

INTERIM FINANCIAL STATEMENTS

For the Year Ended 31 March 2019



UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group						Company					
	Audited Year ended 31.03.2019	Audited Year ended 31.03.2018	Variance	Unaudited 3 Months Ended 31.03.2019	Unaudited 3 Months Ended 31.03.2018	Variance	Audited Year ended 31.03.2019	Audited Year ended 31.03.2018	Variance	Unaudited 3 Months Ended 31.03.2019	Unaudited 3 Months Ended 31.03.2018	Variance
Revenue from contracts with customers	12,769,409	14,716,147	-13.2%	2,649,387	3,390,825	-21.9%	7,967,928	9,035,974	-11.8%	1,531,326	1,871,182	-18.2%
Cost of sales	(10,007,213)	(11,693,030)	-14.4%	(2,078,143)	(2,666,571)	-22.1%	(5,557,666)	(6,586,427)	-15.6%	(1,029,915)	(1,299,326)	-20.7%
Gross profit	2,762,196	3,023,117	-8.6%	571,244	724,254	-21.1%	2,410,262	2,449,547	-1.6%	501,411	571,856	-12.3%
Distribution expenses	(370,363)	(389,179)	-4.8%	(95,233)	(121,732)	-21.8%	(230,366)	(229,677)	0.3%	(53,761)	(82,921)	-35.2%
Administrative and other expenses	(1,791,202)	(1,739,284)	3.0%	(411,426)	(438,606)	-6.2%	(1,564,009)	(1,521,437)	2.8%	(345,567)	(358,301)	-3.6%
Other income	152,883	182,693	-16.3%	82,070	112,754	-27.2%	159,991	909,445	-82.4%	79,386	856,722	-90.7%
Profit from operating activities	753,514	1,077,347	-30.1%	146,655	276,670	-47.0%	775,878	1,607,878	-51.7%	181,469	987,356	-81.6%
Finance income	44,490	58,699	-24.2%	7,913	24,591	-67.8%	201,973	159,560	26.6%	132,297	100,038	32.2%
Finance cost	(374,536)	(407,200)	-8.0%	(100,924)	(87,542)	15.3%	(78,983)	(99,226)	-20.4%	(37,466)	(12,233)	206.3%
Net finance (cost) / income	(330,046)	(348,501)	-5.3%	(93,011)	(62,951)	47.8%	122,990	60,334	103.8%	94,831	87,805	8.0%
Change in fair value of investment property	-	-	-	-	-	-	27,130	-	100.0%	27,130	-	100.0%
Share of profit of equity accounted investee (net of income tax)	-	137,612	-100.0%	-	20,374	-100.0%	-	-	-	-	-	-
Profit before income tax expense	423,468	866,458	-51.1%	53,644	234,093	-77.1%	925,998	1,668,212	-44.5%	303,430	1,075,161	-71.8%
Income tax expense	12,455	(197,558)	-106.3%	183,853	(17,882)	-1128.1%	(197,373)	(211,515)	-6.7%	4,365	(38,530)	-111.3%
Profit for the year / period	435,923	668,900	-34.8%	237,497	216,211	9.8%	728,625	1,456,697	-50.0%	307,794	1,036,631	-70.3%
Other comprehensive income												
Items that will never be reclassified to profit or loss												
Changes in the fair value of equity investments at fair value through other comprehensive income	(107,825)	-		(36,166)	-		(86,157)	-		(28,674)	-	
Employee benefit plan actuarial gains	3,703	(11,645)		3,703	(1,921)		4,039	(10,260)		4,039	(2,166)	
Gain from revaluation of land	-	1,633,673		-	-		-	1,320,533		-	-	
Deferred tax on actuarial gains on defined benefit obligation	(1,470)	3,008		(1,470)	(49)		(1,623)	2,623		(1,623)	(2)	
Equity accounted investee - share of other comprehensive income	-	(2,157)		-	(1,048)		-	-		-	-	
Items that are or may be reclassified to profit or loss												
Net change in fair value of available for sale financial assets	-	19,131		-	(10,836)		-	11,424		-	(13,592)	
Other comprehensive income for the year / period	(105,592)	1,642,010		(33,934)	(13,854)		(83,741)	1,324,320		(26,258)	(15,760)	
Total comprehensive income for the year / period	330,331	2,310,910		203,563	202,357		644,884	2,781,017		281,536	1,020,871	
Profit attributable to:												
Equity holders of the parent	435,923	668,900		237,497	216,211		728,625	1,456,697		307,794	1,036,631	
Profit for the year / period	435,923	668,900		237,497	216,211		728,625	1,456,697		307,794	1,036,631	
Total comprehensive income attributable to:												
Equity holders of the parent	330,331	2,310,910		203,563	202,357		644,884	2,781,017		281,536	1,020,871	
Total comprehensive income for the year / period	330,331	2,310,910		203,563	202,357		644,884	2,781,017		281,536	1,020,871	
Basic earnings per share (Rs.)	4.32	6.63		2.35	2.14		7.22	14.44		3.05	10.27	

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	Audited 31.03.2019	Audited 31.03.2018	Audited 31.03.2019	Audited 31.03.2018
Assets				
Non-current assets				
Property, plant & equipment	7,365,276	7,034,395	6,745,800	6,420,889
Investment property	-	-	495,630	468,500
Intangible assets	10,560	10,729	6,637	6,390
Investments in subsidiaries	-	-	222,400	247,400
Financial assets at fair value through Other Comprehensive Income	256,411	-	197,755	-
Available for sale financial assets	-	356,309	-	274,163
Defined benefit plan	72,923	84,081	68,946	80,522
Deferred tax assets	218,550	12,057	-	-
Total non-current assets	7,923,720	7,497,571	7,737,168	7,497,864
Current assets				
Inventories	6,187,755	6,485,929	2,566,995	3,456,037
Trade and other receivables	3,068,963	1,657,783	2,406,532	917,215
Amounts due from related parties	-	-	51,688	40,430
Current tax receivables	9,818	5,854	-	-
Financial assets at fair value through profit or loss	249,469	87,203	249,469	87,203
Cash and cash equivalents	512,766	1,156,160	380,714	1,045,707
Total current assets	10,028,771	9,392,929	5,655,398	5,546,592
Total assets	17,952,491	16,890,500	13,392,566	13,044,456
Equity and liabilities				
Equity				
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	1,307,784	1,415,716	1,355,885	1,442,042
Retained earnings	6,678,979	6,392,067	6,254,024	5,674,334
Total equity attributable to the equity holders of the parent	12,879,107	12,700,127	12,189,113	11,695,580
Non-current liabilities				
Employee benefits	222,547	203,713	201,157	186,845
Deferred tax liabilities	77,411	49,077	82,274	51,103
Total non-current liabilities	299,958	252,790	283,431	237,948
Current liabilities				
Interest bearing borrowings	3,611,428	2,718,432	-	-
Trade and other payables	942,182	1,016,933	680,748	862,150
Amounts due to related parties	-	-	59,084	49,796
Current tax liabilities	78,205	87,785	78,073	88,524
Bank overdrafts	141,611	114,433	102,117	110,458
Total current liabilities	4,773,426	3,937,583	920,022	1,110,928
Total liabilities	5,073,384	4,190,373	1,203,453	1,348,876
Total equity and liabilities	17,952,491	16,890,500	13,392,566	13,044,456
Net assets per share (Rs.)	127.64	125.87	120.80	115.91

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
27-May-2019
Colombo



Chanaka Yatawara
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC
 INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Capital Reserve	Other Components of Equity					Retained Earnings	Total Equity
			Development Reserve	Property, Plant & Equipment Replacement Reserve	General Reserves	Available for Sale Reserve	FVOCI Reserve		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Group									
Balance as at 01.04.2017	336,335	2,956,382	785,400	308,900	466,250	(163,965)	-	6,053,067	10,742,369
Total comprehensive income for the year									
Profit for the year								668,900	668,900
Other comprehensive income									
Employee benefit plan actuarial losses								(11,645)	(11,645)
Deferred tax on actuarial losses on defined benefit obligation								3,008	3,008
Net change in fair value of available for sale financial assets						19,131	-	-	19,131
Transfer of revaluation reserve on disposal of land		(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)
Total comprehensive income for the year	-	1,599,627	-	-	-	19,131	-	692,152	2,310,910
Transactions with owners, recognised directly in equity									
Distribution to owners of the Company									
First interim dividend paid 2017 / 2018								(353,152)	(353,152)
Balance as at 31.03.2018	336,335	4,556,009	785,400	308,900	466,250	(144,834)	-	6,392,067	12,700,127
Balance as at 31.03.2018	336,335	4,556,009	785,400	308,900	466,250	(144,834)		6,392,067	12,700,127
Impact of adopting SLFRS 9						144,834	(144,834)	-	-
Balance as at 01.04.2018	336,335	4,556,009	785,400	308,900	466,250	-	(144,834)	6,392,067	12,700,127
Total comprehensive income for the year									
Profit for the year								435,923	435,923
Other comprehensive income									
Employee benefit plan actuarial gains								3,703	3,703
Deferred tax on actuarial gains on defined benefit obligation								(1,470)	(1,470)
Net change in the fair value of equity investments at fair value through other comprehensive income						-	(107,825)	-	(107,825)
Net gains on disposal of FVOCI instruments							(107)	107	-
Total comprehensive income for the year	-	-	-	-	-	-	(107,932)	438,263	330,331
Transactions with owners, recognised directly in equity									
Distribution to owners of the Company									
Final dividend paid 2017 / 2018								(151,351)	(151,351)
Balance as at 31.03.2019	336,335	4,556,009	785,400	308,900	466,250	-	(252,766)	6,678,979	12,879,107

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Capital Reserve	Other Components of Equity					Retained Earnings	Total Equity
			Development Reserve	Property, Plant & Equipment Replacement Reserve	General Reserves	Available for Sale Reserve	FVOCI Reserve		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Company									
Balance as at 01.04.2017	336,335	2,922,336	785,400	308,900	466,250	(129,932)	-	4,578,426	9,267,715
Total comprehensive income for the year									
Profit for the year								1,456,697	1,456,697
Other comprehensive income									
Employee benefit plan actuarial losses								(10,260)	(10,260)
Deferred tax on actuarial losses on defined benefit obligations								2,623	2,623
Gain from revaluation of land		1,320,533							1,320,533
Net change in fair value of available for sale financial assets	-	-	-	-	-	11,424		-	11,424
Total comprehensive income for the year	-	1,320,533	-	-	-	11,424	-	1,449,060	2,781,017
Transactions with owners, recognised directly in equity									
Distribution to owners of the Company									
First interim dividend paid 2017 / 2018								(353,152)	(353,152)
Balance as at 31.03.2018	336,335	4,242,869	785,400	308,900	466,250	(118,508)	-	5,674,334	11,695,580
Balance as at 31.03.2018	336,335	4,242,869	785,400	308,900	466,250	(118,508)	-	5,674,334	11,695,580
Impact of adopting SLFRS 9						118,508	(118,508)	-	-
Balance as at 01.04.2018	336,335	4,242,869	785,400	308,900	466,250	-	(118,508)	5,674,334	11,695,580
Total comprehensive income for the year									
Profit for the year								728,625	728,625
Other comprehensive income									
Employee benefit plan actuarial gains								4,039	4,039
Deferred tax on actuarial gains on defined benefit obligations								(1,623)	(1,623)
Net change in the fair value of equity investments at fair value through other comprehensive income								-	(86,157)
Total comprehensive income for the year	-	-	-	-	-	-	(86,157)	731,041	644,884
Transactions with owners, recognised directly in equity									
Distribution to owners of the Company									
Final dividend paid 2017 / 2018								(151,351)	(151,351)
Balance as at 31.03.2019	336,335	4,242,869	785,400	308,900	466,250	-	(204,665)	6,254,024	12,189,113

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
STATEMENT OF CASH FLOWS

For the year ended 31 March	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Cash flows from operating activities				
Profit before income tax expense	423,468	866,458	925,998	1,668,212
Adjustments for;				
Provision for depreciation / amortisation	194,231	169,874	155,537	137,304
Profit on disposal of property, plant & equipment	(26,604)	(71,206)	(8,137)	(23,699)
Net gain on disposal of available for sale financial assets	-	(13,038)	-	(10,777)
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	17,920	(3,303)	17,920	(3,303)
Change in fair value of investment property	-	-	(27,130)	-
Interest expense	354,949	406,607	60,160	98,633
Interest income	(19,660)	(13,535)	(108,429)	(35,268)
Dividend income	(8,599)	(18,152)	(6,945)	(14,085)
Dividend received from subsidiary	-	-	(76,350)	(76,789)
Dividend received from equity accounted investee	-	-	-	(15,750)
Impairment of trade receivables and losses on warranty claims	1,118	29,200	(446)	18,214
Impairment of investment in subsidiary	-	-	50,000	-
Provision for employee benefit obligations	44,156	40,924	38,849	36,466
Expected return on plan asset	(9,195)	(11,269)	(8,789)	(10,857)
Share of profits of equity accounted investee	-	(137,612)	-	-
Profit on disposal of equity accounted investees	-	(82,078)	-	-
Unrealised profit adjusted in profit on disposal of equity accounted investee	-	110	-	-
Withholding tax on dividend received from equity accounted investee	-	1,750	-	-
Provision for slow moving / obsolete inventories	78,094	64,094	31,280	32,384
Profit on disposal of joint venture	-	-	-	(826,455)
Fair value adjustment on unit trust	(187)	-	(187)	-
Unrealised profit on sale of goods to equity accounted investee	-	424	-	-
Operating profit before working capital changes	1,049,691	1,227,331	1,043,331	972,313
Decrease in inventories	220,081	925,681	857,761	722,056
(increase) / decrease in trade and other receivables	(1,412,298)	303,207	(1,488,871)	79,715
(Increase) / decrease in amounts due from related party receivables	-	3,687	(11,258)	(8,862)
Increase in amounts due to related parties	-	-	9,288	7,155
Decrease in trade and other payables	(69,102)	(669,558)	(175,754)	(284,764)
Cash (used in) / generated from operating activities	(211,628)	1,790,348	234,497	1,487,613
Interest paid	(344,709)	(410,785)	(60,160)	(100,640)
Income tax paid	(180,718)	(290,883)	(178,276)	(206,076)
Contribution paid and received from investment plan (net)	(1,266)	(1,706)	(132)	(116)
Net cash (used in) / generated from operating activities	(738,321)	1,086,974	(4,071)	1,180,781
Cash flows from investing activities				
(Investment in) / proceeds from disposal of shares	(7,927)	386,124	(9,750)	339,919
Investment in unit trust	(180,000)	-	(180,000)	-
Proceeds from disposal of equity accounted investee	-	1,000,000	-	1,000,000
Acquisitions of property, plant & equipment and intangible assets	(536,080)	(411,589)	(488,249)	(336,906)
Proceeds from disposal of property, plant & equipment	32,094	80,480	10,045	32,973
Investment in subsidiary	-	-	(25,000)	(75,000)
Interest received	19,660	13,535	108,429	35,268
Dividend received from equity accounted investee	-	15,750	-	15,750
Dividend received	8,599	18,152	83,295	90,874
Net cash (used in) / generated from investing activities	(663,654)	1,102,452	(501,230)	1,102,878
Cash flows from financing activities				
Dividend paid	(151,351)	(353,152)	(151,351)	(353,152)
Loans obtained	36,554,486	48,077,602	12,094,024	19,276,195
Loans paid	(35,671,732)	(49,320,084)	(12,094,024)	(20,634,053)
Net cash generated from / (used in) financing activities	731,403	(1,595,634)	(151,351)	(1,711,010)
Net (decrease) / increase in cash & cash equivalents	(670,572)	593,792	(656,652)	572,649
Cash & cash equivalents at the beginning of the year	1,041,727	447,935	935,249	362,600
Cash and cash equivalents at end of the year	371,155	1,041,727	278,597	935,249
		Group		Company
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Rs.'000s	Rs.'000s	Rs.'000s	Rs.'000s
Cash and bank balances	510,129	475,866	378,077	365,413
Short term deposits	2,637	680,294	2,637	680,294
	512,766	1,156,160	380,714	1,045,707
Bank overdrafts	(141,611)	(114,433)	(102,117)	(110,458)
Total cash and cash equivalents	371,155	1,041,727	278,597	935,249

Notes:

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
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 year ended 31 March 2019 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.

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 due to adoption of new accounting standards as 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. Transition disclosures

4.1 Adoption of SLFRS 9

The following notes set out the impact of adopting Sri Lanka Accounting Standard – SLFRS 9 (Financial Instruments) at transition date, 1 April 2018 on the Statement of Financial Position.

Reclassification:

These adjustments reflect the movement of the balances between categories on the Statement of Financial Position with no impact to shareholders' equity. There is no change to the carrying value of the balances as a result of the reclassification.

4.1.1 Reconciliation between the carrying amounts under LKAS 39 to the balances reported under SLFRS 9 as of 1 April 2018.

Group
As at 1 April 2018

	Note	LKAS 39 measurement		Reclassification Rs'000	SLFRS 9	
		Category	Amount Rs'000		Amount Rs'000	Category
Financial assets						
Financial assets available for sale		AFS	356,309	(356,309)		
To : Financial assets - FVOCI	A			(356,309)		
Financial assets - FVOCI		N/A		356,309	356,309	FVOCI
From : Financial assets AFS	A			356,309		
Financial assets fair value through profit or loss (FVPL)						
Other investments		FVPL	87,203		87,203	FVPL
Trade and other receivables		L&R	1,657,783		1,657,783	AC
Cash and cash equivalents		L&R	1,156,160		1,156,160	AC
			3,257,455		3,257,455	
Financial liabilities						
Interest bearing borrowings		AC	2,718,432		2,718,432	AC
Trade and other payables		AC	1,016,933		1,016,933	AC
Bank overdrafts		AC	114,433		114,433	AC
			3,849,798	-	3,849,798	

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

Company

As at 1 April 2018

	Note	LKAS 39 measurement		Reclassification	SLFRS 9	
		Category	Amount Rs'000	Rs'000	Amount Rs'000	Category
Financial assets						
Financial assets available for sale		AFS	274,163	(274,163)		
To : Financial assets - FVOIC	A			(274,163)		
Financial assets - FVOIC		N/A		274,163	274,163	FVOIC
From : Financial assets AFS	A			274,163		
Financial assets fair value through profit or loss (FVPL)						
Other investments		FVPL	87,203		87,203	FVPL
Trade and other receivables		L&R	917,215		917,215	AC
Amounts due from related parties		L&R	40,430		40,430	AC
Cash and cash equivalents		L&R	1,045,707		1,045,707	AC
			2,364,718		2,364,718	
Financial liabilities						
Trade and other payables		AC	862,150		862,150	AC
Amounts due to related parties		AC	49,796		49,796	AC
Bank overdrafts		AC	110,458		110,458	AC
			1,022,404	-	1,022,404	

L&R - Loans & Receivables, AFS - Available for sale, FVPL - Fair Value through P&L, FVOIC - Fair value through Other Comprehensive Income, AC - Amortised cost, N/A - Not applicable

Note A :

Financial assets previously classified under available for sale category have been reclassified as financial assets fair value through other comprehensive income (FVOIC) upon adoption of SLFRS 9. The group elected to present in OCI changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of Rs.274 Mn (Company) and Rs. 356 Mn (Group) were reclassified from available-for-sale financial assets to financial assets at FVOIC on 1 April 2018.

4.1.2 Impact of Transition on reserves and retained earnings

Impact of adopting SLFRS 9 has not been recognized as a prior year adjustment as it is considered immaterial.

4.2 Adoption of SLFRS 15

Impact of transition to SLFRS 15

The group has adopted SLFRS 15 Revenue from Contracts with Customers from 1 April 2018. In accordance with the transition provisions in SLFRS 15, the group has adopted the new rules retrospectively, with the cumulative effect of initially applying SLFRS 15 recognised in the opening balance of retained earnings using the modified retrospective transition approach.

Impact of adopting SLFRS 15 has not been recognized as a prior year adjustment as it is considered immaterial.

5. Approval of financial statements

These consolidated interim financial statements for the year ended 31 March 2019 were authorized for issue by the Board of Directors on 27 May 2019.

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 passenger vehicles, commercial vehicles and special purpose 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.

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INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

7. Contingencies, capital and other commitments

The Group / Company has capital commitments amounting to Rs.111,379,639 in relation to ERP system implementation (SAP) as at 31 March 2019.

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

After satisfying the solvency test, in accordance with Section 57 of the Companies Act, No.07 of 2007, the Board of Directors recommended a final dividend of Rs.4 per share for the year ended 31 March 2019 amounting to Rs. 403,602,504 which is to be approved at the forth coming Annual General Meeting. In accordance with LKAS 10 - "Events after the reporting period" this dividend was not recognised as a liability as at 31 March 2019.

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

9. Related party transactions

9.1 Transactions with the parent company

Transaction type	Year ended 31.03.2019 Rs.'000s	Year ended 31.03.2018 Rs.'000s
Repairs & services provided	1,017	1,285
Sale of spare parts	-	52
Rent paid in advance	1,298	-
Rentals paid for premises occupied	3,200	-
Refundable rent deposit	1,045	-
Reimbursement of expenses	313	-
Services obtained	82	-

9.2 Transactions with subsidiaries

Transaction type	Year ended 31.03.2019 Rs.'000s	Year ended 31.03.2018 Rs.'000s
Sale of goods	40,883	29,034
Purchase of goods	25,052	17,202
Repairs and services provided	111,559	113,734
Expenses incurred	57,388	51,742
Reimbursement of expenses	4,854	2,825
Hiring income received	1,792	1,514
Hiring rentals paid for vehicles	23,990	34,679
Interest received	90,748	24,448
Loans granted	10,370,935	7,036,000
Loan settlements	10,345,935	7,036,000
Rentals paid for premises occupied	100,044	90,949
Rentals received for premises occupied	27,854	30,620
Dividend received	76,350	76,789
Investment in subsidiaries	25,000	-

9.3 Transactions with other related entities of the parent company

Company	Transaction type	Year ended 31.03.2019 Rs.'000s	Year ended 31.03.2018 Rs.'000s
Foodbuzz (Pvt) Ltd	Repairs & services provided	338	440
	Sale of vehicle	-	3,800
	Sale of spare parts	6	-

9.4 Non – recurrent related party transactions

There were no non – recurrent transactions for the year ended 31 March 2019 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	31.03.2019	31.03.2018
Ordinary shares	100,900,626	100,900,626

10.2 Public shareholding

As at	31.03.2019	31.03.2018
Number of public shareholders	3,654	3,897
Number of shares held by the public	26,047,278	26,848,965
Percentage of shares held by the public	25.82%	26.61%

The float adjusted market capitalisation as at 31 March 2019 - Rs. 1,739,958,170.

Public shareholding percentage as at 31 March 2019 is 25.82% 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 THE YEAR ENDED 31 MARCH 2019

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	31.03.2019	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	31.03.2019		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	11,581,821	11.48	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	3,284,637	3.26	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
Hatton National Bank PLC - Candor Opportunities Fund	550,000	0.55	-	-
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)	-	-	578,751	0.57

* 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
Deutsche Bank AG as Trustee to Candor Opportunities Fund	250,000	0.25
Andaradeniya Estate (Pvt) Limited	125,000	0.12
	<u>578,751</u>	<u>0.57</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 31 March	2019 Rs.	2018 Rs.
Highest price	77.90	80.40
Lowest price	66.00	74.00
Closing price	66.80	76.00

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INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
SEGMENT INFORMATION

Group	Spare parts		Vehicles		Repairs & services		Equipment & machinery		3D Printers & services		Tyres		Lubricant & other services		Total	
	2019 Audited	2018 Audited	2019 Audited	2018 Audited	2019 Audited	2018 Audited	2019 Audited	2018 Audited	2019 Audited	2018 Audited	2019 Audited	2018 Audited	2019 Audited	2018 Audited	2019 Audited	2018 Audited
In Rs'000																
Revenue from contracts with customers																
External - Goods transferred at a point in time	1,712,642	1,640,442	9,067,547	11,107,286	-	-	97,523	43,020	5,355	-	177,350	206,714	665,333	820,979	11,725,750	13,818,441
- Services rendered	-	-	304,548	174,102	739,111	723,604	-	-	-	-	-	-	-	-	1,043,659	897,706
Total revenue from contracts with customers	1,712,642	1,640,442	9,372,095	11,281,388	739,111	723,604	97,523	43,020	5,355	-	177,350	206,714	665,333	820,979	12,769,409	14,716,147
Segment results	593,244	630,592	559,874	810,766	58,766	30,784	(57,283)	(13,719)	(13,019)	-	13,563	23,026	50,212	82,738	1,205,358	1,564,187
Unallocated income															152,883	182,693
Unallocated expenses															(604,727)	(669,533)
Profit from operations before finance cost															753,514	1,077,347
Net finance cost															(330,046)	(348,501)
Profit from operations															423,468	728,846
Share of profit of equity accounted investee (net of income tax)															-	137,612
Profit before income tax expense															423,468	866,458
Income tax expenses															12,455	(197,558)
Profit from ordinary activities															435,923	668,900
Employee benefit plan actuarial gains / (losses)															3,703	(11,645)
Gain from revaluation of land															-	1,633,673
Deferred tax on actuarial gains / (losses) on defined benefit obligation															(1,470)	3,008
Equity accounted investee - share of OCI															-	(2,157)
Net change in fair value of available for sale financial assets															-	19,131
Net change in the fair value of equity investments at fair value through other comprehensive income															(107,825)	-
Total comprehensive income attributable to equity holders of the parent															330,331	2,310,910
Segment assets	2,415,526	1,771,719	10,007,506	10,946,665	674,245	524,939	154,022	94,251	6,074	-	298,372	220,078	837,508	861,866	14,393,253	14,419,518
Unallocated assets															3,559,238	2,470,982
Total assets	2,415,526	1,771,719	10,007,506	10,946,665	674,245	524,939	154,022	94,251	6,074	-	298,372	220,078	837,508	861,866	17,952,491	16,890,500
Segment liabilities	56,007	43,267	394,312	372,287	4,347	5,885	19,471	8,131	537	-	9,394	6,267	40,580	7,676	524,648	443,513
Unallocated liabilities															4,548,736	3,746,860
Total liabilities	56,007	43,267	394,312	372,287	4,347	5,885	19,471	8,131	537	-	9,394	6,267	40,580	7,676	5,073,384	4,190,373
Segment capital expenditure - allocated	71,899	45,881	393,455	315,524	31,029	20,238	4,094	1,203	225	-	7,445	5,781	27,933	22,962	536,080	411,589
Depreciation & amortisation - allocated	26,050	18,936	142,556	130,225	11,242	8,353	1,483	497	81	-	2,698	2,386	10,120	9,477	194,231	169,874
Non cash expenses / (income)	22,736	27,804	39,749	53,232	5,328	2,118	-	-	-	-	228	2,214	11,169	7,926	79,210	93,294

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

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SEGMENT INFORMATION

Company	Spare parts		Vehicles		Repairs & services		3D Printers & services		Lubricant & other services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
In Rs'000												
Revenue from contracts with customers												
External - Goods transferred at a point in time	1,702,687	1,627,269	4,460,688	5,614,521	-	-	6,250	-	668,327	822,728	6,837,952	8,064,518
- Services rendered	-	-	304,287	175,073	823,932	794,898	-	-	1,757	1,485	1,129,976	971,456
Total revenue from contracts with customers	1,702,687	1,627,269	4,764,975	5,789,594	823,932	794,898	6,250	-	670,084	824,213	7,967,928	9,035,974
Segment results	593,606	627,621	550,436	615,595	143,588	102,081	(13,019)	-	55,223	91,967	1,329,834	1,437,264
Unallocated income											159,991	909,445
Unallocated expenses											(713,947)	(738,831)
Profit from operations before finance cost											775,878	1,607,878
Net finance income											122,990	60,334
Change in fair value of investment property											27,130	-
Profit before income tax expense											925,998	1,668,212
Income tax expenses											(197,373)	(211,515)
Profit from ordinary activities											728,625	1,456,697
Employee benefit plan actuarial gains / (losses)											4,039	(10,260)
Gain from revaluation of land											-	1,320,533
Deferred tax on actuarial gains / (losses) on defined benefit obligation											(1,623)	2,623
Net change in fair value of available for sale financial assets											-	11,424
Net change in the fair value of equity investments at fair value through other comprehensive income											(86,157)	-
Total comprehensive income attributable to equity holders of the parent											644,884	2,781,017
Segment assets	2,401,609	2,031,728	5,992,703	7,042,724	996,983	525,954	8,667	-	1,062,896	1,097,992	10,462,858	10,698,398
Unallocated assets											2,929,707	2,346,058
Total assets	2,401,609	2,031,728	5,992,703	7,042,724	996,983	525,954	8,667	-	1,062,896	1,097,992	13,392,566	13,044,456
Segment liabilities	50,489	42,205	243,157	299,807	4,347	5,885	537	-	40,580	7,676	339,110	355,573
Unallocated liabilities											864,343	993,303
Total liabilities	50,489	42,205	243,157	299,807	4,347	5,885	537	-	40,580	7,676	1,203,453	1,348,876
Segment capital expenditure - allocated	104,335	60,673	291,982	215,865	50,488	29,638	383	-	41,060	30,730	488,249	336,906
Depreciation & amortisation - allocated	33,237	24,727	93,014	87,974	16,084	12,079	122	-	13,080	12,524	155,537	137,304
Non cash expenses / (income)	22,432	27,999	(8,095)	13,119	5,328	2,118	-	-	61,170	7,362	80,835	50,598

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