1,142,083	59,918	40,862
Bank Overdrafts	(1,140,010)	(645,423)	(7,927)	(16,241)
	(374,942)	496,660	51,991	24,621

Notes to the Interim Financial Statements

1 Segmental Results

1.1 Revenue

<i>For the six months ended 30th September</i>	External Rs.' 000	Intra Group Rs.' 000	GROUP	
			Total 2016 Rs.' 000	Total 2015 Rs.' 000
Sri Lanka Sector				
Resorts and Hotels	1,596,685	4,710	1,601,395	1,407,194
Others	22,739	156,640	179,379	199,675
Total Sri Lanka Sector	1,619,424	161,350	1,780,774	1,606,869
South Asian and Middle East Sector	4,393,730	48,590	4,442,320	4,197,962
	6,013,154	209,940	6,223,094	5,804,831
Intra Group			(209,940)	(241,069)
Total			6,013,154	5,563,762

1.2 Profit/(Loss) before taxation

<i>For the six months ended 30th September</i>	GROUP	
	2016 Rs.' 000	2015 Rs.' 000
Sri Lanka Sector		
Resorts and Hotels	42,687	152,325
Others	56,108	142,925
	98,795	295,250
Share of results of equity accounted investees	(205,000)	(12,062)
Total Sri Lanka Sector	(106,205)	283,188
South Asian and Middle East Sector	(15,686)	564,815
Total	(121,891)	848,003

1.3 Total Assets

<i>For the six months ended 30th September</i>	GROUP	
	2016 Rs.' 000	2015 Rs.' 000
Sri Lanka Sector		
Resorts and Hotels	10,443,512	10,906,239
Others	596,441	3,278,726
	11,039,953	14,184,965
Share of results of equity accounted investees	3,648,204	2,350,059
Total Sri Lanka Sector	14,688,157	16,535,024
South Asian and Middle East Sector	23,250,046	16,347,031
Total	37,938,203	32,882,055

Notes to the Interim Financial Statements

- 2** The Financial statements of the Company and those consolidated with such for the interim period have been prepared on the same accounting policies and methods of computations as in the most recent audited financial statements and are in compliance with LKAS 34-Interim Financial Reporting.
- 3** The interim financial statements for the six months ended 30th September 2016 were authorised for issue by the Board of Directors on 03rd November 2016.
- 4** 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 year have been amended where relevant to be comparable with those of the current period.
- 5** The company paid the final recommended ordinary dividend of Rs. 1.25 per ordinary share for the year ended 31st March 2016 on 12th July 2016 after it was approved at the Annual General Meeting. Total final ordinary dividend payment amounted to Rs. 420,362,563/-.
- 6** Five months of the period under review relates to the off season of the tourism industry both Sri Lanka and overseas, the group operates.
- 7** There were no material events subsequent to the end of the interim period which require disclosure in the interim financial statements.
- 8** There were no material changes in contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2016.
- 9** There was no liability to management fees or any other similar expenditure not provided for in the interim financial statements.

10 Share Information

	30.09.2016	30.09.2015	31.03.2016
Market Price per Share			
- Highest	57.00	82.00	83.90
- Lowest	47.10	73.50	50.00
Last Traded Price (Rs.)	48.00	74.00	53.00
Dividend per ordinary share (Rs.)	-	-	1.25
Number of shares represented by the stated capital			
- Ordinary	336,290,010	336,290,010	336,290,010
- Preference	16,500,000	16,500,000	16,500,000

- 11** Percentage of shares held by the public as at 30th September 2016 is 25.46%. Number of public shareholders as at 30th September 2016 is 3,353.

Notes to the Interim Financial Statements

11 Shares held by the Directors are as follows:

Name of the Director	Position	No of Shares 30.09.2016	No of Shares 30.09.2015
D.H.S Jayawardena	Chairman	-	-
J.M.S Brito	Managing Director	111,596	106,596
D.S.T Jayawardena	Director	16,000	16,000
C.M.S Jayawickrama	Director	-	-
G.P.J Goonewardena	Director	5,460	5,460
R.N Asirwatham	Director	1,000	1,000
C.H Gomez	Director	-	-
N.J. de S. Deva Aditya	Director	-	-
		134,056	129,056

12 Twenty Largest Shareholders as at 30th September 2016

Name of the Shareholder	No of Shares	%
Aitken Spence PLC - A/C No. 1	239,472,667	71.21
Employees Provident Fund	31,501,601	9.37
Sri Lanka Insurance Corporation Ltd. - Life Fund	5,518,727	1.64
Ace Cargo (Pvt) Ltd	4,423,601	1.32
Aitken Spence Hotel Managements (Pvt) Ltd	3,530,639	1.05
Aitken Spence Aviation (Pvt) Ltd.	2,604,140	0.77
Bank of Ceylon No 01 Account	2,547,422	0.76
Employee Trust Fund Board	2,370,705	0.70
The Ceylon Guardian Investments Trust PLC A/C # 02	2,245,982	0.67
National Savings Bank	2,102,133	0.63
G.C Wickremasinghe	2,082,241	0.62
Ceylon Investments PLC # 02	1,283,675	0.38
A.T Wickremasinghe	1,245,004	0.37
Bank of Ceylon A/C Ceybank Century Growth Fund	1,035,815	0.31
M.J Fernando	1,000,000	0.30
K Fernando	991,149	0.29
F.A.A Mack	989,550	0.29
Ceylon Investments PLC # 01	985,900	0.29
Phoenix Ventures Private Limited	831,390	0.25
Rubber Investment Trust Limited A/C # 01	792,093	0.24
	307,554,434	91.46

Corporate Information as at 30.09.2016

Directors

D.H.S Jayawardena (Chairman)
J.M.S Brito LLB, FCA, MBA (Managing Director)
D.S.T. Jayawardena
C.M.S Jayawickrama FCMA
G.P.J Goonewardena
R.N Asirwatham FCA
C.H Gomez
N.J. de S. Deva Aditya DL, FRSA, MEP

Secretaries

P.W Corporate Secretaries (Pvt) Ltd
3/17, Kynsey Road, Colombo 8.

Registered Address

No 315, Vauxhall Street
Colombo 02
Sri Lanka