



John Keells PLC

**Interim Financial Statements
30th September 2018**

CONSOLIDATED INCOME STATEMENT

	Quarter ended 30th September			Six months ended 30th September		
	2018	2017	Change %	2018	2017	Change %
Continuing Operations						
Rendering of services	200,080	198,251	1	406,906	413,091	(1)
Revenue from contracts with customers	200,080	198,251	1	406,906	413,091	(1)
Cost of sales	(74,312)	(71,373)	4	(143,852)	(132,094)	9
Gross profit	125,768	126,878	(1)	263,054	280,997	(6)
Other operating income	1	79	(99)	31	3,809	(99)
Distribution expenses	107	(2,669)	(104)	(3,264)	(5,609)	(42)
Administrative expenses	(62,016)	(57,052)	9	(123,921)	(118,276)	5
Results from operating activities	63,860	67,236	(5)	135,900	160,921	(16)
Finance expenses	(29,845)	(20,568)	45	(54,272)	(44,919)	21
Finance income	8,063	9,540	(15)	24,483	25,546	(4)
Net finance (costs) / income	(21,782)	(11,028)	98	(29,789)	(19,373)	54
Share of results of equity-accounted investees	725	573	26	1,210	1,123	8
Profit before tax	42,803	56,781	(25)	107,321	142,671	(25)
Tax expense	(15,439)	(9,418)	64	(35,497)	(34,428)	3
Profit for the period	27,364	47,363	(42)	71,824	108,243	(34)
Attributable to :						
Equity holders of the parent	28,261	47,287	(40)	73,309	107,063	(32)
Non-controlling interests	(897)	76	(1,281)	(1,485)	1,180	(226)
	27,364	47,363	(42)	71,824	108,243	(34)
Earnings per share						
Basic	Rs. 0.46	Rs. 0.78		Rs. 1.21	1.76	
Dividend per share	-	-		2.30	2.00	

Note : All values are in Rupees '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
 The above figures are not audited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30th September		Six months ended 30th September	
	2018	2017	2018	2017
Profit for the period	27,364	47,363	71,824	108,243
Other comprehensive income				
Net (loss)/gain on available-for-sale financial assets	(10,550)	(11,579)	2,059	(23,416)
Other comprehensive income for the period, net of tax	(10,550)	(11,579)	2,059	(23,416)
Total comprehensive income for the period, net of tax	16,814	35,784	73,883	84,827
Attributable to :				
Equity holders of the parent	17,711	35,708	75,368	83,647
Non-controlling interests	(897)	76	(1,485)	1,180
	16,814	35,784	73,883	84,827

Note : All values are in Rupees '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September	2018	2017	As at 31.03.2018
ASSETS			
Non-current assets			
Property, plant and equipment	342,986	324,439	353,465
Lease rentals paid in advance	36,391	37,479	36,935
Investment property	288,100	227,750	288,100
Equity accounted investments	85,630	100,538	84,700
Other non-current financial assets	2,335,306	2,332,230	2,303,411
Other non-current assets	9,906	6,329	8,925
Deferred tax assets	18,508	30,445	17,842
	3,116,827	3,059,210	3,093,378
Current assets			
Inventories	951	500	661
Trade and other receivables	2,299,930	1,405,091	1,543,725
Amounts due from related parties	3,579	1,997	1,803
Income Tax Refunds	-	-	401
Short Term Investment	250,511	226,968	284,744
Other current assets	8,254	17,759	3,967
Cash in hand and at bank	133,676	178,647	184,454
	2,696,901	1,830,962	2,019,755
Total assets	5,813,728	4,890,172	5,113,133
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	152,000	152,000	152,000
Revenue reserves	2,781,406	2,722,166	2,847,937
Other components of equity	466,018	500,942	455,260
	3,399,424	3,375,108	3,455,197
Non-controlling interests	39,299	36,352	39,535
Total equity	3,438,723	3,411,460	3,494,732
Non-current liabilities			
Deferred tax liabilities	93,491	35,473	95,088
Employee benefit liabilities	66,312	70,359	64,630
	159,803	105,832	159,718
Current liabilities			
Trade and other payables	977,451	584,437	691,233
Amounts due to related parties	3,570	3,458	3,552
Income tax payable	20,528	32,345	47,376
Other current liabilities	1,595	2,318	4,410
Bank overdrafts	1,212,058	750,322	712,112
	2,215,202	1,372,880	1,458,683
Total equity and liabilities	5,813,728	4,890,172	5,113,133
	Rs.	Rs.	Rs.
Net assets per share	55.91	55.51	56.83

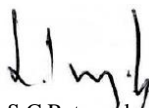
Note : All values are in Rupees '000s, unless otherwise stated.
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I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.

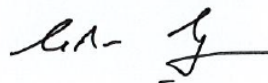


K D Weerasinghe
Chief Financial Officer

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



S.C. Ratnayake
Chairman



J.G.A. Cooray
Director

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September	Note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	A	159,518	185,553
(Increase) / Decrease in inventories		(290)	(44)
(Increase) / Decrease in amounts due from Related Parties		(1,776)	28,158
(Increase) / Decrease in trade and other receivables		(756,205)	656,389
(Increase) / Decrease in other current assets		(4,287)	(12,619)
(Increase) / Decrease in other non-current assets		(26,765)	56,643
Increase / (Decrease) in trade and other payables		286,218	(794,820)
Increase / (Decrease) in amounts Due to Related Parties		18	305
Increase / (Decrease) in other current liabilities		(2,815)	193
Cash generated from operations		(346,384)	119,758
Finance income received		15,632	18,598
Finance costs paid		(54,272)	(44,919)
Dividend received		8,852	6,948
Tax paid		(64,414)	(31,197)
Gratuity (paid)/ transfers In		(3,329)	(131)
Net cash flow Used in operating activities		(443,915)	69,057
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(1,202)	(14,851)
Net cash flow used in investing activities		(1,202)	(14,851)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Dividend paid to equity holders of parent		(139,840)	(121,600)
Net cash flow used in financing activities		(139,840)	(121,600)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(584,957)	(67,394)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		(242,914)	(277,313)
CASH AND CASH EQUIVALENTS AT THE END		(827,871)	(344,707)
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short term investments		250,511	226,968
Cash in hand and at bank		133,676	178,647
		384,187	405,615
Unfavourable balances			
Bank overdrafts		(1,212,058)	(750,322)
Cash and cash equivalents		(827,871)	(344,707)

Note : All values are in Rupees '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September

2018

2017

A. Profit before working capital changes

Profit before tax	107,321	142,671
Adjustments for:		
Finance income	(15,632)	(18,598)
Finance expenses	54,272	44,919
Dividend income	(8,852)	(6,948)
Share of results of equity-accounted investees	(1,210)	(1,123)
Depreciation of property, plant and equipment	11,500	11,703
(Profit) / loss on sale of property, plant and equipment and intangible assets	1	(3,677)
Share base payment expenses	7,343	11,479
Gratuity provision and related costs	4,775	5,127
	159,518	185,553

Note : All values are in Rupees '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are subject to audit.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of parent		Other Components of Equity			Total	Non-controlling interest	Total Equity
	Stated Capital	Revenue Reserves	Revaluation Reserves	Fair value Reserve of financial assets at FVOCI	Other capital Reserves			
As at 1 April 2017	152,000	2,736,703	188,996	238,514	86,760	3,402,973	33,781	3,436,754
Profit for the period	-	107,063	-	-	-	107,063	1,180	108,243
Other comprehensive income	-	-	-	(23,416)	-	(23,416)	-	(23,416)
Total comprehensive income	-	107,063	-	(23,416)	-	83,647	1,180	84,827
Share base payment expenses	-	-	-	-	10,088	10,088	1,391	11,479
Final dividend paid - 2016/17	-	(121,600)	-	-	-	(121,600)	-	(121,600)
As at 30 September 2017	152,000	2,722,166	188,996	215,098	96,848	3,375,108	36,352	3,411,460
As at 1 April 2018	152,000	2,847,937	149,079	199,659	106,522	3,455,197	39,535	3,494,732
Profit for the period	-	73,309	-	-	-	73,309	(1,485)	71,824
Other comprehensive income	-	-	-	2,059	-	2,059	-	2,059
Total comprehensive income	-	73,309	-	2,059	-	75,368	(1,485)	73,883
Share base payment expenses	-	-	-	-	8,699	8,699	1,249	9,948
Final dividend paid - 2017/18	-	(139,840)	-	-	-	(139,840)	-	(139,840)
As at 30 September 2018	152,000	2,781,406	149,079	201,718	115,221	3,399,424	39,299	3,438,723

Note : All values are in Rupees '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
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COMPANY

INCOME STATEMENT

	Quarter ended 30th September			Six months ended 30th September		
	2018	2017	Change %	2018	2017	Change %
Continuing Operations						
Rendering of services	133,429	130,927	2	273,610	273,051	0
Revenue from contracts with customers	133,429	130,927	2	273,610	273,051	0
Cost of sales	(44,818)	(40,311)	11	(84,858)	(71,703)	18
Gross profit	88,611	90,616	(2)	188,752	201,348	(6)
Dividend income	-	6,750	(100)	8,852	13,698	(35)
Other operating income	-	(10)	(100)	-	3,534	(100)
Distribution expenses	511	(2,271)	(122)	(2,307)	(4,182)	(45)
Administrative expenses	(25,585)	(25,821)	(1)	(53,799)	(52,473)	3
Results from operating activities	63,537	69,264	(8)	141,498	161,925	(13)
Finance expenses	(29,845)	(20,437)	46	(54,272)	(44,609)	22
Finance income	2,162	2,150	1	4,315	4,039	7
Net Finance Costs	(27,683)	(18,287)	51	(49,957)	(40,570)	23
Profit before tax	35,854	50,977	(30)	91,541	121,355	(25)
Tax expense	(12,745)	(6,671)	91	(29,343)	(27,194)	8
Profit for the period	23,109	44,306	(48)	62,198	94,161	(34)
				Rs.	Rs.	
Dividend per share	-	-		2.30	2.00	

Note : All values are in Rupees '000s, unless otherwise stated.
 Figures in brackets indicate deductions.
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COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30th September		Six months ended 30th September	
	2018	2017	2018	2017
Profit for the period	23,109	44,306	62,198	94,161
Other comprehensive income				
Net (loss)/gain on available-for-sale financial assets	(10,550)	(11,579)	2,059	(23,416)
Other comprehensive income for the period, net of tax	(10,550)	(11,579)	2,059	(23,416)
Total comprehensive income for the period, net of tax	12,559	32,727	64,257	70,745

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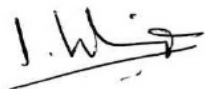
COMPANY STATEMENT OF FINANCIAL POSITION

As at 30th September	2018	2017	As at 31.03.2018
ASSETS			
Non-current assets			
Property, plant and equipment	18,622	26,732	22,389
Investment property	288,100	227,750	288,100
Investment In Subsidiaries	158,570	158,570	158,570
Equity accounted investments	24,000	24,000	24,000
Other non-current financial assets	2,321,971	2,321,918	2,294,642
Other non-current assets	6,712	4,701	7,278
Deferred tax assets	8,466	16,703	8,008
	2,826,441	2,780,374	2,802,987
Current assets			
Inventories	629	268	470
Trade and other receivables	1,748,795	1,282,501	1,416,099
Amounts due from related parties	3,391	1,905	1,871
Other current assets	1,109	1,354	1,205
Cash in hand and at bank	119,358	146,577	153,394
	1,873,282	1,432,605	1,573,039
Total assets	4,699,723	4,212,979	4,376,026
EQUITY AND LIABILITIES			
Stated capital	152,000	152,000	152,000
Revenue reserves	2,619,732	2,552,178	2,697,374
Other components of equity	273,934	278,110	267,577
Total equity	3,045,666	2,982,288	3,116,951
Non-current liabilities			
Employee benefit liabilities	36,878	34,223	37,067
	36,878	34,223	37,067
Current liabilities			
Trade and other payables	388,134	417,645	483,038
Amounts due to related parties	6,782	5,433	3,761
Income Tax Payable	13,725	29,755	1,985
Other current liabilities	1,102	1,141	45,178
Bank overdrafts	1,207,436	742,494	688,046
	1,617,179	1,196,468	1,222,008
Total equity and liabilities	4,699,723	4,212,979	4,376,026
	Rs.	Rs.	Rs.
Net assets per share	50.09	49.05	51.27

Note : All values are in Rupees '000s, unless otherwise stated.

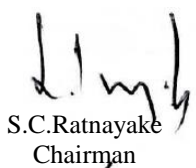
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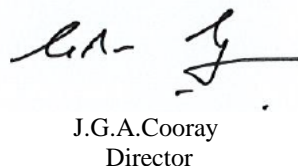


K D Weerasinghe
Chief Financial Officer

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



S.C. Ratnayake
Chairman



J.G.A. Cooray
Director

26th October, 2018

COMPANY

CASH FLOW STATEMENT

For the six months ended 30th September

2018

2017

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax	91,541	121,355
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Adjustments for:

Finance income	(4,315)	(4,039)
Dividend income	(8,852)	(13,698)
Finance expenses	54,272	44,609
Depreciation of Property, plant and equipment	4,354	4,780
(Profit)/Loss on sale of property, plant and equipment	1	(3,534)
Gratuity provision and related costs	2,076	2,390
Share base payment expenses	4,298	5,221

Profit before working capital changes	143,375	157,084
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(Increase) / Decrease in inventories	(159)	64
(Increase) / Decrease in trade and other receivables	(332,696)	(14,005)
(Increase) / Decrease in other non-current assets	(24,134)	56,452
(Increase) / Decrease in amounts due from Related Parties	(1,520)	2,409
(Increase) / Decrease in other current assets	96	638
Increase / (Decrease) in amounts Due to Related Parties	3,021	(3,038)
Increase / (Decrease) in Other Current Liabilities	(882)	(566)
Increase / (Decrease) in trade and other payables	(94,904)	(91,381)
Cash generated from / (used in) operations	(307,803)	107,657

Finance income received	4,315	4,039
Finance expenses paid	(54,272)	(44,609)
Dividend received	8,852	13,698
Tax paid	(61,409)	(27,979)
Gratuity (paid)/ Transfers in	(2,501)	-
Net cash flow from operating activities	(412,818)	52,806

CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES

Purchase and construction of property, plant and equipment	(768)	(13,389)
Net cash flow used in investing activities	(768)	(13,389)

CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES

Dividend paid	(139,840)	(121,600)
Proceeds from Short Term borrowings	-	-
Net cash flow used in financing activities	(139,840)	(121,600)

NET DECREASE IN CASH AND CASH EQUIVALENTS	(553,426)	(82,183)
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CASH AND CASH EQUIVALENTS AT THE BEGINNING	(534,652)	(513,734)
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CASH AND CASH EQUIVALENTS AT THE END	(1,088,078)	(595,917)
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ANALYSIS OF CASH & CASH EQUIVALENTS**Favourable balances**

Cash in hand & at bank	119,358	146,577
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Unfavourable balances

Bank overdrafts	(1,207,436)	(742,494)
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	(1,088,078)	(595,917)
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Note : All values are in Rupees '000s, unless otherwise stated.

Figures in brackets indicate deductions.

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COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated capital	Revenue Reserves	Other Components of Equity		Total Equity
			Fair value Reserve of financial assets at FVOCI	Other Capital Reserves	
As at 1 April 2017	152,000	2,579,617	238,514	57,791	3,027,922
Profit for the period	-	94,161	-	-	94,161
Other comprehensive income	-	-	(23,416)	-	(23,416)
Total comprehensive income	-	94,161	(23,416)	-	70,745
Share base payment expenses	-	-	-	5,221	5,221
Final dividend paid - 2016/17	-	(121,600)	-	-	(121,600)
As at 30 September 2017	152,000	2,552,178	215,098	63,012	2,982,288
As at 1 April 2018	152,000	2,697,374	199,659	67,918	3,116,951
Profit for the period	-	62,198	-	-	62,198
Other comprehensive income	-	-	2,059	-	2,059
Total comprehensive income	-	62,198	2,059	-	64,257
Share base payment expenses	-	-	-	4,298	4,298
Final dividend paid - 2017/18	-	(139,840)	-	-	(139,840)
As at 30 September 2018	152,000	2,619,732	201,718	72,216	3,045,666

Note : All values are in Rupees '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

OPERATING SEGMENT INFORMATION

OPERATING SEGMENTS

The following tables present revenue and profit information regarding the Group's operating segments.

For the three months ended 30th September	Produce Broking		Warehousing		Share Broking		Group Total	
	2018	2017	2018	2017	2018	2017	2018	2017
External Revenue	133,429	130,926	24,759	24,064	41,892	43,261	200,080	198,251
Inter segment revenue		-	1,459	1,329	-	-	1,459	1,329
Segment Revenue	133,429	130,926	26,218	25,393	41,892	43,261	201,539	199,580
Eliminations of inter segment revenue							(1,459)	(1,329)
Net Revenue							200,080	198,251
Segment Profit / (loss)	66,537	62,512	6,149	9,255	(8,826)	(4,531)	63,860	67,236
Finance expenses	(29,845)	(20,437)	-	(1)	-	(130)	(29,845)	(20,568)
Finance income	2,161	2,150	1,285	1,135	4,617	6,255	8,063	9,540
Share of results of equity-accounted investees							725	573
Profit / (loss) before tax	38,853	44,225	7,434	10,389	(4,209)	1,594	42,803	56,781
Tax expense							(15,439)	(9,418)
Profit/ (loss) for the period							27,364	47,363
Depreciation of Property, plant and equipment	2,174	2,560	3,220	3,042	353	378	5,747	5,980
Gratuity provision and related cost	1,100	1,509	225	219	985	1,149	2,310	2,877
Purchase and construction of property, plant and equipment	208	305	77	104	357	-	642	409

Note : All values are in Rupees '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

OPERATING SEGMENT INFORMATION

OPERATING SEGMENTS

The following tables present revenue and profit information regarding the Group's operating segments.

For the Six months ended 30th September	Produce Broking		Warehousing		Share Broking		Group Total	
	2018	2017	2018	2017	2018	2017	2018	2017
External Revenue	273,610	273,050	49,013	44,091	84,283	95,950	406,906	413,091
Inter segment revenue		-	2,916	2,651	-	-	2,916	2,651
Segment Revenue	273,610	273,050	51,929	46,742	84,283	95,950	409,822	415,742
Eliminations of inter segment revenue							(2,916)	(2,651)
Net Revenue							406,906	413,091
Segment Profit / (loss)	135,646	148,225	15,612	15,367	(15,358)	(2,671)	135,900	160,921
Finance expenses	(54,272)	(44,609)	-	(1)	-	(309)	(54,272)	(44,919)
Finance income	13,166	10,986	2,351	2,135	8,966	12,425	24,483	25,546
Share of results of equity-accounted investees							1,210	1,123
							-	-
Profit before tax	94,540	114,602	17,963	17,501	(6,392)	9,445	107,321	142,671
Tax expense							(35,497)	(34,428)
Profit for the period							71,824	108,243
Depreciation of Property, plant and equipment	4,354	4,872	6,437	6,074	709	757	11,500	11,703
Gratuity provision and related cost	2,076	2,390	249	438	2,450	2,298	4,775	5,126
Purchase and construction of property, plant and equipment	768	13,390	77	1,461	357	-	1,202	14,851
Segment Assets as at 30th September	4,598,921	4,128,399	433,843	407,408	780,964	354,365	5,813,728	4,890,172
Segment Assets as at 31st March	4,277,275	4,191,621	412,804	396,565	423,054	1,037,406	5,113,133	5,625,592
Segment Liabilities as at 30th September	1,656,360	1,237,048	104,021	40,687	614,624	200,977	2,375,005	1,478,712
Segment Liabilities as at 31st March	1,264,264	1,254,200	98,801	39,909	255,336	894,729	1,618,401	2,188,838

Note : All values are in Rupees '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**1 CORPORATE INFORMATION**

John Keells PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

2 INTERIM CONDENSED FINANCIAL STATEMENTS

The financial statements for the period ended 30 September 2018, includes “the Company” referring to John Keells PLC. as the holding company and “the Group” referring to the companies whose accounts have been consolidated therein.

3 APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements of the Group and the Company for the 6 months ended 30th September 2018 were authorised for issue by the Board of Directors on 26th October 2018.

4 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**4.1 BASIS OF PREPARATION**

The interim condensed consolidated financial statements for the six months ended 30 September 2018 have been prepared in accordance with LKAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2018

There is no material change in the fair value and the underlying unobservable inputs used for fair valuing during the period, as compared with 31.03.2018.

4.2 NEW STANDARDS INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2018, except for the adoption of new standards effective as of 1 April 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, SLFRS 15 Revenue from Contracts with Customers and SLFRS 9 Financial Instruments that require restatement of previous financial statements. As required by LKAS 34, the nature and effect of these changes are disclosed below.

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

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 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 Group's consolidated financial statements.

Sale of goods

Under SLFRS 15, revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Rendering of services

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

SLFRS 9 Financial Instruments

SLFRS 9 Financial Instruments replaces LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which the Group applied prospectively, the Group has applied SLFRS 9 retrospectively, with the initial application date of 1 April 2018. The Group has taken an exception not to restate comparative information for prior periods with respect to classification and measurement requirements.

Classification and measurement

Except for certain trade receivables, under SLFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under SLFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The new classification and measurement of the Group's debt financial assets are, as

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and other receivables, and Loans included under Other non-current financial assets.

Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition. Financial assets in this category are the Group's quoted debt instruments that meet the SPPI criterion and are held within a business model both to collect cash flows and to sell. Under LKAS 39, the Group's quoted debt instruments were classified as available-for-sale (AFS) financial assets.

Other financial assets are classified and subsequently measured, as follows:

Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under SLFRS 9. Under LKAS 39, the Group's unquoted equity instruments were classified as AFS financial assets.

The assessment of the Group's business models was made as of the date of initial application, 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under LKAS 39. Similar to the requirements of LKAS 39, SLFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

Impairment

The adoption of SLFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

SLFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses

Hedge accounting

The Group applied hedge accounting prospectively. At the date of the initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with prior periods, the Group has continued to designate the change in fair value of the entire forward contract in the Group's cash flow hedge relationships and, as such, the adoption of the hedge accounting requirements of SLFRS 9 had no significant impact on the Group's financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

5 OPERATING SEGMENTS

For management purposes, the group is organised into business units based on their products and services and has three reportable operating segments as follows:

5.1 Produce Broking

This includes tea and rubber broking .

5.2 Warehousing

This includes tea auction produce warehousing.

5.3 Stock Broking

This includes the stock Broking segment.

6 RELATED PARTY TRANSACTIONS

For the six months ended 30th September	Group		Company	
	2018	2017	2018	2017
Transactions with related parties				
Ultimate Parent				
(Receiving) / Rendering of services	14,410	15,496	10,914	7,636
Subsidiaries				
Renting of stores space for which rent is paid	-	-	2,910	2,651
Key management personnel				
(Receiving) / Rendering of services	-	-	-	-
Close family members of KMP				
(Receiving) / Rendering of services	-	-	-	-
Companies under common control				
Purchases of goods for a fee	739	415	716	415
Receiving of Services for which fees are paid	5,318	5,743	3,534	3,724
Lending/investing Money for which interest is received	(5,131)	(10,142)	-	-
Renting Office space for which rent is received	(810)	(844)	(810)	(844)
Providing of Services for which fees are received	(15,060)	(14,942)	(14,008)	(13,755)
Post employment benefit plan				
Contributions to the provident fund	4,817	5,729	4,817	5,729

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

7 SHARE INFORMATION**7.1 Stated capital**

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

As at	30-09-2018	30-06-2018
Ordinary shares	60,800,000	60,800,000

7.2 Public share holdings

Percentage of shares held by the public and the number of public shareholders is as given below:

As at	30-09-2018	30-06-2018
The percentage of shares held by the public	13.10%	13.10%
The number of shares held by the Public	1,240	1,237
Compliant under Rule 7.13.1 (b) option 2 - Float adjusted market capitalization (Rs Bn)	0.40	0.45

7.3 Directors' and CEO's share holdings

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

As at	30-09-2018	30-06-2018
S C Ratnayake – Chairman	Nil	Nil
K N J Balendra	Nil	Nil
J G A Cooray	Nil	Nil
V.A.A.Perera	Nil	Nil
A. K Gunawardhana	Nil	Nil
C. N . Wijewardane	Nil	Nil
B.A.I Rajakarier	Nil	Nil
H.G.R De Mel -CEO	Nil	Nil

7.4 Twenty largest shareholders of the company are as follows:

As at	30-09-2018		30-06-2018	
	Number of shares	%	Number of shares	%
1 John Keells Holdings Plc	52,834,784	86.90%	52,834,784	86.90%
2 H. S.D. Soysa	620,160	1.02%	620,160	1.02%
3 Bank of Ceylon No 2 a/c	338,414	0.56%	338,414	0.56%
4 Peoples; Leasing & Finance PLC/ H.S.D Soysa & G Soysa	289,846	0.48%	289,776	0.48%
5 Bank of Ceylon No 1 a/c	250,200	0.41%	250,200	0.41%
6 H. G. S.Ansell	240,000	0.39%	240,000	0.39%
7 Est. of Late M Radhakrishnan	232,800	0.38%	232,800	0.38%
8 Mrs. M . L. De Silva	207,872	0.34%	207,872	0.34%
9 A. M. Weerasinghe	179,792	0.30%	179,792	0.30%
10 Catholic Bishops Conference in Sri Lanka	171,416	0.28%	171,416	0.28%
11 H.A.Van Starrex	171,169	0.28%	171,169	0.28%
12 Employees trust Fund Board	169,988	0.28%	169,988	0.28%
13 N Muhunthan	159,641	0.26%	142,943	0.24%
14 Peoples; Leasing & Finance PLC/ L.P Hapangama	155,756	0.26%	155,756	0.26%
15 F A A Mack	150,000	0.25%	150,000	0.25%
16 N S De Mel	137,115	0.23%	137,115	0.23%
17 Mrs. N Tirimanne	133,580	0.22%	133,580	0.22%
18 Sisira Investors Ltd	114,272	0.19%	114,272	0.19%
19 Com.Bank -Colombo Fort Investments Ltd	112,000	0.18%	112,000	0.18%
20 Pinnacle Trust (Pvt) Ltd	110,587	0.18%	110,587	0.18%
	56,779,392	93.39%	56,762,624	93.36%

8 Net assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 30 September 2018.

8.1 Market price per share

For the quarter ended 30th September	2018 Rs.	2017 Rs.
Highest	58.50	64.00
Lowest	50.00	52.80
Last traded	50.00	52.80

8.2 DIVIDENDS PAID

A final dividend of Rs. 2.30 per share for the financial year ended 31 March 2018 was paid on 14 June 2018.

9 CONTINGENCIES, CAPITAL AND OTHER COMMITMENTS

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2018 and no circumstances have arisen since the Statement of Financial Position date, which would require adjustments to or disclosure in the financial statements.

EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to the reporting date.