

# INTERIM FINANCIAL STATEMENTS

**For the Period Ended 30 September 2018**



**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Group						Company					
	Un-audited 6 Months ended 30.09.2018	Un-audited 6 Months ended 30.09.2017	Variance	Unaudited 3 Months Ended 30.09.2018	Unaudited 3 Months Ended 30.09.2017	Variance	Un-audited 6 Months ended 30.09.2018	Un-audited 6 Months ended 30.09.2017	Variance	Unaudited 3 Months Ended 30.09.2018	Unaudited 3 Months Ended 30.09.2017	Variance
Revenue from contracts with customers	6,882,695	7,835,176	-12.2%	3,542,979	3,965,045	-10.6%	4,437,825	4,732,161	-6.2%	2,289,959	2,369,947	-3.4%
Cost of sales	(5,474,932)	(6,315,195)	-13.3%	(2,837,206)	(3,185,312)	-10.9%	(3,236,928)	(3,550,221)	-8.8%	(1,693,032)	(1,764,510)	-4.1%
Gross profit	1,407,763	1,519,981	-7.4%	705,773	779,733	-9.5%	1,200,897	1,181,940	1.6%	596,927	605,437	-1.4%
Other income	59,468	58,260	2.1%	38,359	45,375	-15.5%	69,390	38,781	78.9%	45,092	19,543	130.7%
Distribution expenses	(178,636)	(179,172)	-0.3%	(100,901)	(94,189)	7.1%	(119,280)	(101,083)	18.0%	(62,613)	(54,655)	14.6%
Administrative and other expenses	(900,984)	(876,674)	2.8%	(444,544)	(453,488)	-2.0%	(792,654)	(781,459)	1.4%	(392,203)	(395,320)	-0.8%
<b>Profit from operating activities</b>	<b>387,611</b>	<b>522,395</b>	<b>-25.8%</b>	<b>198,687</b>	<b>277,431</b>	<b>-28.4%</b>	<b>358,353</b>	<b>338,179</b>	<b>6.0%</b>	<b>187,203</b>	<b>175,005</b>	<b>7.0%</b>
Finance income	20,205	32,084	-37.0%	8,339	3,559	134.3%	32,907	33,698	-2.3%	14,772	6,972	111.9%
Finance cost	(187,743)	(213,757)	-12.2%	(98,046)	(105,396)	-7.0%	(31,103)	(61,971)	-49.8%	(13,195)	(27,050)	-51.2%
Net finance (cost) / income	(167,538)	(181,673)	-7.8%	(89,707)	(101,837)	-11.9%	1,804	(28,273)	-106.4%	1,577	(20,078)	-107.9%
Share of profit of equity accounted investee (net of income tax)	-	115,407	-100.0%	-	117,744	-100.0%	-	-	-	-	-	-
Profit before income tax expense	220,073	456,129	-51.8%	108,980	293,338	-62.8%	360,157	309,906	16.2%	188,780	154,927	21.9%
Income tax expense	(81,513)	(109,059)	-25.3%	(64,467)	(59,998)	7.4%	(112,222)	(92,887)	20.8%	(63,993)	(46,290)	38.2%
<b>Profit for the period</b>	<b>138,560</b>	<b>347,070</b>	<b>-60.1%</b>	<b>44,513</b>	<b>233,340</b>	<b>-80.9%</b>	<b>247,935</b>	<b>217,019</b>	<b>14.2%</b>	<b>124,787</b>	<b>108,637</b>	<b>14.9%</b>
<b>Other comprehensive income</b>												
<b>Items that are or may be reclassified to profit or loss</b>												
Net change in fair value of available for sale financial assets	(78,481)	35,328		(39,917)	(25,622)		(62,862)	27,668		(33,813)	(21,197)	
<b>Other comprehensive income for the period</b>	<b>(78,481)</b>	<b>35,328</b>		<b>(39,917)</b>	<b>(25,622)</b>		<b>(62,862)</b>	<b>27,668</b>		<b>(33,813)</b>	<b>(21,197)</b>	
Total comprehensive income for the period	60,079	382,398		4,596	207,718		185,073	244,687		90,974	87,440	
Profit attributable to:												
Equity holders of the parent	138,560	347,070		44,513	233,340		247,935	217,019		124,787	108,637	
<b>Profit for the period</b>	<b>138,560</b>	<b>347,070</b>		<b>44,513</b>	<b>233,340</b>		<b>247,935</b>	<b>217,019</b>		<b>124,787</b>	<b>108,637</b>	
Total comprehensive income attributable to:												
Equity holders of the parent	60,079	382,398		4,596	207,718		185,073	244,687		90,974	87,440	
<b>Total comprehensive income for the period</b>	<b>60,079</b>	<b>382,398</b>		<b>4,596</b>	<b>207,718</b>		<b>185,073</b>	<b>244,687</b>		<b>90,974</b>	<b>87,440</b>	
<b>Basic earnings per share (Rs.)</b>	<b>1.37</b>	<b>3.44</b>		<b>0.44</b>	<b>2.31</b>		<b>2.46</b>	<b>2.15</b>		<b>1.24</b>	<b>1.08</b>	

Notes:  
All amounts are in Rs.'000s, unless otherwise stated.  
Figures in brackets indicate deductions.

**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018**  
**STATEMENT OF FINANCIAL POSITION**

	Group		Company	
	Un-audited 30.09.2018	Audited 31.03.2018	Un-audited 30.09.2018	Audited 31.03.2018
<b>As at</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant & equipment	7,059,988	7,034,395	6,430,498	6,420,889
Investment property	-	-	468,500	468,500
Intangible assets	9,685	10,729	5,551	6,390
Investments in subsidiaries	-	-	272,400	247,400
Other investments	285,824	356,309	221,013	274,163
Defined benefit plan	84,081	84,081	80,522	80,522
Deferred tax assets	41,373	12,057	-	-
<b>Total non-current assets</b>	<u>7,480,951</u>	<u>7,497,571</u>	<u>7,478,484</u>	<u>7,497,864</u>
<b>Current assets</b>				
Inventories	6,245,816	6,485,929	2,809,539	3,456,037
Trade and other receivables	2,619,371	1,657,783	1,924,856	917,215
Amounts due from related parties	-	-	708,395	40,430
Current tax receivables	35,981	5,854	-	-
Other investments	74,670	87,203	74,670	87,203
Cash and cash equivalents	317,134	1,156,160	223,416	1,045,707
<b>Total current assets</b>	<u>9,292,972</u>	<u>9,392,929</u>	<u>5,740,876</u>	<u>5,546,592</u>
<b>Total assets</b>	<u>16,773,923</u>	<u>16,890,500</u>	<u>13,219,360</u>	<u>13,044,456</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Stated capital	336,335	336,335	336,335	336,335
Capital reserve	4,556,009	4,556,009	4,242,869	4,242,869
Other components of equity	1,337,235	1,415,716	1,379,180	1,442,042
Retained earnings	6,379,276	6,392,067	5,770,918	5,674,334
<b>Total equity attributable to the equity holders of the parent</b>	<u>12,608,855</u>	<u>12,700,127</u>	<u>11,729,302</u>	<u>11,695,580</u>
<b>Non-current liabilities</b>				
Employee benefits	220,666	203,713	200,638	186,845
Deferred tax liabilities	63,431	49,077	65,462	51,103
<b>Total non-current liabilities</b>	<u>284,097</u>	<u>252,790</u>	<u>266,100</u>	<u>237,948</u>
<b>Current liabilities</b>				
Interest bearing borrowings	2,924,025	2,718,432	402,053	-
Trade and other payables	711,352	1,016,933	491,751	862,150
Amounts due to related parties	-	-	95,978	49,796
Current tax liabilities	78,151	87,785	78,559	88,524
Bank overdrafts	167,443	114,433	155,617	110,458
<b>Total current liabilities</b>	<u>3,880,971</u>	<u>3,937,583</u>	<u>1,223,958</u>	<u>1,110,928</u>
<b>Total liabilities</b>	<u>4,165,068</u>	<u>4,190,373</u>	<u>1,490,058</u>	<u>1,348,876</u>
<b>Total equity and liabilities</b>	<u>16,773,923</u>	<u>16,890,500</u>	<u>13,219,360</u>	<u>13,044,456</u>
<b>Net assets per share (Rs.)</b>	<b>124.96</b>	<b>125.87</b>	<b>116.25</b>	<b>115.91</b>

Note:

All amounts are in Rs.'000s, unless otherwise stated.

I certify that these interim financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Thushara Jayasekara  
Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these interim financial statements.



Sunil G. Wijesinha  
Chairman  
29-Oct-2018  
Colombo



Chanaka Yatawara  
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC  
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018  
STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.'000	Capital Reserve Rs.'000	Other Components of Equity				Retained Earnings Rs.'000	Total Equity Rs.'000
			Development Reserve Rs.'000	Property, Plant & Equipment Replacement Reserve Rs.'000	General Reserves Rs.'000	Available for Sale Reserve Rs.'000		
<b>Group</b>								
<b>Balance as at 01.04.2017</b>	<b>336,335</b>	<b>2,956,382</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(163,965)</b>	<b>6,053,067</b>	<b>10,742,369</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 30.09.2017							347,070	347,070
<b>Other comprehensive income</b>								
Net change in fair value of available for sale financial assets							35,328	35,328
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,328</b>	<b>382,398</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
<b>Balance as at 30.09.2017</b>	<b>336,335</b>	<b>2,956,382</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(128,637)</b>	<b>6,400,137</b>	<b>11,124,767</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 31.03.2018							321,830	321,830
<b>Other comprehensive income</b>								
Employee benefit plan actuarial losses							(11,645)	(11,645)
Deferred tax on actuarial gains on defined benefit obligation							3,008	3,008
Net change in fair value of available for sale financial assets							(16,197)	(16,197)
Transfer of revaluation reserve on disposal of land of joint venture		(34,046)					34,046	-
Gain from revaluation of land		1,633,673					-	1,633,673
Equity accounted investee - share of OCI							(2,157)	(2,157)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,599,627</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,197)</b>	<b>1,928,512</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
First interim dividend paid 2017 / 2018							(353,152)	(353,152)
<b>Balance as at 31.03.2018</b>	<b>336,335</b>	<b>4,556,009</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(144,834)</b>	<b>6,392,067</b>	<b>12,700,127</b>
<b>Other comprehensive income for the six months period</b>								
Profit for the six months ended 30.09.2018							138,560	138,560
Net change in fair value of available for sale financial assets							(78,481)	(78,481)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(78,481)</b>	<b>60,079</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
Final dividend paid 2017 / 2018							(151,351)	(151,351)
<b>Balance as at 30.09.2018</b>	<b>336,335</b>	<b>4,556,009</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(223,315)</b>	<b>6,379,276</b>	<b>12,608,855</b>

Notes:  
All amounts are in Rs.'000s, unless otherwise stated.  
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC  
 INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018  
 STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital	Capital Reserve	Other Components of Equity				Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Development Reserve Rs.'000	Property, Plant & Equipment Replacement Reserve Rs.'000	General Reserves Rs.'000	Available for Sale Reserve Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01.04.2017 - restated</b>	<b>336,335</b>	<b>2,922,336</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(129,932)</b>	<b>4,578,426</b>	<b>9,267,715</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 30.09.2017							217,019	217,019
<b>Other comprehensive income</b>								
Net change in fair value of available for sale financial assets	-	-	-	-	-	27,668	-	27,668
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,668</b>	<b>217,019</b>	<b>244,687</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
<b>Balance as at 30.09.2017</b>	<b>336,335</b>	<b>2,922,336</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(102,264)</b>	<b>4,795,445</b>	<b>9,512,402</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 31.03.2018							1,239,678	1,239,678
<b>Other comprehensive income</b>								
Employee benefit plan actuarial losses							(10,260)	(10,260)
Deferred tax on actuarial gains on defined benefit obligation							2,623	2,623
Net change in fair value of available for sale financial assets						(16,244)	-	(16,244)
Gain from revaluation of land		1,320,533						1,320,533
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,320,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,244)</b>	<b>1,232,041</b>	<b>2,536,330</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
First interim dividend paid 2017 / 2018							(353,152)	(353,152)
<b>Balance as at 31.03.2018</b>	<b>336,335</b>	<b>4,242,869</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(118,508)</b>	<b>5,674,334</b>	<b>11,695,580</b>
<b>Other comprehensive income for the six months period</b>								
Profit for the six months ended 30.09.2018							247,935	247,935
<b>Other comprehensive income</b>								
Net change in fair value of available for sale financial assets						(62,862)	-	(62,862)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62,862)</b>	<b>247,935</b>	<b>185,073</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the Company</b>								
Final dividend paid 2017 / 2018							(151,351)	(151,351)
<b>Balance as at 30.09.2018</b>	<b>336,335</b>	<b>4,242,869</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(181,370)</b>	<b>5,770,918</b>	<b>11,729,302</b>

Notes:  
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 Figures in brackets indicate deductions.

**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018**  
**STATEMENT OF CASH FLOWS**

For the period ended 30 September	Group		Company	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000 Re-stated
<b>Cash flows from operating activities</b>				
<b>Profit before income tax expense</b>	220,073	456,129	360,157	309,906
Adjustments for:				
Provision for depreciation / amortisation	90,039	80,556	73,653	63,207
Profit on disposal of property, plant & equipment	(562)	(41,345)	(117)	(8,207)
Net gain on disposal of available for sale financial assets	(107)	(11,729)	-	(10,747)
Net gain on disposal of financial assets at the fair value through profit or loss	-	(1,917)	-	(1,917)
Net change in fair value - financial asset at fair value through profit or loss	12,532	(3,152)	12,532	(3,152)
Interest expense	175,105	213,664	18,465	61,879
Interest income	(13,344)	(2,904)	(30,690)	(7,103)
Dividend income	(2,591)	(6,513)	(2,264)	(4,625)
Dividend received from subsidiary	-	-	-	(4,564)
Impairment of trade receivables and losses on warranty claims	13,137	8,224	12,372	6,762
Provision for employee benefit obligations	17,756	17,672	13,793	13,708
Share of profits of equity accounted investee	-	(115,407)	-	-
Provision for slow moving / obsolete inventories	30,322	27,914	31,929	26,662
Unrealised profit on sale of goods to equity accounted investee	-	424	-	-
<b>Operating profit before working capital changes</b>	<b>542,360</b>	<b>621,616</b>	<b>489,830</b>	<b>441,809</b>
Decrease / (Increase) in inventories	209,791	(675,714)	614,570	533,562
(Increase) / decrease in trade and other receivables	(974,722)	89,350	(1,020,014)	(175,385)
Increase in amounts due from related parties	-	(11,080)	(667,965)	(28,044)
Increase in amounts due to related parties	-	252	46,182	44,383
Decrease in trade and other payables	(305,578)	(314,131)	(370,399)	(556,996)
<b>Cash (used in) / generated from operations</b>	<b>(528,149)</b>	<b>(289,707)</b>	<b>(907,796)</b>	<b>259,329</b>
Interest paid	(162,419)	(206,127)	(17,267)	(62,058)
Income tax paid	(136,238)	(195,777)	(107,828)	(111,985)
Contribution paid and received from investment plan (net)	(803)	(633)	-	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(827,609)</b>	<b>(692,244)</b>	<b>(1,032,891)</b>	<b>85,286</b>
<b>Cash flows from investing activities</b>				
(Investment in) / proceeds from disposal of shares	(7,890)	372,427	(9,713)	339,433
Acquisitions of property, plant & equipment and intangible assets	(118,029)	(180,323)	(82,422)	(163,807)
Proceeds from disposal of property, plant & equipment	4,002	41,949	117	8,811
Investment in subsidiary	-	-	(25,000)	-
Interest received	13,344	2,904	30,690	7,103
Dividend received	2,591	6,513	2,264	9,189
<b>Net cash (used in) / generated from investing activities</b>	<b>(105,982)</b>	<b>243,470</b>	<b>(84,064)</b>	<b>200,729</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(151,351)	-	(151,351)	-
Loans obtained	16,117,295	18,788,462	5,891,012	8,367,116
Loans paid	(15,924,389)	(18,651,312)	(5,490,156)	(8,935,029)
<b>Net cash generated from / (used in) financing activities</b>	<b>41,555</b>	<b>137,150</b>	<b>249,505</b>	<b>(567,913)</b>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(892,036)</b>	<b>(311,624)</b>	<b>(867,450)</b>	<b>(281,898)</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	<b>1,041,727</b>	<b>447,935</b>	<b>935,249</b>	<b>362,600</b>
<b>Cash and cash equivalents at end of the period</b>	<b>149,691</b>	<b>136,311</b>	<b>67,799</b>	<b>80,702</b>

	Group		Company	
	30.09.2018 Rs.'000s	30.09.2017 Rs.'000s	30.09.2018 Rs.'000s	30.09.2017 Rs.'000s
Cash and bank balances	304,457	258,968	210,739	167,867
Short term deposits	12,677	7,715	12,677	7,715
Bank overdrafts	(167,443)	(130,372)	(155,617)	(94,880)
<b>Total cash and cash equivalents</b>	<b>149,691</b>	<b>136,311</b>	<b>67,799</b>	<b>80,702</b>

Notes:  
All amounts are in Rs.'000s, unless otherwise stated.  
Figures in brackets indicate deductions.

**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**1. Reporting entity**

United Motors Lanka PLC (the "Company"), is a Public Quoted Company incorporated on 9 May 1989 and domiciled in Sri Lanka. The registered office and the principal place of business of the Company are located at No.100, Hyde Park Corner, Colombo 02.

The ultimate parent company - R I L Property PLC holds 51% of the issued shares of the Company.

**2. Interim consolidated financial statements**

The consolidated interim financial statements of the Group as at and for the period ended 30 September 2018 comprise the Company and its subsidiaries. All the group entities are limited liability companies, incorporated and domiciled in Sri Lanka.

The Company is primarily involved in distribution of brand new Mitsubishi and Fuso vehicles, spare parts, lubricants, 3D printers and filaments, after sales services and related services and other companies in the Group are engaged in distribution of vehicles of other brands, heavy equipment, accessories, tyres and assembling of vehicles.

United Motors Lanka PLC divested its entire investment in TVS Lanka (Pvt) Ltd, a joint venture with United Motors Lanka PLC and TV Sundram Iyengar and Sons (Pvt) Limited, India on 28<sup>th</sup> March 2018.

**3. Basis of preparation**

The interim financial statements of the Company and the Group have been prepared based on the Sri Lanka Accounting Standards SLFRS/LKAS and consistently applied the accounting policies as stated in the most recent annual report for the year ended 31 March 2018 except for the changes required due to adoption of new accounting standards mentioned in Note no. 4.

These interim financial statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended 31 March 2018.

These financial statements provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

The presentation and classification of the consolidated financial statements of the previous periods have been amended where relevant, for better presentation and to be comparable with those of current period.

**4. New standards, interpretations and amendments**

**SLFRS 9 – Financial Instruments**

SLFRS 9 - Financial Instruments replaces LKAS 39 - Financial Instruments: Recognition and Measurement and all previous versions of SLFRS 9. The key aspects of SLFRS 9 are Classification and measurement, impairment and hedge accounting.

SLFRS 9 is effective for financial periods beginning on or after 1 January 2018. SLFRS 9 requires retrospective application of the standard except for hedge accounting where requirements are generally applied prospectively with some limited exceptions.

However, the Institute of Chartered Accountants of Sri Lanka has granted the option via Statement of Alternative Treatment (SoAT) to prepare the Interim Financial Statements continuing with the application of LKAS 39 with disclosures on impact to the statement of comprehensive income for the period if SLFRS 9 had been applied during financial year commencing on or after 1 January 2018.

The Group having opted to use the exemption granted under the above SoAT, prepared the Interim Financial Statements for the period ended 30 September 2018 based on LKAS 39.

**SLFRS 15 Revenue from contracts with customers**

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed, the Group concluded that SLFRS 15 does not have a material impact on the Group's consolidated financial statements.

**5. Approval of financial statements**

These consolidated interim financial statements for the period ended 30 September 2018 were authorized for issue by the Board of Directors on 29 October 2018.

**6. Operating segments**

An operating segment is a distinguishable component of the Group / Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segmentation has been determined based on the Group's management and internal reporting structure. Segment Information is based on the primary format representing the industry segments of the Company and the Group. The Group has seven reportable segments whilst the Company has five.

The business segments of the Group are highlighted in the table below:

Reportable segment	Nature of business
Spare parts	Sale of spare parts
Vehicles	Sale of brand new passenger vehicles, commercial vehicles, special purpose vehicles and pre-owned passenger vehicles.
Repairs & services	Repairs and servicing of vehicles
Equipment & machinery	Sale of heavy equipment & machinery
Tyres	Sale of tyres
Lubricant & other services	Sale of lubricant & hiring of vehicles
3D Printers & services	Sale of 3D printers, filaments, spare parts and related services.

**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)**

**7. Contingencies, capital and other commitments**

Corporate guarantee of Rs 60 Mn which was given to TVS Automotives (Pvt) Ltd by United Motors Lanka PLC was cancelled on 20 June 2018 due to the divestment of investment in joint venture - TVS Lanka (Pvt) Ltd.

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report 2017 / 2018 other than the above.

**8. Events after the reporting period**

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments or disclosures in the financial statements.

**9. Related party transactions**

**9.1 Transactions with the parent company**

Transaction type	Six months ended 30.09.2018 Rs.'000s	Six months ended 30.09.2017 Rs.'000s
Repairs & services provided	322	596
Rent paid in advance	1,855	-
Rentals paid for premises occupied	1,067	-
Refundable rent deposit	1,045	-
Reimbursement of expenses	9	-
Services obtained	46	-

**9.2 Transactions with subsidiaries**

Transaction type	Six months ended 30.09.2018 Rs.'000s	Six months ended 30.09.2017 Rs.'000s
Sale of goods	10,116	16,905
Purchase of goods	14,333	16,576
Repairs and services provided	58,129	52,932
Expenses incurred	28,686	27,107
Reimbursement of expenses	472	196
Hiring income received	765	698
Hiring rentals paid for vehicles	12,133	19,114
Interest received	18,805	5,228
Loans granted	3,888,600	1,559,000
Loan settlements	3,254,500	1,559,000
Rentals paid for premises occupied	50,023	45,475
Rentals received for premises occupied	14,132	13,965
Investment in subsidiaries	25,000	-

**9.3 Transactions with other related entities of the parent company**

Company	Transaction type	Six months ended 30.09.2018 Rs.'000s	Six months ended 30.09.2017 Rs.'000s
Foodbuzz (Pvt) Ltd	Repairs & services provided	199	257
	Sale of spare parts	6	-

**9.4 Non – recurrent related party transactions**

There were no non – recurrent transactions for six months period ended 30 September 2018 which requires immediate market disclosure.

**10. Share information**

**10.1 Stated capital**

Stated capital is represented by number of shares in issue as given below:

As at	30.09.2018	31.03.2018
Ordinary shares	100,900,626	100,900,626

**10.2 Public shareholding**

As at	30.09.2018	31.03.2018
Number of public shareholders	3,742	3,897
Number of shares held by the public	26,136,615	26,848,965
Percentage of shares held by the public	25.90%	26.61%

The float adjusted market capitalisation as at 30 September 2018 - Rs. 2,161,498,061.

Public shareholding percentage as at 30 September 2018 is 25.90% and the Company is in compliance with option 5 of Section 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange.



UNITED MOTORS LANKA PLC

INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018

NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

10.3 Directors' shareholding

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

As at	30.09.2018	31.03.2018
Mr. Sunil G. Wijesinha	-	-
Mr. Chanaka Yatawara	1,276,685	1,275,885
Mr. Ananda Atukorala	3,000	3,000
Ms. Hiroshini Fernando	-	-
Mr. Ramesh Yaseen	10,620	10,620
Prof. Malik Ranasinghe	-	-
Mr. Stuart Chapman	-	-
Mr. Hiroyasu Inoue	-	-
	<u>1,290,305</u>	<u>1,289,505</u>

10.4 Twenty largest shareholders of the Company are as follows:

As at	30.09.2018		31.03.2018	
	Number of shares	%	Number of shares	%
R I L Property PLC	51,459,320	51.00	51,459,320	51.00
Ms. R. R. Yaseen	11,492,484	11.39	10,767,210	10.67
Mr. M. A. Yaseen	10,521,402	10.43	10,521,402	10.43
Mrs. S. M. Chrysostom	6,945,471	6.88	6,945,471	6.88
Mitsubishi Motors Corporation	4,937,142	4.89	4,937,142	4.89
Sterling Holdings (Private) Limited	2,945,371	2.92	2,690,441	2.67
Mr. Chanaka Yatawara	1,276,685	1.27	1,275,885	1.26
Capital Development & Investment Company PLC - A/C No. 2	604,209	0.60	604,209	0.60
Deutsche Bank AG as Trustee to Candor Opportunities Fund	542,085	0.54	250,000	0.25
Bank of Ceylon Account No. 1	404,478	0.40	404,478	0.40
Mr. A. M. Weerasinghe	301,880	0.30	301,880	0.30
Mr. S. D. Yaseen	243,300	0.24	243,300	0.24
Mr. J. A. Yaseen	156,177	0.15	156,177	0.15
Mr. P. Rathnayaka	156,000	0.15	156,000	0.15
Mercantile Investments and Finance PLC	150,000	0.15	150,000	0.15
Akbar Brothers (Pvt) Ltd A/C No. 1	136,648	0.14	136,648	0.14
Mr. M. Anndreino Yaseen	119,430	0.12	119,430	0.12
Mr. V. A. Yaseen	119,427	0.12	119,427	0.12
Mr. M. H. M. Nazeer	100,984	0.10	-	-
Perera & Sons (Bakers) Limited	100,000	0.10	-	-
*Others (shareholders under 20 largest shareholders as at 31 March 2018)	-	-	328,751	0.33

\* Comparative shareholding as at 31 March 2018 of the twenty largest shareholders as at 31 March 2018. Please refer 10.4.1 for details

10.4.1 Shareholders Included in the twenty largest shareholding as at 31 March 2018

	31.03.2018	
	Number of shares	%
Seylan Bank PLC / Lasantha Chandika Ranaweera Pathirana	203,751	0.20
Andaradeniya Estate (Pvt) Limited	125,000	0.12
	<u>328,751</u>	<u>0.33</u>

10.5 Earnings per share (EPS)

Earnings per share has been calculated for all the periods based on the number of shares in issue as at the current period end.

10.6 Net assets per share

Net assets per share has been calculated for all the periods based on the number of shares in issue as at the current period end.

10.7 Market price per share

For the quarter ended 30 September	2018 Rs.	2017 Rs.
Highest price	87.40	90.00
Lowest price	80.10	72.60
Closing price	82.70	72.70

UNITED MOTORS LANKA PLC

INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018

SEGMENT INFORMATION

Group

Group	Spare parts		Vehicles		Repairs & services		Equipment & machinery		3D Printers		Tyres		Lubricant & other services		Total	
	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited
<b>Revenue from contracts with customers</b>																
External - Goods transferred at a point in time	840,896	821,628	5,182,200	6,110,379	-	-	35,938	-	260	-	104,055	103,993	341,361	427,749	6,504,710	7,463,749
- Services rendered	-	-	17,105	13,786	360,880	357,641	-	-	-	-	-	-	-	-	377,985	371,427
<b>Total revenue from contracts with customers</b>	<b>840,896</b>	<b>821,628</b>	<b>5,199,305</b>	<b>6,124,165</b>	<b>360,880</b>	<b>357,641</b>	<b>35,938</b>	<b>-</b>	<b>260</b>	<b>-</b>	<b>104,055</b>	<b>103,993</b>	<b>341,361</b>	<b>427,749</b>	<b>6,882,695</b>	<b>7,835,176</b>
<b>Segment results</b>	<b>302,064</b>	<b>313,440</b>	<b>325,506</b>	<b>422,339</b>	<b>20,274</b>	<b>11,723</b>	<b>(25,630)</b>	<b>-</b>	<b>(4,571)</b>	<b>-</b>	<b>8,164</b>	<b>11,539</b>	<b>26,683</b>	<b>44,681</b>	<b>652,490</b>	<b>803,722</b>
Unallocated income															59,468	58,260
Unallocated expenses															(324,347)	(339,587)
Profit from operations before finance cost															387,611	522,395
Net finance cost															(167,538)	(181,673)
Profit from operations															220,073	340,722
Share of profit of equity accounted investee (net of income tax)															-	115,407
Profit before income tax expense															220,073	456,129
Income tax expenses															(81,513)	(109,059)
<b>Profit from ordinary activities</b>															<b>138,560</b>	<b>347,070</b>
Net change in fair value of available for sale financial assets															(78,481)	35,328
<b>Total comprehensive income attributable to equity holders of the parent</b>															<b>60,079</b>	<b>382,398</b>
Segment assets	2,311,929	1,589,273	10,161,801	11,575,535	561,315	441,002	147,632	-	24,085	-	287,516	216,293	757,432	710,931	14,251,710	14,533,034
Unallocated assets															2,522,213	2,539,918
<b>Total assets</b>	<b>2,311,929</b>	<b>1,589,273</b>	<b>10,161,801</b>	<b>11,575,535</b>	<b>561,315</b>	<b>441,002</b>	<b>147,632</b>	<b>-</b>	<b>24,085</b>	<b>-</b>	<b>287,516</b>	<b>216,293</b>	<b>757,432</b>	<b>710,931</b>	<b>16,773,923</b>	<b>17,072,952</b>
Segment liabilities	26,458	62,767	97,594	749,504	7,507	8,508	24,281	-	-	-	7,427	9,088	12,996	31,357	176,263	861,224
Unallocated liabilities															3,988,805	5,086,961
<b>Total liabilities</b>	<b>26,458</b>	<b>62,767</b>	<b>97,594</b>	<b>749,504</b>	<b>7,507</b>	<b>8,508</b>	<b>24,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,427</b>	<b>9,088</b>	<b>12,996</b>	<b>31,357</b>	<b>4,165,068</b>	<b>5,948,185</b>
Segment capital expenditure - allocated	14,420	18,909	89,161	140,945	6,189	8,231	616	-	4	-	1,785	2,393	5,854	9,845	118,029	180,323
Depreciation & amortisation - allocated	11,000	8,447	68,017	62,965	4,721	3,677	470	-	3	-	1,362	1,069	4,466	4,398	90,039	80,556
Non cash expenses / (income)	30,528	12,677	6,627	19,819	1,776	964	-	-	-	-	1,291	620	3,236	2,056	43,458	36,136

Notes:

All amounts are in Rs.'000s, unless otherwise stated.  
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC

INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2018

SEGMENT INFORMATION

Company

Company	Spare parts		Vehicles		Repairs & services		3D Printers		Lubricant & other services		Total	
	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited	6 Months ended 30.09.2018 Un-audited	6 Months ended 30.09.2017 Un-audited
<b>Revenue from contracts with customers</b>												
External - Goods transferred at a point in time	836,482	816,181	2,834,707	3,078,534	-	-	764	-	342,429	429,362	4,014,382	4,324,077
- Services rendered	-	-	17,105	14,758	405,588	392,642	-	-	750	684	423,443	408,084
<b>Total revenue from contracts with customers</b>	<b>836,482</b>	<b>816,181</b>	<b>2,851,812</b>	<b>3,093,292</b>	<b>405,588</b>	<b>392,642</b>	<b>764</b>	<b>-</b>	<b>343,179</b>	<b>430,046</b>	<b>4,437,825</b>	<b>4,732,161</b>
<b>Segment results</b>	<b>303,679</b>	<b>310,630</b>	<b>254,216</b>	<b>261,673</b>	<b>64,982</b>	<b>46,724</b>	<b>(4,067)</b>	<b>-</b>	<b>28,667</b>	<b>51,463</b>	<b>647,477</b>	<b>670,490</b>
Unallocated income											69,390	38,781
Unallocated expenses											(358,514)	(371,092)
Profit from operations before finance cost											358,353	338,179
Net finance income											1,804	(28,273)
Profit before income tax expense											360,157	309,906
Income tax expenses											(112,222)	(92,887)
<b>Profit from ordinary activities</b>											<b>247,935</b>	<b>217,019</b>
Net change in fair value of available for sale financial assets											(62,862)	27,668
<b>Total comprehensive income attributable to equity holders of the parent</b>											<b>185,073</b>	<b>244,687</b>
Segment assets	2,093,545	1,533,465	6,552,201	6,527,808	821,814	441,002	25,006	-	940,873	879,089	10,433,439	9,381,364
Unallocated assets											2,785,921	1,676,044
<b>Total assets</b>	<b>2,093,545</b>	<b>1,533,465</b>	<b>6,552,201</b>	<b>6,527,808</b>	<b>821,814</b>	<b>441,002</b>	<b>25,006</b>	<b>-</b>	<b>940,873</b>	<b>879,089</b>	<b>13,219,360</b>	<b>11,057,408</b>
Segment liabilities	14,792	37,055	44,090	86,492	7,507	8,508	-	-	12,996	31,357	79,385	163,412
Unallocated liabilities											1,410,673	1,698,049
<b>Total liabilities</b>	<b>14,792</b>	<b>37,055</b>	<b>44,090</b>	<b>86,492</b>	<b>7,507</b>	<b>8,508</b>	<b>-</b>	<b>-</b>	<b>12,996</b>	<b>31,357</b>	<b>1,490,058</b>	<b>1,861,461</b>
Segment capital expenditure - allocated	15,536	28,253	52,966	107,076	7,533	13,592	14	-	6,373	14,886	82,422	163,807
Depreciation & amortisation - allocated	13,883	10,902	47,330	41,317	6,731	5,244	13	-	5,696	5,744	73,653	63,207
Non cash expenses / (income)	30,407	12,639	8,881	17,764	1,776	965	-	-	3,237	2,056	44,301	33,424

Notes:

All amounts are in Rs.'000s, unless otherwise stated.

Figures in brackets indicate deductions.