

ANNUAL REPORT 2012/13

C T Holdings PLC



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About Us

We are...

Professionals inspired by the ingrained family values inherited over generations

Value creators driven by innovation and technology towards building strong brands

Accountable firmly committed to transparency and good governance

Dedicated to people as our most important asset

Socially responsible pursuing trusted leadership



Milestones



1928

Ceylon Theatres Limited established, focusing primarily on the entertainment industry by Sir Chittampalam A Gardiner.

1981

Acquired Millers and Cargills and ventured into retail and distribution under the leadership of Mr. Albert A Page.

1991

Completed the Majestic City shopping and entertainment mall through C T Land Development PLC.

1992

Entered the financial services sector – C T Smith Stockbrokers (Member, Colombo Stock Exchange). Cargills diversified into food processing with the acquisition of Goldi processed meat plant.

1996

KFC franchise awarded to Cargills.

1999

Acquired Lanka Ceramic PLC (LCP) and through LCP acquired controlling interest in Lanka Walltiles, Lanka Tiles (subsequently re-named as Lanka Floortiles), Horana Plantations and Uni-Dil Packaging.

2002

Cargills acquired the Walls Ice Cream plant and CPC/Best foods production facility of jams, cordials and sauces.

2005

Lanka Walltiles and Lanka Floortiles invested in Parquet (Ceylon) PLC (subsequently renamed as Swisstek (Ceylon) PLC), a Company in wooden flooring.



2006

Lanka Floortiles expanded its production facility to increase capacity by 35%. Cargills commissioned its new state of the art meat processing facility.

2007

Uni-Dil Packaging diversified into manufacturing of paper sacks for plantation and cement industry.

2008

Ceylon Theatres merged with Millers PLC to create an investment holding Company. Cinema exhibition operation transferred to a wholly owned subsidiary Ceylon Theatres (Private) Limited.

2009

C T Properties Limited completed its flagship 'Empire' residential development project.

2010

Name of Ceylon Theatres PLC changed C T Holdings PLC.

2011

Cargills acquired controlling interest in Kotmale Holdings PLC.
Cargills acquired Diana Biscuits Manufactures (Private) Limited. (Subsequently re-named Cargills quality confectioneries (Pvt) Ltd). Swisstek (Ceylon) acquired Ceykor Aluminium Industries Limited (subsequently renamed as Swisstek Aluminium Limited).

2012

Cargills acquired the assets of McCallum Breweries (Ceylon) Limited, McCallum Brewing Company (Private) Limited and Three Coins Company (Private) Limited.

2013

Group received provisional license to set up and operate a commercial bank. Subsidiary, C T Properties Limited entered into a landmark agreement with Edmonton Pte Ltd (subsidiary of Keppel land Ltd Singapore) to engage in property development projects in Sri Lanka.

Group Profile



Retail and Wholesale Distribution

Cargills (Ceylon) PLC is the country's largest Food company. Its modern trade arm now reaches all 25 districts of the island through Cargills Food City and Food City Express Store formats. Millers Limited the marketing and distribution arm of the Company markets the products of the Group's FMCG sector and also holds agency rights for leading international food and non-food brands such as 'Kraft', 'Kodak', 'Cadbury', 'Toblerone'.



Restaurants

The restaurants sector consists of the world renowned 'KFC' franchise. The Group presently operates 23 KFC Restaurants. An agreement has been entered into with US franchise TGI Fridays to set up and operate 5 Restaurants over the next 5 years. The first of which will be operational by end 2013.



FMCG

The Group's FMCG brands are some of the widest consumed household brands in the Country which includes, 'Magic' and 'Kotmale' dairy products, 'Kist' range of jams, cordials, nectars, juices and accompaniments, 'Cargills Supremo', 'Cargills Finest', 'Goldi' and 'Sams' processed meats. The Company recently entered the soft alcohol business through Millers Brewery Limited and confectioneries with the acquisition of a biscuits manufacturing facility now marketing products under the 'Kist' brand.



Real Estate

C T Land Development is a long established name in the Real Estate and Property sector. The Company owns the largest and most popular shopping and entertainment mall. C T Properties has gained a marked reputation in property development with the completion of the 'Empire' luxury apartment complex the tallest structure in Sri Lanka. C T Gardens Township Piliyandala has been developed with 180 building plots and 12 house designs. The Bandarawela Hotel, the only hotel in the Group forms the nucleus of a developing Leisure sector. The sector has recently entered into a landmark agreement with a Singapore based property development company to engage in property development.



Financial Services

C T Smith Stockbrokers is one of the leading stock brokering firms in Sri Lanka accounting for a high percentage of foreign capital inflows into the Colombo Stock Market. C T Capital provides a range of advisory services and capital market solutions while Comtrust Asset Management, the manager of Comtrust Unit Trust is structured to yield optimum returns for investors.



Entertainment

The Group's association with the national cinema industry surpasses 75 years with the making of the first national production and thereon producing landmark motion pictures that have won international acclaim. Ceylon Theatres (Private) Limited is engaged in operating the Group's cinemas which include the 'Regal' and 'Majestic' in Colombo and 'Regal - Kandy' and 'Regal - Negombo'. The sector has commenced work on a Cineplex in Northern Sri Lanka as part of a commercial development project of the Group.

Profile of Directors

Mr. Anthony A Page

(Chairman)**

Mr. Anthony Page counts over 40 years of management experience in a diverse array of businesses. He serves on the Boards of many Group as well as other companies. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Institute of Certified Management Accountants of Sri Lanka. He served on the Board of the Colombo Stock Exchange and was a former Council Member of the Employers Federation of Ceylon.

Mr. Louis Page

(Deputy Chairman) **

Mr. Louis Page is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (UK). He has been involved in the operations of C T Holdings PLC in a non-executive capacity in the setting and reviewing of policy framework, and in key investment decision making. He is also the Chairman of Cargills (Ceylon) PLC. He has held a number of senior management and Board positions in Companies overseas.

Mr. Ranjit Page

(Managing Director)

Mr. Ranjit Page is the Deputy Chairman / CEO of Cargills (Ceylon) PLC and possesses over 30 years of management experience with expertise in food retailing, food service and manufacturing, having introduced the concept of super marketing to the Sri Lankan masses. He also serves on the Boards of several other Group Companies.

Mr. J B L De Silva*

Mr. J B L De Silva, a Lawyer by profession, has substantial experience in the rubber trade. He is a past Chairman of the Colombo Rubber Traders' Association and a Director of other listed and non-listed companies.

Mr. Sunil Mendis*

Desamanya Sunil Mendis was formerly the Chairman of the Hayleys Group, and the former Governor of the Central Bank of Sri Lanka. He possesses over 45 years of wide and varied commercial experience most of which has been in very senior positions. He also serves on the boards of several other group companies.

Mr. Joseph Page**

Mr. Joseph Page is the Deputy Chairman/Managing Director of C T Land Development PLC. He is also a Director of C T Properties Limited. Prior to joining C T Land Development PLC, he was Executive Director of Millers Limited. He has over 30 years of management experience in the private sector.

Mr. Priya Edirisinghe*

Mr. Priya Edirisinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (UK) and holds a Diploma in Commercial Arbitration. He was the Senior Partner of HLB Edirisighe & Co., Chartered Accountants, and currently serves as Consultant/Advisor. He counts over 40 years' experience in both public practice and in the private sector. He serves on the Boards of a number of other listed and non-listed companies. He also serves as the Chairman of the Company's Executive Committee and Audit Committee.

Mrs. Cecilia Muttukumaru**

Mrs. Cecilia Muttukumaru is the Chairperson of C T Smith Stockbrokers (Private) Limited, C T Capital (Private) Limited, and Comtrust Asset Management (Private) Limited. She is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (U.K.).

Mr. R Selvaskandan*

Mr. R Selvaskandan is an Attorney-at -Law (SL) and Solicitor (England & Wales and Hong Kong) and was a senior partner of a leading law firm in Hong Kong prior to joining the property sector of the C T Holdings Group. He is the Chairman of C T Land Development PLC, Deputy Chairman of C T Properties and a Partner of Varners, a Law firm based in Sri Lanka. He has more than 25 years' experience in legal work and management in Sri Lanka, UK and Hong Kong.

** Independent - Non Executive*

*** Non Executive*

Financial Highlights

Group Revenue

67.82bn

Growth in Group Revenue

14.3%

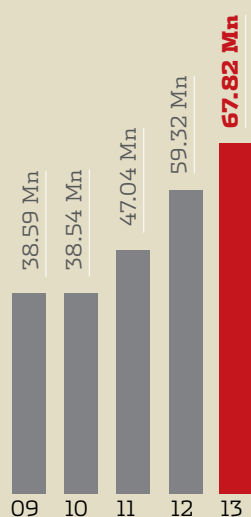
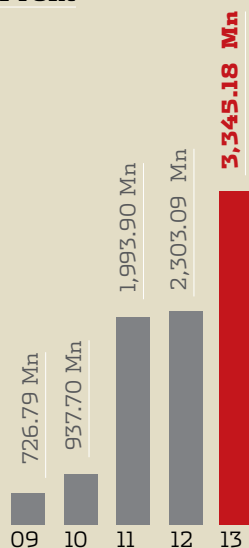
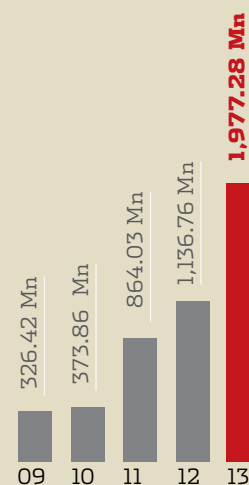
Profit for the Year

3.34bn

	2013 Rs '000	Group 2012 Rs '000	Change %	2013 Rs '000	Company 2012 Rs '000	Change %
Operations						
Revenue	67,820,126	59,316,164	14.34	-	-	-
Results from Operating Activities	5,958,327	4,035,339	47.65	14,427	(29,647)	(148.66)
Profit before taxation	4,210,782	3,122,041	34.87	667,741	465,946	43.31
Profit for the year	3,345,183	2,307,193	44.86	614,802	433,053	41.97
Profit Attributable to owners of the Company	1,977,280	1,136,745	71.12	614,802	433,053	41.97
Per Share Data						
Earnings Per Share (Rs.)	10.80	6.21	71.12	3.36	2.37	41.97
Dividends Per Share (Rs.)	2.31	2.06	12.14	2.31	2.06	12.14
Dividend Cover (Times)	4.68	3.02	54.96	1.45	1.15	26.08
Shareholders' Interest						
Stated Capital	3,194,008	3,194,008	-	3,194,008	3,194,008	-
Total equity attributable to equity holders of the parent	16,971,901	12,118,855	39.96	6,214,301	5,965,159	4.18
Return on equity attributable to equity holders of the parent (%)	11.65	9.37	24.33	9.89	7.26	36.28
Total equity attributable to equity holders of the parent per Share (Rs.)	92.69	70.93	43.47	36.48	35.02	4.18
Leverage						
Net Finance Costs	1,748,290	924,544	89.10	(653,314)	(495,593)	31.82
Interest Cover (Times)	3.40	4.36	(22.01)	-	-	(4.67)
Borrowings (including overdrafts)	20,373,916	12,158,762	67.57	-	-	766,062
Borrowing as a Percentage of Total equity attributable to equity holders of the parent (%)	120.40	100.32	19.65	-	13.00	-

Note

Earnings, Dividends and shareholders funds per share have been calculated based on the current number of issued shares.

Revenue**Profit****PAT Attributable to Owners of the company**

Chairman's Statement

I am pleased to present the annual report and financial statements of C T Holdings PLC for the year ended 31st March 2013.

The attached financial statements are the first set of financial statements prepared in accordance with Sri Lanka Accounting Standards (SLFRS and LKAS). The date of conversion to the new accounting standards is 1st April, 2011. The amendments required to the balance sheets as at 1st April, 2011 and 31st March, 2012 as well as the income statement for the year ended 31st March 2012 have been disclosed in note 43 to the financial statements.

Disposal of Investments

Subsequent to the year end the company disposed of its entire shareholding in Lanka Ceramic PLC at a total consideration of Rs. 2,895,463,440 (Rs. 120/- per share). Consequent to the disposal, Lanka Ceramics PLC and its subsidiaries - Lanka Wall tiles PLC, Lanka Floor tiles PLC, Horana Plantations PLC, and Swisstek (Ceylon) PLC, (all quoted public companies) as well as Ceytea Plantation Management Ltd, Uni-Dil Packaging Ltd, Uni-Dil Papersacks (Pvt) Ltd and Swisstek Aluminium (Pvt) Ltd ceased to be a part of the Group with effect from 6th May 2013.

Since the disposal of the subsidiaries took place subsequent to the year end, the financial statements of the Lanka Ceramics PLC and subsidiaries have been consolidated in the Group financial statements for the year ended 31st March 2013. The operational reviews, however, focus on the continuing operational segments of the Group.

The decision to exit from the industrial goods and plantations segments comes as part of an on-going process of consolidation and rationalization with a view to unlocking value of each of our businesses. In this process we would look to align with strategic partners with similar vision and scope with a view to harnessing the Group's potential of becoming a strong and focused investment holding Company.

Joint Venture

The subsidiary, C T Properties Ltd concluded a Joint venture agreement with Edmonton Pte Ltd (subsidiary of Keppel Land, Singapore) to jointly engage in property development activities in Sri Lanka.

The first project would be a multi-storied luxury apartment project in Colombo 13 to be developed at a total cost of US\$ 52 Mn. Preliminary design work has already commenced and we look forward to commencing construction work during the latter part of the financial year 2013/2014.

The Group sees opportunities for growth in all its operating segments through joint ventures and tie ups with internationally reputed organisations and companies which would bring in technical and operational know how along with investments.

Operating Results

The growth trend in Group Revenue continued during the current year although, operating profitability was adversely affected due to tight margins and increased operating and borrowing costs. Revenue for the year increased by Rs. 8.5 Bn (14.3%) over the previous year. The Group realised gains from the disposal of investments and

property, plant and equipment and also realised fair value gains on investment properties. As a result, profit for the year increased to Rs. 3.34 Bn, compared to Rs. 2.30 Bn in the previous year.

A review of the continuing operations by sector is given in the operations review set out on pages 12 to 17.

Fixed Assets and Investments

The investment by the group in property, plant and equipment during the year amounted to Rs. 5.3 Bn compared to Rs. 5.4 Bn in the previous financial year. The investments have been funded in its entirety through internally generated funds and borrowings.

At the company level, C T Holdings invested a sum of Rs. 152,000 in property, plant and equipment during the year compared to Rs. 14 Mn in the previous year.

Directorate

All Directors of the company were Directors for the entire year under review.

Share Capital

The share capital of the company is represented by 183,097,253 ordinary shares. There were no new issue of shares during the year.

Appropriations

The company declared an interim dividend of Rs. 0.65 per share on 7th March 2013, out of profits for the current year (2012 - Rs. 0.65). The Directors are pleased to recommend a final dividend of Rs. 1.65 per share. The dividend is payable subject to shareholder approval on 8th November, 2013. The proposed final dividend has not been reflected as a liability in the financial statements at the Balance Sheet date.

Conclusion

Although the results of the Group for the current year are below expectation, we are heartened by the increased volumes achieved. Investments made over the last two years are expected to produce positive results in the foreseeable future and the Group remains confident of the long term potential of each of these investments. CTH has also undertaken a strategic restructuring exercise which would streamline all operations, systems and procedures towards enhanced business focus, productivity and value creation. Meanwhile the external debt position of the group is monitored and managed to maintain borrowings and associated costs within optimum levels in the medium term. Based on these we look forward with optimism for further growth and profitability in the future.

Acknowledgements

I wish to place on record my sincere thanks to all my fellow Directors and staff for the assistance and cooperation rendered during the year.

I also wish to recognise and appreciate the enduring relationships built with our Customers, Bankers, Suppliers and Principals over the years. I thank our shareholders for their continued confidence in our Group and look forward to their support as long term partners of our success.

Anthony A Page

Chairman

Operational Review



Industry

The Consumption sector of the Group is an increasingly challenging yet exciting business. In a high-inflation environment, the Nielsen Company reported that the FMCG Industry saw a double digit growth in the year concluded with a large percentage of this stemming from regional demand. Regional economic growth stimulated by State-driven development is driving growth opportunities for the sector well beyond the Western Province.

According to the Nielsen Company findings, the continued pressure on consumer-wallets by way of higher utility and transport costs has created an increased trend of bargain-hunting at 'wholesale' and 'open' markets. Against this backdrop the Retail Industry is also grappling with the newly imposed 'Value Added Tax' on retail companies with turnover in excess of Rs. 500 Mn per quarter.

Meanwhile the Restaurants sector is on an upward trend with the Central Bank reporting a 20.2% growth in the Hotels and Restaurants sector of the economy in 2012. The sector is benefiting from the increased number of tourists arrivals to the country and an emerging demand for off-premise restaurants.

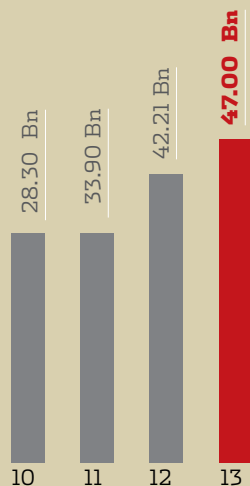
Retail

The recent hike in electricity tariffs and fuel prices had a direct impact on the Retail sector. The increased cost of logistics and rising operating cost of supermarkets where electricity consumption is substantial has increased pressure on margins. However steps taken to enhance internal efficiencies through stringent inventory and resource management have ensured that we continue to deliver on our brand promise of offering the 'lowest prices'.

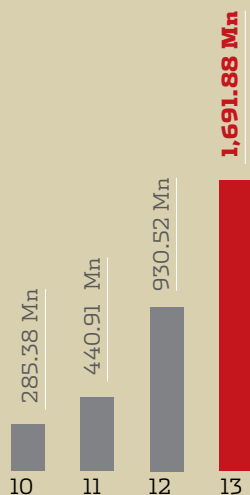
The lack of transitional provisions to allow for the claiming of input Value-Added-Tax (VAT) on the closing stock as at 31 December 2012 had a significant impact on the Business which enjoys peaks sales during the 3rd and 4th quarters of the financial year. The post-VAT drop in consumer sentiment also impacted performance. Accordingly while Revenue has grown by 11.3% Operating Profit has declined by 1.2% for the year concluded. The substantial rise in interest costs attributed to high gearing and increased cost of borrowing has dragged down performance resulting in a 38.5% de-growth in profitability. This sector, however, recorded a growth in the PAT largely due to fair valuation gain from investment property.

During the year 30 new were opened outlets including 17 Cargills Food City Express stores with the store expansion plan now leaning towards the smaller-sized experience. While expansion to capture the tremendous growth potential in the sector will continue, Cargills is cognisant of the potential for overtrading, and regularly monitors its expansion progress against a stringent set of KPIs. Furthermore, amidst certain economic headwinds, the sector would periodically review its expansion strategy and adapt in line with the demands of the macro-economy and emerging social and cultural trends.

Revenue



Segmental Profit



FMCG

The FMCG sector was adversely affected by the introduction of the VAT, with Kist, Kist Biscuits, Meats and Millers experiencing stock returns and curtailed purchase orders during the 3rd and 4th quarters. The challenging market environment and adverse weather prevalent in the second half of the year further impacted sector profitability in the second half of the year.

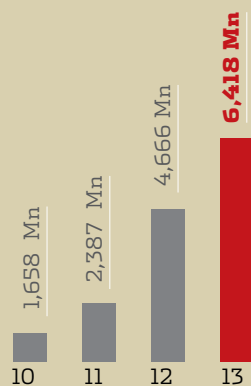
The Group has invested substantially in the expansion of the dairy sector in line with the national goal of achieving self-sufficiency in milk by 2015. Accordingly production capacity of milk and yoghurt has been increased while storage capacity of the ice cream segment has also been enhanced. Meanwhile the diversification of the cheese segment has been implemented with the introduction of new production lines. Our meat products also enjoyed a steady growth in revenue despite tighter margins attributed to pressure from competition. The range of Kist cordials, jams and sauces reported a solid performance particularly driven by an increasing shift to 'natural' food and beverages. Meanwhile the initial setbacks experienced in the Confectioneries sub sector have now been fully addressed with product quality and consistency reaching healthy levels. However the brewery business has seen a back-to-back erosion of margins with excise duties being increased twice during the year namely in April and October 2012.

Despite a challenging external environment the FMCG sector has returned a commendable performance with a 37.5% growth in revenue and a commendable 43.4% increase in Operating Profit. Despite sharply higher finance cost the sector reported a growth in PBT of 5.6%. However PAT

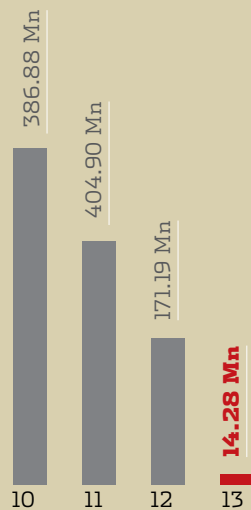
Operational Review

was significantly impacted by deferred tax provisions on account of significant investments made during the year while the below-potential performance of the confectioneries and soft alcohol segments further weighed down the performance.

Revenue



Segmental Profit



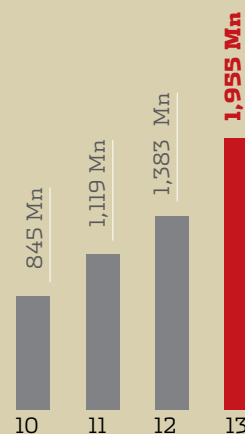
Restaurants

During the year the KFC chain added 5 new restaurants to its fold taking the total count to 23 and retaining its leadership in the Quick-Service-Restaurant (QSR) category. New Restaurants in Wattala, Galle, Ratnapura, Peradeniya and Marine Drive are reporting an excellent response from local customers.

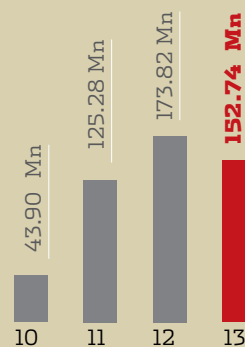
The KFC chain has also experienced a substantial increase in input cost which has resulted in higher price points. Steps taken to maintain the KFC value proposition amidst escalating costs has resulted in a substantial erosion of margins. As such while Revenue has grown by 41.3% for the year Operating Profit has seen a mere 7.1% increase. PAT saw a decline a 12.1% despite the 6.1% escalation in PBT due to deferred tax provisions owing to 5 new outlets being opened during the year while the previous year also include deferred tax provision reversals.

As evident in the expansion strategy KFC has taken its concept well beyond the boundaries of the conventional metropolis to regional cities that are showing an increasing appetite for this novel dining experience. Meanwhile the sub-sector's diversification into the entertainment-dining segment with the launch of TGI Friday's in Sri Lanka is in pre-operation stage. The management looks forward to the opening of the flagship restaurant in Fort during the 2nd half of the financial year.

Revenue



Segmental Profit



Real Estate

Real Estate Industry is impacted to a large extent by prevailing interest rates and government policy. Both of which have not been conducive towards stimulating the expected level of growth in the Industry. The measures introduced by the Central Bank of Sri Lanka to curb credit growth and thus target inflation slowed down the real estate market considerably during financial year. The uncertainty prevailing over policies pertaining to the Industry is also a cause for concern. The contention over the sale of land to investors and companies in particular requires swift addressing in terms of a clear policy direction. A consistent policy environment is of distinct importance to this industry which has great potential to attract foreign direct investment.

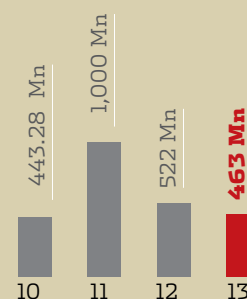
During the year the subsidiary, C T Properties Ltd, entered into a Joint Venture with Edmonton Pte Ltd of Singapore (subsidiary of Keppel Land, Singapore) to engage in property development activities in Sri Lanka. The first project will be the development of the Company's property located in Kotahena at an estimated cost in excess of US\$ 52 million. Keppel Land will use its vast expertise gained over several decades of operations in many markets to lead this project to a successful conclusion. Design and approval work on this project is in progress.

Although impacted by borrowing costs the Group's township development project in Piliyandala continued to have a steady stream of revenue, with 45 Land Lots being disposed during the year.

The change in accounting policies consequent to the adoption of SLFRS during the year caused a significant change in the method of revenue recognition on rental income from investment properties. In accordance with LKAS 17 rental income is accounted on the straight line basis over the period of the rental agreements. The subsidiary company, C T Land Development PLC, owning company of the Majestic City shopping and entertainment mall, presently enters into four year rolling lease agreements, the next renewal of which will take place on 1st January, 2015. Due to the change in revenue recognition the annual increases built into these agreements are not reflected in the revenue line of the statement of comprehensive income. All other income earned by the investment property, such as advertising revenue car parking income etc is shown at invoiced amounts in the statement of comprehensive income.

Due to the change in accounting policy referred to above, the Revenue showed a decline from the previous year by Rs. 59 Mn to reach Rs. 463 Mn, while net profit increased by 210 Mn to Rs. 198 Mn. The increased net profit is attributable to the profit on disposal of investments.

Revenue



Segmental Profit



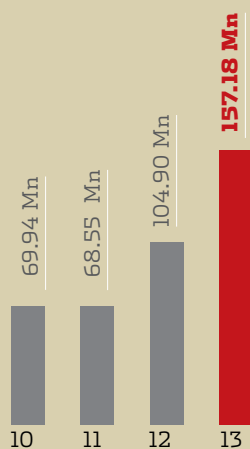
Operational Review

Entertainment

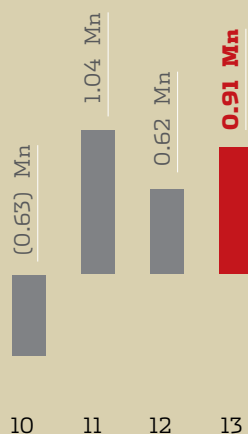
The Entertainment industry is now undergoing a rapid change with a greater demand for high quality entertainment. Digital technology is taking a central role in sound, projection etc while 3D facilities with advanced sound systems are also common place. The state-initiated drive to create urban semi-urban leisure spaces has led to an increased appetite for recreation and the sector is certainly benefiting from this trend.

The roots of the Group can be traced several decades, back to the entertainment / movie production and exhibition business. In the past, Ceylon Theatres has produced award winning films such as 'Golu Hadawatha' 'Akkara Paha' and, 'Nidhanaya'. Since that time, the Group has maintained a consistent and effective presence in the entertainment sector in the country.

Revenue



Segmental Profit



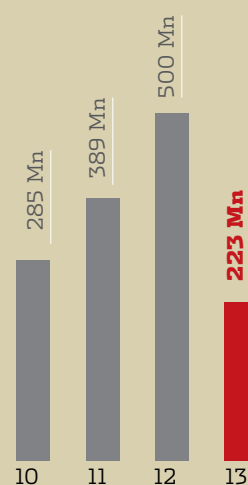
The Group has invested substantially in aligning with new Industry trends and client-demand with Group Company Ceylon Theatres (Pvt) Ltd commencing the first 3D screen at its Majestic Cinema with a second 3D screen being set up this year. The total investments in the new screens and facilities amounted to about Rs. 100 million.

Ceylon Theatres is also planning to set up 3 screens in a mall being developed by the group in Jaffna at a total cost of Rs. 85 million. One of the screens would have 3D facility. This cinema will be opened towards the end of the year 2013. The Group will also look at developing / upgrading its other owned cinemas and thereby offer a unique experience to patrons. The Turnover of this sector increased by about 50% over the previous financial year to reach Rs. 157 million. However, profit for the year amounted to only Rs. 1 million, largely due to the lower than anticipated returns on certain blockbuster films sourced by Ceylon Theatres and high operating costs. These challenges are being addressed and better returns are expected in the following years.

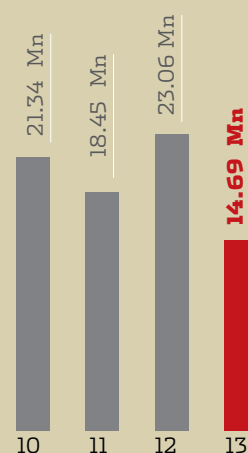
Financial Services

During the year the Group Invested a sum of Rs. 1,320 mn in Cargills Agriculture and Commercial Bank, for which provisional license was granted in the previous year. Since banking operations are, by nature, independent

Revenue



Segmental Profit



and the banking operation is still in the pre-operational stage, this investment has not been included under the Financial Services segment.

C T Smith Holdings (Pvt) Ltd forms the entirety of the Group's investment in the Financial Services sector where the Group's shareholding amounts to 28.37%. This sector consists of Stock Broking, Investment Banking and Fund Management.

C T Smith Stock Brokers (Pvt) Ltd is among the most well established broking houses operating on the Colombo Stock Exchange (CSE) with an excellent track record in attracting foreign investment to the Colombo bourse over several years. The company also has established a niche in research reporting to clients.

The Fund Management arm launched the Comtrust Gilt Edged Fund during the year, targeted at the investors seeking lower risk investment, with added incentives. The investment banking services was a low level operation during the year, due to the relative lack of Initial Public Offerings.

Lanka Ceramic PLC & subsidiaries

Subsequent to the financial year end, the Group exited from the investment in Lanka Ceramic PLC and consequently the subsidiaries also ceased to be part of the C T Holdings Group.

In keeping with the prior period classifications, the operations of Lanka Ceramics and subsidiaries (referred to here as LCL Group) are classified into three segments – Ceramic & Tiles, Plantation and Packaging for the current year.

The revenue for LCL Group amounted to Rs 11,601 mn, a growth of 10.2% over the previous year. Profitability, however, was adversely affected due to a reduction at gross profit margin level as well as surging finance costs, which increased by 72% over the previous year. Due to these twin effects, profits declined by about 1/3rd from the previous year.

Corporate Governance

C T Holdings Group sees implementation of good Corporate Governance Practices as one of the cornerstones of the Group's operations. Such practices have been adopted within the Group for several years and are continually evaluated and improved based on the changing business landscape.

Guidelines on Corporate Governance have been issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

The provisions of Section 7.10 of the Listing Rules - "Corporate Governance" also set out the Corporate Governance Requirements of listed companies. The Directors hereby confirm that the Company is in compliance with the said section of the Listing Rules as at 31st March 2013.

Corporate Governance within the Group is handled at two levels

a) Operating subsidiary Company level – certain subsidiaries are listed on the Colombo Stock Exchange. Each of these

companies have Corporate Governance Procedures that are compliant with the requirements of listing rules. All the private companies of the Group fall within the procedures established for the quoted Companies within their respective sectors.

b) At Parent Company level – the details of the Parent Company's compliance with the listing rules are set out in the table below.

Subject	Compliance Status	Remarks
1. Non-Executive Directors		
The Board shall include at least two non-executive directors; or one third of the total number of Directors whichever is higher.	Complied	The Board of Directors consists of nine Directors of whom eight are Non-Executive Directors.
2. Independent Directors		
Two or 1/3 of Non-Executive Directors appointed to the Board of Directors, whichever is higher shall be 'independent'.	Complied	Four Directors out of the eight Non-Executive Directors are independent. (See 3 below)
The Board shall require each Non-Executive Director to submit a declaration annually of his/her independence or non-independence in the prescribed format.	Complied	All Non- Executive Directors submit signed declarations of independence / non independence annually.
3. Disclosures relating to Directors		
The Board shall make a determination annually as to the independence or non-independence of each Non-Executive Director and set out in the annual report the names of Directors determined to be 'independent'.	Complied	M/s Priya Edirisinghe, Sunil Mendis, J B L De Silva and R Selvaskandan are independent Directors of the company.
In the event a Director does not qualify as independent' but if the Board, taking account of all the circumstances, is of the opinion that the Director is nevertheless 'independent', the Board shall specify the criteria not met and the basis for its determination in the annual report. M/s. Priya Edirisinghe, Sunil Mendis and R Selvaskandan are	Complied	Mr. Priya Edirisinghe has served in the Company's Board for a continuous period exceeding nine (09) years. Further Mr. Priya Edirisinghe, Mr. Sunil Mendis and Mr. R Selvaskandan also serve as Directors of other Group Companies of C T Holdings PLC. Nevertheless, the Board of Directors of the Company, having considered their credentials and integrity have resolved that M/s. Priya Edirisinghe, Sunil Mendis and R Selvaskandan be deemed Independent Directors of the Company.

Subject	Compliance Status	Remarks
The Board shall publish in its annual report a brief resume of each Director on its Board.	Complied	Disclosed in Pages 6 and 7 to Annual Report.
Upon appointment of a new Director to its Board, the company shall forthwith provide to the Exchange a brief resume of such Director for dissemination to the public.		All Directors of the Company at the year-end were Directors throughout the year.
5. Remuneration Committee		
A listed company shall have a remuneration committee comprising a minimum of two independent Non-Executive Directors or exclusively by Non-Executive Directors a majority of whom shall be independent, whichever shall be higher. One Non-Executive Director shall be appointed as Chairman of the Committee by the Board.	Complied	The Remuneration Committee consists of three Independent Directors and two Non-executive Directors. The Chairman of the Remuneration Committee is a Non-Executive Director.
The Remuneration Committee shall recommend the remuneration payable to the executive Directors and Chief Executive Officer, to the Board.	Complied	There was no remuneration payable to Executive Director for the year. As such no report has been submitted from the Remuneration Committee.
The annual report should set out the names of Directors comprising the remuneration committee, contain a statement of the remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.	Complied	M/s Louis Page, Anthony A Page, Priya Edirisinghe, Sunil Mendis and J B L De Silva make up the remuneration Committee. Details of the Directors' emoluments are disclosed in Note 12 to the Financial Statements.
6. Audit Committee		
A listed company shall have an audit committee comprising a minimum of two Independent Non-Executive; or exclusively by Non-Executive Directors a majority of whom shall be independent whichever shall be higher. One Non-Executive Director shall be appointed chairman of the committee by the Board.	Complied	The Audit Committee consists of three Non-Executive Directors, two of whom are Independent. The Chairman of the Audit Committee is an Independent Non-Executive Director
Unless otherwise determined by the audit committee the Chief Executive Officer and the Chief Financial Officer of the listed company shall attend audit committee meetings.	Complied	The Managing Director is invited to attend the Audit Committee meetings as required.
The Chairman or one member of the committee should be a Member of a recognised professional accounting body.	Complied	Chairman is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants, UK.

Corporate Governance

Subject	Compliance Status	Remarks
Functions of the Audit Committee Complied Disclosed in the Report of the Audit Committee	Complied	Disclosed in the Report of the Audit Committee
The annual report should set out the names of Directors comprising the Audit Committee.	Complied	M/s Priya Edirisinghe, Anthony A Page and J B L De Silva make up the Audit Committee
The committee shall make a determination of the independence of the auditors and shall disclose the basis for such determination in the annual report.	Complied	Disclosed in the Report of the Audit Committee
The annual report shall contain a report by the audit committee, setting out the manner of compliance, during the period to which the annual report relates.	Complied	Disclosed in the Report of the Audit Committee

Report of the Audit Committee

The Audit Committee of C T Holdings PLC is appointed by the Board of Directors of the company and reports directly to the Board.

The Audit Committee consists of Three Non-Executive Directors –Messrs. Priya Edirisinghe (Chairman), Anthony A. Page and J B L De Silva. The Chairman of the Audit Committee and Mr. Anthony Page are Fellows of the Institute of Chartered Accountants of Sri Lanka. The Composition of the members of the Audit Committee satisfies the criteria as specified in the standards of Corporate Governance for listed Companies. They are:

Name	Non-Executive Directors
Mr. Priya Edirisinghe FCA, FCMA (UK) Chairman	Independent
Mr. Anthony A Page FCA	
Mr. J B L De Silva	Independent

The Audit Committee examines the preparation, presentation and adequacy of disclosures in the Financial Statements and whether these are in accordance with Sri Lanka Accounting Standards, Companies Act No 7, of 2007 and other relevant financial reporting related regulations and requirements. The Audit Committee also reviewed and approved the Annual and Interim Financial Statements prior to the approval by the Board.

The Managing Director and Director Group Corporate Affairs attend meetings as and when requested to do so by the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

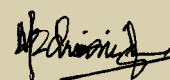
The Committee is empowered to liaise directly with the External Auditors of the Company, with whom this Committee met once during the year. The Audit Committee also studies all management letters and other matters brought to the attention of the Management by the External Auditors.

The Audit Committee met once during the year, attended by all members of the Committee. The

quarterly accounts were circulated, reviewed and recommended to the Board prior to Board approval. In all instances, the Audit Committee obtained relevant declarations from the relevant key officials stating that the respective financial statements are in conformity with the applicable Accounting Standards, Company Law and other Statutes including Corporate Governance Rules and that the presentation of such Financial Statements are consistent with those of the previous quarter or Year as the case may be, and further states any departures from financial reporting, statutory requirements and Group policies.

Based on its work, the Audit Committee is of the opinion that the control procedures and environment within the Group provide reasonable assurance regarding the monitoring of the operations, accuracy of the Financial Statements and safeguarding of assets of the Company.

The Audit Committee assessed the independence and performance of the Company's external auditors and has recommended to the Board of Directors that M/s KPMG be re-appointed as Auditors of the Company for the year ending 31st March 2014, subject to the approval by the shareholders at the Annual General Meeting.



Priya Edirisinghe
Chairman - Audit Committee
25th September 2013

Risk Management

Risk management for C T Holdings PLC (CTH) is an integral part of value-oriented business management. It helps the Company's management to limit risk and exploit opportunities and is based on a systematic process of risk identification, assessment and control for the entire Group. Risks are internal or external events that can negatively impact the realisation of short term objectives or the implementation of long-term strategies. They can also emerge from missed or poorly exploited opportunities. Within the framework of risk management, we recognise unfavourable developments at an early stage and put the necessary counter measures into place. In addition, we also systematically identify, assess and seize positive Group-wide opportunities.

CTH risk portfolio is distributed among subsidiary companies and varies with the nature of each business and operation of each sector and company. The Board of Directors of CTH is entrusted with the task of assessing and regulating the risk profile of each operating sector along the lines of the vision of the Parent Company.

Consistent risk monitoring

The management teams of respective companies are responsible for overseeing the implementation and effectiveness of risk management in their particular sector. They ensure that the risk management system as a whole is operational and that the standards and processes remain current.

CTH as the Holding Company of its subsidiaries primarily faces the internal and external risks that are described in the following section.

Business Risk

The business risk management is a dynamic process due to the constant change and complexity in the operating environment of the Group. The different business operations of the Group and their performance are subject to a variety of risk factors which are constantly monitored and evaluated by the management in order to respond effectively. CTH as the Investment Holding Company carefully evaluates all risks pertaining to high value investments both in existing operating sectors and new areas (if any), with a view of creating long term wealth for our shareholders.

Reputational Risk

Failure to protect the Group's reputation could lead to a loss of trust and confidence among stakeholders. We recognise the commercial imperative to safeguard the interests of all our stakeholders. We therefore endeavour to engage with them to take into account their views in developing long term strategies.

Funding & Liquidity

The Group's subsidiaries and associates finance their operations through a combination of retained earnings, long term and short term loans. The strong relationships maintained with Banks enable the Group to raise funds at competitive rates as and when required.

Credit Risk

Credit risk arises from cash and cash equivalents, deposit with banks as well as credit exposure to customers including outstanding receivables. Strict credit control procedures are adopted in order to assess the credit quality of present and potential customers with further mitigating measures undertaken to reduce risk. The utilisation of credit limits is regularly monitored.

Interest Rate Risk

The Groups income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate arises from long term borrowings. The long and short term borrowings at variable rates linked to market conditions expose the Group to interest rate risk. The Group analyses its interest rate exposure on a dynamic basis.

Exchange Rate Risk

Exposure to Exchange Rate risk is minimal, although certain foreign currency denominated borrowings face risks on account of any devaluation against principal currencies. Revenue streams are also largely independent of Exchange Rate fluctuations except in the case of commodity exports.

Financial Information

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Annual Report of the Board of Directors of the Company

The Directors are pleased to present the Annual Report of C T Holdings PLC for the Year ended 31st March 2013.

Activities

The Group's Principal activities and important events during the year are discussed in detail in the Chairman's Statement and Operations Review set out on pages 10 to 17. There were no significant changes to the business activities of the Group during the year.

Risk Management

The overall approach to risk management within the Company and Group is set out in page 22.

Financial Statements

The audited Financial Statements of the Company & Group for the year ended 31st March 2013 are given on pages 28 to 109 form an integral part of this Annual Report.

Auditors' Report

The auditors' report is set out on page 27.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on Notes 01 to 09. There are no material changes in the Accounting Policies from the previous year, other than as stated in Note 43 to the Financial Statements.

Ratios and market price information

Key ratios and market price information pertaining to the equity of the Group are set out on page 112, along with the trend for the past six years. The Company and subsidiaries have not raised capital through listed debt instruments during the year.

Property, Plant & Equipment

The movement of Property, Plant and Equipment during the year is given in Note 19 to the Financial Statements.

The Group's outlay on Property, Plant and Equipment during the year amounted to Rs. 5.3 Bn. (2012 - Rs. 5.4 Bn) while the Capital outlay of the Company on Property, Plant and Equipment during the year amounted to Rs. 152,000 (2012 - Rs. 14Mn).

The Directors are of the opinion that the carrying amount of properties stated in Note 19 to the Financial Statements reasonably reflects their fair values.

Extents, locations, valuations of the Group's land holdings and investment properties are disclosed in pages 110 and 111.

Stated Capital

The stated capital of the Company at the balance sheet date amounted to Rs. 3,194,007,832 comprising 183,097,253 Ordinary (voting) Shares.

During the previous year, the Company issued 12,748,333 new ordinary voting shares at a consideration of Rs. 210 per share through a private placement and rights issue.

The Company and subsidiaries do not have any Employee Share Ownership or Stock Option Schemes.

Shareholders

There were 1,844 registered shareholders as at 31st March 2013 (2012-1,938 shareholders). An analysis of shareholders according to size and holdings, public holdings and the names of the twenty largest shareholders of the Company at the reporting date are given on Pages 116 and 117.

Directorate

The Directors of the company have been Directors throughout the year under review. Details of Directors of Group Companies as at the reporting date are given on pages 113 to 115 of this report.

Brief profiles of the Directors of the Company are given on pages 6 and 7, including their determination as independent and non-executive, as appropriate.

Details of Attendance at Meetings

Name of Director	Board Meetings		AGM	
	Held	Attended	Held	Attended
Anthony A Page	2	2	1	1
Louis Page	2	2	1	-
Ranjit Page	2	2	1	1
J B L De Silva	2	1	1	-
Priya Edirisinghe	2	1	1	1
Sunil Mendis	2	2	1	1
Mrs. Cecilia Muttukumaru	2	2	1	1
Joseph Page	2	2	1	1
R Selvaskandan	2	2	1	1

Directors' Remuneration

The remuneration of the Directors is given in Note 12 to the Financial Statements.

Directors' Interest in Contracts

The Directors' interest in contracts and proposed contracts with the Company and related party transactions are disclosed in Note 38 to the Financial Statements. The Directors have declared their interests at meetings of the Board.

Directors' Shareholdings

The Directors' Shareholdings in the Company were as follows:

	As at 31-Mar-2013	As at 31-Mar-2012
Anthony A Page	15,873,398	15,860,394
Louis Page	10,000	10,000
Ranjit Page	10,927,338	10,919,429
J B L De Silva	213	213
Priya Edirisinghe	30,036	30,036
Sunil Mendis	-	-
Mrs. Cecilia Muttukumaru	1,055,000	1,038,605
Joseph Page	7,803,159	7,821,061
R Selvaskandan	-	-
	35,699,144	35,685,688

Events After the Reporting Period

Events Occurring After the reporting date of the Company are given in Note 42 to the Financial Statements.

Corporate Governance

The Corporate Governance Practices within the group are set out in pages 18 to 20 Report of the Audit Committee is set out on page 21.

Dividends

During the year ended 31st March 2013, the Company paid the following dividends

- Final dividend of Rs. 1.40 per share on 31st October 2012, out of profits for the year ended 31st March 2012.
- Interim dividend of Rs. 0.65 per share on 7th January 2013, out of profits for the year ended 31st March 2013.

The Directors propose a final dividend of Rs. 1.65 payable on 8th November 2013, subject to approval of the shareholders.

Donations

Donations made by the Group for the year amounted to Rs. 1,385,000 (2012 - Rs. 1,015,000). Donations made by the Company for the year amounted to Rs. 62,000 (2012 - Rs. 144,800) which includes Rs. 57,000 (2012 - Rs. 139,800) to Government approved charities.

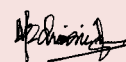
Auditors

The remuneration paid to the Auditors is given in Note 12 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company.

M/s. KPMG, Chartered Accountants are deemed re-appointed in terms of Section 158 of the Companies Act No. 7 of 2007, as Auditors of the Company. A resolution authorising the Directors to determine their remuneration will be submitted at the Annual General Meeting.

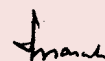
By Order of the Board



Priya Edirisinghe
Director



R Selvaskandan
Director



S L W Dissanayake
Company Secretary

25th September 2013

Statement of Directors' Responsibilities

Maintenance of Accounting Records

Under the provisions of the Companies Act No. 07 of 2007, every company is required to maintain accounting records which correctly record and explain the Company's transactions, and will at any time enable the financial position of the Company to be determined with reasonable accuracy, enable the Directors to prepare Financial Statements in accordance with the Act and also enable the Financial Statements of the company to be readily and properly audited.

Preparation of Financial Statements of Company & Group

The Act also places the responsibility on the Board of Directors to ensure that Financial Statements are prepared within the prescribed time period in conformity with the Act. Such Financial Statements of a Company shall give a true and fair view of the state of affairs of the Company as at the balance sheet date and the profit or loss or income and expenditure, as the case may be, of the Company for the accounting period ending on that balance sheet date.

Further the Act also requires that a Company with one or more subsidiaries at the balance sheet date to also prepare Financial Statements in relation to the Group including every subsidiary, which give a true and fair view of the state of affairs of the Company and its subsidiaries as at the balance sheet date and the profit or loss or income and expenditure, as the case may be, of the Company and its subsidiaries for the accounting period ending on that balance sheet date.

Annual Report

The Board of Directors are required to prepare an Annual Report on the affairs of the Company during the accounting period ending on the balance sheet date in the prescribed format and circulate the same to every shareholder of the Company within the prescribed time frame.

Independent Audit

The audit of the Company is carried out by M/s KPMG. Their responsibility with regard to the Financial Statements as auditors of the Company are set out in the Independent Auditor's Report set out on Page 27.

Basis of Accounting

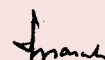
Considering the present financial position of the Group the forecasts for the foreseeable future, the Directors have adopted the going concern basis for the preparation of these Financial Statements. The Directors confirm that these Financial Statements have been prepared in accordance with the requirements of the Companies Act No.7 of 2007 and applicable Sri Lanka Accounting Standards, which have been consistently applied and supported by reasonable and prudent judgments and estimates.

Management

The Directors are responsible for the proper management of the resources of the Company. The internal control system has been designed and implemented to obtain reasonable but not absolute assurance that the Company is protected from undue risks, frauds and other irregularities. The Directors are satisfied that the control procedures operated effectively during the year.

The Directors confirm that all statutory payments have been made up to date.

By order of the Board



S L W Dissanayake
Company Secretary

25th September 2013

Independent Auditors' Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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TO THE SHAREHOLDERS OF C T
HOLDINGS PLC

Report on the Financial Statements

We have audited the accompanying financial statements of C T Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statements of financial position as at March 31, 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes set out on pages 28 to 111 of this Annual Report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion- Company

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2013 and the financial statements give a true and fair view of the financial position of the Company as at March 31, 2013,

and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Opinion - Group

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiary dealt with thereby as at March 31, 2013, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Sections 153(2) to 153(7) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS

25th September 2013
Colombo.

Statement of Comprehensive Income

For the year ended 31st March	Note	Group		Company	
		2013	2012	2013	2012
<i>In thousands of rupees</i>					
CONTINUING OPERATIONS					
Revenue	10	67,820,126	59,316,164	-	-
Cost of sales		(58,563,579)	(51,260,280)	-	-
Gross profit		9,256,547	8,055,884	-	-
Other income	11	2,884,770	984,620	58,313	34,306
Distribution expenses		(2,374,754)	(1,809,250)	-	-
Administrative expenses		(3,372,850)	(2,823,965)	(43,886)	(63,845)
Other expenses		(435,386)	(371,950)	-	(108)
Results from operating activities	12	5,958,327	4,035,339	14,427	(29,647)
Net finance income/(expense)	13.1	(1,748,290)	(924,544)	653,314	495,593
Share of profit of equity accounted investees (net of tax)		745	11,246	-	-
Profit before taxation		4,210,782	3,122,041	667,741	465,946
Tax expenses	14	(865,599)	(814,848)	(52,939)	(32,893)
Profit for the year from continuing operations		3,345,183	2,307,193	614,802	433,053
DISCONTINUED OPERATIONS					
Loss after tax for the year from discontinuing operations	15	-	(4,102)	-	-
Profit for the year		3,345,183	2,303,091	614,802	433,053
OTHER COMPREHENSIVE INCOME					
Revaluation of property, plant and equipment		4,412,181	46,146	-	74,999
Net change in fair value of available-for-sale financial assets	13.2	10,054	6,642	10,098	6,722
Defined benefit plan actuarial gains / (losses) - net of tax		22,982	(10,543)	(409)	(2,478)
Share of other comprehensive income of associates - net of tax		(68)	-	-	-
Other comprehensive income for the year, net of income tax		4,445,149	42,245	9,689	79,243
Total comprehensive income for the year		7,790,332	2,345,336	624,491	512,296
Profit attributable to					
Owners of the parent		1,977,280	1,136,755	614,802	433,053
Non-controlling interest		1,367,903	1,166,336	-	-
		3,345,183	2,303,091	614,802	433,053
Total comprehensive income attributable to					
Owners of the parent		5,230,385	1,186,079	624,491	512,296
Non-controlling interest		2,559,947	1,159,257	-	-
		7,790,332	2,345,336	624,491	512,296
Earnings per share (Rs.)	17				
Basic earning per share from continuing operations		10.80	6.21	3.36	2.37
Dividends per share (Rs.)	18	2.31	2.05	2.30	2.05

The notes on pages 34 to 111 are an integral part of these consolidated financial statements.

Statement of Financial Position

As at 31st March	Note	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
<i>In thousands of rupees</i>							
ASSETS							
Non-current assets							
Property, plant and equipment	19	28,174,039	22,449,489	18,123,265	18,904	29,472	398,489
Prepaid lease rentals to acquire rights to use lands	20	44,998	32,607	38,361	-	-	-
Biological assets	21	1,795,632	1,585,907	1,384,397	-	-	-
Investment properties	22	7,506,480	2,837,087	2,530,000	960,500	930,000	458,000
Intangible assets and goodwill	23	1,930,704	1,961,246	1,284,300	688,467	688,467	688,467
Investments in subsidiaries	24.2	-	-	-	1,640,384	1,640,384	1,592,653
Investments in equity accounted investees	25	225,804	70,106	58,860	34,717	34,717	34,717
Other financial assets	26	1,443,323	113,223	106,501	783,321	113,222	106,501
Deferred tax assets	35	80,582	106,795	22,534	-	-	-
Total non-current assets		41,201,562	29,156,460	23,548,218	4,126,293	3,436,262	3,278,827
Current assets							
Inventories	27	9,226,508	8,351,184	6,449,047	19	19	528
Trade and other receivables	28	5,981,300	5,042,168	4,189,777	72,928	2,513,269	542,377
Other short term financial assets	26	36,181	35,299	47,177	-	-	-
Cash and cash equivalents (excluding bank overdrafts)	29	3,605,349	871,703	841,773	2,110,091	92,323	68,885
Assets classified as held for sale	16	-	-	21,340	-	-	-
Total current assets		18,849,338	14,300,354	11,549,114	2,183,038	2,605,611	611,790
Total assets		60,050,900	43,456,814	35,097,332	6,309,331	6,041,873	3,890,617
Equity and liabilities							
Equity attributable to owners of the parent							
Stated capital	30	3,194,008	3,194,008	516,858	3,194,008	3,194,008	516,858
Reserves	31	3,785,808	538,856	485,721	394,615	384,517	302,796
Retained earnings		9,992,085	8,385,991	7,781,247	2,625,678	2,386,634	2,258,169
Total equity attributable to equity holders of the parent		16,971,901	12,118,855	8,783,826	6,214,301	5,965,159	3,077,823
Non-controlling interest		9,825,801	7,664,610	7,334,030	-	-	-
Total equity		26,797,702	19,783,465	16,117,856	6,214,301	5,965,159	3,077,823
Liabilities							
Non-current liabilities							
Loans and borrowings	32	4,464,388	2,465,577	2,182,345	-	-	-
Trade and other payables	36	146,320	145,120	138,173	-	-	-
Employee benefits	33	876,149	835,936	709,305	6,681	5,493	250
Deferred income	34	170,916	140,583	119,130	-	-	-
Deferred tax liabilities	35	1,324,021	1,052,962	867,178	-	-	-
Total non-current liabilities		6,981,794	4,640,178	4,016,131	6,681	5,493	250
Current liabilities							
Trade and other payables	36	9,975,756	8,881,511	6,597,273	31,387	12,625	29,665
Income tax payable		354,107	426,462	472,284	24,949	26,583	-
Dividends payable		32,013	32,013	16,817	32,013	32,013	16,817
Loans and borrowings	32	10,357,435	4,616,462	5,156,263	-	-	761,971
Bank overdrafts	29	5,552,093	5,076,723	2,720,708	-	-	4,091
Total current liabilities		26,271,404	19,033,171	14,963,345	88,349	71,221	812,544
Total equity & liabilities		60,050,900	43,456,814	35,097,332	6,309,331	6,041,873	3,890,617

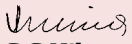
The notes on pages 34 to 111 are an integral part of these consolidated financial statements.

The Board of Directors is responsible for the preparation and presentation of these Financial statements. The Financial Statements have been approved by the Board of Directors on 25th September 2013.

I certify that these Financial Statements have been prepared in accordance with the requirements of the Companies Act No 7 of 2007.


A T P Edirisinghe
Director


R Selvaskandan
Director


S C Niles
Director Group Corporate Affairs

Statement of Changes in Equity

Group

	<----- Attributable to the owners of the parent ----->					Non-	Total
	Stated	Revaluation	Available	General	Retained	Total controlling	Total
<i>In thousands of rupees</i>	Capital	Reserve	for Sale Reserve	Reserve	Earnings	Interest	
Balance as at 1st April 2011	516,858	-	89,350	396,371	7,781,247	8,783,826	16,117,856
Total comprehensive income for the period							
Profit for the year	-	-	-	-	1,136,755	1,136,755	2,303,091
Other comprehensive income							
Revaluation of property, plant and equipment	-	46,493	-	-	-	46,493	46,146
Net change in fair value of available-for-sale financial assets	-	-	6,642	-	-	6,642	6,642
Defined benefit plan actuarial gains / (losses)	-	-	-	-	(3,811)	(3,811)	(10,543)
Total other comprehensive income for the year	-	46,493	6,642	-	(3,811)	49,324	42,245
Total comprehensive income for the period	-	46,493	6,642	396,371	1,132,944	1,186,079	2,345,336
Transactions with owners directly recorded in equity							
Contributions by & distributions to owners							
Issue of shares	2,677,150	-	-	-	-	2,677,150	2,677,150
Dividends paid - 2011/12	-	-	-	-	(302,110)	(302,110)	(665,755)
Total contributions by & distributions to owners	2,677,150	-	-	-	(302,110)	2,375,040	2,011,395
Changes in ownership interest in subsidiaries that do not result in gain / (loss) of control							
Acquisition of non-controlling interest	-	-	-	-	(235,095)	(235,095)	(709,216)
Disposal of ownership interest	-	-	-	-	9,005	9,005	18,094
Total changes in ownership interest in subsidiaries that do not result in gain / (loss) of control	-	-	-	-	(226,090)	(226,090)	(691,122)
Balance as at 31st March 2012	3,194,008	46,493	95,992	396,371	8,385,991	12,118,855	19,783,465
For the year ended 31st March 2012							
Balance at 1st April 2012	3,194,008	46,493	95,992	396,371	8,385,991	12,118,855	19,783,465
Total comprehensive income for the period							
Profit for the year	-	-	-	-	1,977,280	1,977,280	3,345,183
Other comprehensive income							
Revaluation of property, plant and equipment	-	3,236,885	-	-	-	3,236,885	4,412,181
Net change in fair value of available-for-sale financial assets	-	-	10,067	-	-	10,067	10,054
Defined benefit plan actuarial gains / (losses)	-	-	-	-	6,221	6,221	22,982
Share of other comprehensive income of associates	-	-	-	-	(68)	(68)	(68)
Total other comprehensive income for the year	-	3,236,885	10,067	-	6,153	3,253,105	4,445,149
Total comprehensive income for the period	-	3,236,885	10,067	-	1,983,433	5,230,385	7,790,332
Transactions with owners directly recorded in equity							
Contributions by & distributions to owners							
Un-claimed dividend	-	-	-	-	-	3,428	3,428
Dividends paid - 2012/13	-	-	-	-	(375,349)	(375,349)	(766,177)
Total contributions by & distributions to owners	-	-	-	-	(375,349)	(375,349)	(762,749)
Changes in ownership interest in subsidiaries that do not result in gain / (loss) of control							
Acquisition of shares	-	-	-	-	(1,990)	(1,990)	(13,346)
Total changes in ownership interest in subsidiaries that do not result in gain / (loss) of control	-	-	-	-	(1,990)	(1,990)	(13,346)
Balance as at 31st March 2013	3,194,008	3,283,378	106,059	396,371	9,992,085	16,971,901	26,797,702

Company

<i>In thousands of rupees</i>	Stated Capital	Revaluation Reserve	Available for Sale Reserve	Central Reserve	Retained Earnings	Total
Balance as at 1st April 2011	516,858	-	89,258	213,538	2,258,169	3,077,823
Total comprehensive income for the period						
Profit for the year	-	-	-	-	433,053	433,053
Other comprehensive income						
Revaluation of property, plant and equipment	-	74,999	-	-	-	74,999
Net change in fair value of available-for-sale financial assets	-	-	6,722	-	-	6,722
Defined benefit plan actuarial gains / (losses)	-	-	-	-	(2,478)	(2,478)
Total other comprehensive income for the year	-	74,999	6,722	-	(2,478)	79,243
Total comprehensive income for the year	-	74,999	6,722	-	430,575	512,296
Transactions with owners directly recorded in equity						
Contributions by & distributions to owners						
Issue of shares	2,677,150	-	-	-	-	2,677,150
Dividends Paid - 2010/11 (Final)	-	-	-	-	(183,097)	(183,097)
Dividends Paid - 2011/12 (Interim)	-	-	-	-	(119,013)	(119,013)
Total contributions by & distributions to owners	2,677,150	-	-	-	(302,110)	2,375,040
Balance as at 31st March 2012	3,194,008	74,999	95,980	213,538	2,386,634	5,965,159
For the year ended 31st March 2013						
Balance at 1st April 2012	3,194,008	74,999	95,980	213,538	2,386,634	5,965,159
Total comprehensive income for the period						
Profit for the year	-	-	-	-	614,802	614,802
Other comprehensive income						
Revaluation of property, plant and equipment	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	10,098	-	-	10,098
Defined benefit plan actuarial gains / (losses)	-	-	-	-	(409)	(409)
Total other comprehensive income for the year	-	-	10,098	-	(409)	9,689
Total comprehensive income for the year	-	-	10,098	-	614,393	624,491
Transactions with owners directly recorded in equity						
Contributions by & distributions to owners						
Dividends Paid - 2011/12 (Final)	-	-	-	-	(256,336)	(256,336)
Dividends Paid - 2012/13 (Interim)	-	-	-	-	(119,013)	(119,013)
Total contributions by & distributions to owners	-	-	-	-	(375,349)	(375,349)
Balance as at 31st March 2013	3,194,008	74,999	106,078	213,538	2,625,678	6,214,301

The notes on pages 34 to 111 are an integral part of these consolidated financial statements.

Statement of Cash Flows

	Note	Group		Company	
		2013	2012	2013	2012
Profit before taxation					
- continuing operations		4,210,782	3,122,041	667,741	465,946
- discontinued operations		-	(4,102)	-	-
Adjustment for:					
Depreciation of property, plant & equipment	19	1,825,338	1,632,343	10,720	8,015
Amortisation of leasehold right over land	20	2,209	4,501	-	-
Amortisation of intangible assets	23	80,623	9,421	-	-
Amortisation / fair value of of biological assets		36,020	(15,923)	-	-
Interest income	13	(229,493)	(19,621)	(266,241)	(162,523)
Profit on sale of investments	11	(274,832)	-	-	-
Profit on sale of property, plant & equipment	11	(220,298)	(30,960)	-	-
Dividend income	13	(916)	(1,247)	(387,622)	(337,623)
Finance cost	13	2,022,982	955,318	549	4,553
Share of profit of equity accounted investees	13	(745)	(11,246)	-	-
Provision / (reversal) for impairment of trade and other receivables	4	60,142	20,735	-	561
Amortisation of capital grants	34	(4,660)	(8,283)	-	-
Provision for slow moving and obsolete inventories	27	(692)	(32,506)	-	-
Change in fair value of investment properties	22	(1,296,782)	(18,896)	(30,500)	(22,000)
Property, plant and equipment written off		17,433	-	-	-
Provision for retirement benefit obligation	24	160,993	195,990	779	2,765
GDP deflator		9,937	-	-	-
Change in fair value of investments		(2,089)	12,959	-	-
Operating profit/(loss) before working capital changes		6,395,952	5,810,524	(4,574)	(40,306)
(Increase) / decrease in inventories		(642,485)	(1,970,179)	-	-
(Increase) / decrease in trade and other receivables		(999,274)	(2,206,760)	2,440,341	856
Increase / (decrease) in trade and other payables		1,100,120	2,347,836	18,761	(5,734)
Cash generated from/(used in) operations		5,854,313	3,981,421	2,454,528	(45,184)
Interest received	13	229,493	19,621	266,241	162,523
Interest paid		(2,021,821)	(932,446)	(549)	(4,553)
Income tax paid		(642,411)	(843,689)	(54,573)	-
Retirement benefit paid	24	(98,633)	(92,548)	-	-
Net cash generated from / (used in) operating activities		3,320,941	2,132,359	2,665,647	112,786
Cash flows from investing activities					
Purchase of property, plant & equipment and expenditure on construction in progress		(5,288,226)	(5,404,383)	(152)	(13,999)
Improvements to investment property	22	(1,305,961)	-	-	-
Additions to intangible assets	23	(50,081)	(16,367)	-	-
Plantations and acquisitions of non-current biological assets		(245,745)	(212,381)	-	-
Dividend received		1,504	1,247	387,622	337,623
Capital grants received	34	34,993	29,736	-	-
Proceeds from sale of property, plant & equipment		151,957	135,836	-	-
Proceeds from sale of investments		175,551	-	-	-
Purchase of investment		(1,389,674)	(700,173)	(660,000)	(47,730)
Net cash generated from / (used in) investing activities		(7,915,681)	(6,166,485)	(272,530)	275,894

	Note	Group		Company	
		2013	2012	2013	2012
Cash flows from financing activities					
Cash flows from financing activities					
Repayments of long term loans	32.1	(904,086)	(598,042)	-	-
Proceeds from issuance of ordinary shares	30	-	2,677,150	-	2,677,150
Issue of subsidiary company shares to minority		-	9,050	-	-
Dividend paid to equity holders of the company	18.2	(375,349)	(286,914)	(375,349)	(286,914)
Dividend paid to non-controlling interest		(390,828)	(363,645)	-	-
Net change in short term loans		5,507,816	(732,878)	-	(761,971)
Long term loans obtained	32.1	3,147,712	1,108,064	-	-
Lease payments		(132,249)	(104,744)	-	-
Net cash generated from financing activities		6,853,016	1,708,041	(375,349)	1,628,265
Increase /(decrease) in cash and cash equivalents					
Cash and cash equivalents as at 1st April		2,258,276	(2,326,085)	2,017,768	27,529
Cash and cash equivalents as at 31st march (note A)		(4,205,020)	(1,878,935)	92,323	64,794
		(1,946,744)	(4,205,020)	2,110,091	92,323
Note A					
Cash and cash equivalents as at 31st March					
Cash at bank & in hand		1,180,929	683,839	25,561	40,430
Short term deposits with banks		2,424,420	187,864	2,084,530	51,893
Bank overdraft		(5,552,093)	(5,076,723)	-	-
		(1,946,744)	(4,205,020)	2,110,091	92,323

The notes on pages 34 to 111 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

1. Reporting entity

C T Holdings PLC (the 'Company') is a company incorporated in Sri Lanka and listed on the Colombo Stock Exchange. The address of the Company's registered office is No. 8, Sir Chittampalam A Gardiner Mawatha, Colombo 2.

The consolidated financial statements of the Company as at and for the year ended 31st March 2013 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associates.

The Financial Statements of all companies within the Group are prepared for a common financial year which ends on 31st March 2013. The principal Activities of the Group are given in 'Group Profile' set out on pages 4 to 5 of the Annual Report.

2. Statement of compliance

The financial statements have been prepared in accordance with new Sri Lanka Accounting Standards (SLFRS), and the requirements of the Companies Act, no 07 of 2007, of Sri Lanka Accounting and Auditing Standards Act, no 15 of 1995, and amendments thereto.

The consolidated financial statements were authorised for issue by the Board of Directors on 25th September 2013.

3. First Time Adoption of SLFRS

The financial statements, for the year ended 31 March 2013, were the first financial statements prepared in accordance with the new Sri Lanka Accounting Standards (SLFRS).

In preparing these financial statements, the opening statement of financial position was prepared as at 1 April 2011, the date of transition to SLFRS. Note No. 43 summarizes and explains the principal adjustments made in restating

the statement of financial position as at 1 April 2011 And 31 March 2012.

4. Basis of Preparations

(a) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value;
- non-derivative financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- biological assets are measured at fair value less costs to sell;
- investment property is measured at fair value;
- the defined benefit asset is recognised as plan assets, plus unrecognised past service cost, less the present value of the defined benefit obligation and is limited

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Management of the C T Holdings PLC has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for a foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continued to be prepared on the going concern basis.

(b) Functional and presentation currency

These consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency. All financial information

presented in Sri Lankan Rupees has been rounded to the nearest thousand, except when otherwise indicated.

(c) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with SLFRS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 19 – Property, plant and equipment
- Note 22 – Investment property
- Note 23 – Intangible Assets
- Note 26 – Impairment of investments
- Note 33 – Employee benefits
- Note 36 – Deferred taxation

(d) Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

5. Significant accounting policies

Unless otherwise indicated, the accounting policies set out below have been applied consistently to all periods presented in these consolidated

financial statements and in preparing the opening SLFRS statement of financial position at 1 April 2011 for the purposes of the transition to SLFRSs, and have been applied consistently by Group entities.

Certain comparative amounts in the consolidated statement of comprehensive income have been reclassified to conform to the current year's presentation. In addition, the comparative statement of comprehensive income has been re-presented as if an operation had been discontinued from the start of the comparative year (see Note 15).

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions on or after 1st April 2011

For acquisitions on or after 1 April 2011, the Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions prior to 1st April 2011

As part of its transition to SLFRSs, the Group elected to restate only those business combinations that occurred on or after 1 April 2011. In respect of acquisitions prior to 1 April 2011, goodwill represents the amount recognised under the Group's previous accounting framework, [i.e. Sri Lanka Accounting Standards (SLAS)].

(ii) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee (see Note 3(a)(v)) or as an available-for-sale financial asset (see Note 3(c)(i)) depending on the level of influence retained.

(v) Investments in associates and jointly controlled entities (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over

Notes to the Financial Statements

the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Investments in associates and jointly controlled entities are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's

documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets designated as at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise debt securities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see Note x) and foreign currency differences on available-for-sale debt instruments (see Note x), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, debt securities issued, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

(iii) Share capital Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is stated at to its fair value. The Group elected to apply the optional exemption to use this previous revaluation as deemed cost at 1 April 2011, the date of transition see note 43.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

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- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on this re-measurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

(iii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. On-going repairs and maintenance are expensed as incurred.

(iv) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Leasehold Land & Buildings	-	10 to 53 years or period of lease whichever is lower
Improvements to Leasehold Buildings	-	4 to 5 years
Mines	-	5 years
Plant & Machinery	-	5 to 20 years
Transport and Communication		
Equipment including Motor Vehicles	-	4 to 20 years
Water supply and Electrical		
Distribution Systems	-	2 to 15 years
Furniture & Fittings	-	4 to 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until such time when they are no longer in use.

(v) Amortization

(a) The Leasehold Rights to Janatha Estates Development Board/Sri Lanka State Plantation Corporation are amortized in equal months over the following years. (Lower of lease period and economic useful life)

Description	No of years	Rate
Bare Land	53	1.90%
Mature Plantation	30	3.30%
Permanent land Development Cost	30	3.30%
Buildings	25	4.00%
Plant and Machinery	15	6.70%

(b) Mature plantations (Re-planting and new planting)

Description	No of years	Rate
Mature Plantation (Tea)	33	3.00%
Mature Plantation (Rubber)	20	5.00%
Mature Plantation (Coconut)	20	5.00%
Mature Plantation (Cinnamon)	15	6.67%
Mature Plantation (Coffee and Pepper)	4	25.00%
Mature Plantation (Pineapple)	3	33.33%

(c) Leasehold Rights over Mining Lands

Leasehold rights to Mining Lands are amortized over the lease term in accordance with the pattern of the benefits provided.

(v) Construction contracts in progress

All direct and indirect costs that are related to the construction of fixed assets and incurred before the assets are ready for their intended use are capitalized as construction in progress. Construction in progress is stated in the Statement of Financial Position at cost less impairment losses. Construction in progress is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

(e) Intangible assets and goodwill

(i) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets.

In respect of acquisitions prior to 1 April 2011, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP (SLAS), adjusted for the reclassification of certain intangibles (see note 43).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(f) Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs. Standing timber is transferred to inventories at its fair value less costs to sell at the date of harvest.

(g) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of

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manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The cost of standing timber transferred from biological assets is its fair value less costs to sell at the date of harvest.

(j) Impairment

(i) *Non-derivative financial assets*
A financial asset not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective

evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets
Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3(j)
(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible

assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Employee benefits

(i) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) *Defined contribution plans*

Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. Obligations for contributions to Employees Provident Fund and Employees Trust Fund covering all employees are recognised as an expense in the statement of comprehensive income, as incurred.

(iv) *Defined benefit plans*

Defined Benefit Plan is a post-employment benefit plan other than Defined Contribution Plan. The liability recognised in the statement of financial position in respect of Defined Benefit Plan is the present value of the defined benefit obligation at the statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries, using projected unit credit method, as recommended by LKAS 19 Employee Benefit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in the note

33 to the Financial Statements. This liability is not externally funded and the item is grouped under non-current liabilities in the statement of financial position. However, under the Payment of Gratuity Act No. 12 of 1983 the liability to an employee arises only on completion of five years of continued service.

The company recognizes all actuarial gains and losses arising from defined benefit plans in Other Comprehensive Income and expenses related to defined benefit plans in staff expenses in Statement of Comprehensive Income.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Revenue

(i) *Sale of goods*

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts

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will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Plantations

Revenue is recorded at invoice value net of brokerage, sale expenses and other levies related to revenue. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. The fair value gain or loss arising on the valuation of harvested crops has been included as part of the revenue.

(iii) Rendering of services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed with reference to surveys of work performed.

(iv) The Group is involved in managing forest resources, as well as performing related services. When the services under a single arrangement are rendered in different reporting periods, the consideration is allocated on a relative fair value basis between the services.

(v) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(vi) Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

(vii) Cinema Operations

Revenue from cinema operations is recognised at the point of issuance of tickets.

(viii) Apartment Sale

Revenue is recognised based on sale agreements when completion is certified by the project Architect / Engineer and substantial amount from the total sale value as per the agreement has been received by the company.

(x) Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

(xi) Others

Gains or losses on the disposal of Property, Plant & Equipment have been accounted for in the Income Statement. Other income is recognised on an accrual basis.

(n) Government grants

An unconditional government grant related to a biological asset is recognised in profit or loss as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at fair value when there is reasonable

assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

(o) Leases

(i) Leased assets

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(p) *Finance income and finance costs*

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination, gains on hedging instruments that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on

the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss and contingent consideration, impairment losses recognised on financial assets (other than trade receivables), losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(q) *Tax*

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) *Current tax*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to

tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

- (s) Assets held for sale or held for distribution, and discontinued operations
- (i) *Assets held for sale or held for distribution*

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale or held-for-distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use.

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale or held-for-distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

6. Segment reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and tax assets and liabilities.

Inter-segment transfers are based on fair market prices. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

The Group comprises the following main business segments;

Retail and Wholesale Distribution

Operation of a chain of supermarkets and convenient stores.
Local distributor for world renown brands of food and beverages.

FMCG

Manufacturer / distributor of processed meats, dairy ice cream, jams, cordials and sauces

Restaurants

Franchisee / Operator for 'Kentucky Fried Chicken' Restaurants in Sri Lanka.

Real Estate

Owner / operator of the popular 'Majestic City' shopping and entertainment mall. Development and sale / rental of residential condominiums and commercial development.

Industrial Goods

Manufacture floor and wall tiles and wooden flooring for local and export market. Mining and processing of raw material. Retail and wholesale trading of ceramic and allied products. Manufacture of aluminum extrusions.

Plantations

Cultivation and processing of tea and Rubber.

Entertainment

Operation of cinema halls.

Packaging

Manufacture and sale of corrugated boards and cartons.

Financial Services

Financial Services (Associate Companies) Stock brokering, capital market solutions and fund management.

7. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which property could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

(b) Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) Biological assets**(i) Bearer Biological Assets & Consumer Biological Assets**

Biological assets are classified in to mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, rubber, other plantations and nurseries are classified as biological assets.

The cost of land preparation, rehabilitation, new planting, re-planting, crop diversifying, inter-planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long term loans used for financing immature plantations.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets includes managed timber trees those that are to be sold as biological assets.

The expenditure incurred on bearer biological assets (tea and/or rubber) fields, which come in to bearing during the year, has been transferred to mature plantations. Expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter at fair value at the end of each reporting period.

The entity recognize the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property Plant & Equipment as per the option provided by the ruling issued by ICASL.

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The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer.

The main variables in DCF model concerns

Variable	Comment
Currency valuation	- LKR
Timber content	- Estimate based on physical verification of girth, height and considering the growth of the each species. - Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Company.
Economic useful life	- Estimate based on the normal life span of each species by factoring the forestry plan of the Company
Selling price	- Estimate based on prevailing Sri Lankan market price. Factor all the conditions to be fulfil in bringing the trees in to saleable condition
Planting cost	- Estimated costs for the further development of immature areas are deducted.
Discount Rate	- Discount rate reflects the possible variations in the Cash flows and the risk related to the biological assets.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in the Statement of Comprehensive Income for the period in which it arises.

Permanent impairments to Biological Assets are charged to the Statement of Comprehensive Income in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

(ii) Infilling cost on biological assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalized have been charged to the Statement of Comprehensive Income in the year in which they are incurred.

(d) Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every six months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Investment property under construction is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin.

(e) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(f) Equity securities

The fair values of investments in equity securities are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate. Subsequent to initial recognition, the fair values of held-to-maturity investments are determined for disclosure purposes only.

(g) Trade and other receivables

The fair values of trade and other receivables, excluding construction work in progress, are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(i) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of convertible notes, the market rate of interest is determined with reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined with reference to similar lease agreements.

8. Financial risk management Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to

reflect changes in market conditions and the Group's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

4.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The Group is exposed to credit risk on trade receivables and other receivables, due from related party and bank balances.

Trade and other receivables
The creditworthiness of each customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk.

4.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

4.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the Financial Statements

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

4.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and

procedures;

- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

9. New Accounting Standards issued but not effective as at reporting date

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which will become applicable for financial periods beginning on or after 1st January 2014. Accordingly, these Standards have not been applied in preparing these financial statements.

SLFRS 9 - Financial Instruments: Classification and Measurement

SLFRS 9, as issued, reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities. SLFRS 9 will be effective for financial periods beginning on or after 1 January 2015.

SLFRS 10 - Consolidated Financial Statements

The objective of this SLFRS is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

SLFRS 10 will become effective from 1 April 2014 for the Group with early adoption permitted. This SLFRS will supersede the requirements relating to consolidated financial statements in LKAS 27 "Consolidated and Separate Financial Statements

SLFRS 12 - Disclosure of Interests in Other Entities

SLFRS 12 will become effective from 1 April 2014 for the Group with early adoption permitted

SLFRS 13 - Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 provides guidance on all fair value measurements under SLFRS.

SLFRS 13 will be effective for financial periods beginning on or after 1 January 2014.

10 Revenue

The following is an analysis of the Group's revenue for the year from continuing operations

<i>In thousands of rupees</i>	2013	2012
Sales of goods	62,572,194	54,427,561
Rendering of services	4,900,606	4,535,249
Investment property rentals	347,326	353,354
	67,820,126	59,316,164

The above revenue is stated after deducting Value Added Tax and other turnover taxes.

11 Other income

<i>In thousands of rupees</i>	Group		Company	
	2013	2012	2013	2012
Change in fair value of biological assets	7,688	15,923	-	-
Gain on sale of property, plant and equipment	220,298	30,960	-	-
Gain on sale of investments	274,832	-	-	-
Government grants	5,222	8,733	-	-
Merchandising income	883,713	831,781	-	-
Change in fair value of investment property	1,296,782	18,895	30,500	22,000
Rental income	53,132	-	27,603	12,306
Sundry Income	143,103	78,328	210	-
	2,884,770	984,620	58,313	34,306

12 Results from operating activities

In thousands of rupees		Group		Company		
		2013	2012	2013	2012	
Note						
The following items have been included in results from operating activities:						
Depreciation of property, plant and equipment		1,835,790	1,244,054	10,720	8,034	
Directors' emoluments		214,726	181,217	6,765	6,375	
Fees payable to auditors:						
Statutory audit		10,803	8,973	400	300	
Non-audit services		1,965	2,193	-	227	
Donation		1,385	1,015	62	145	
Provision for impairment of trade and other receivables		60,142	20,735	-	861	
Employee costs		12.1	5,336,413	4,694,290	14,159	13,144
12.1 Employee costs						
Salaries, wages and other related expenses		4,589,823	4,136,908	11,706	9,924	
Defined benefit plan cost - retirement benefit obligation		160,933	156,526	779	2,504	
Defined contribution plan costs - EPF & ETF		429,131	400,856	1,674	716	
		5,336,413	4,694,290	14,159	13,144	

Notes to the Financial Statements

13 Net finance income / (expense)

<i>In thousands of rupees</i>	Group		Company	
	2013	2012	2013	2012
13.1 Recognised in profit or loss				
Finance income				
Interest income on call deposits	229,493	19,621	20,561	14,067
Interest income on advances	-	-	245,680	148,456
Net foreign exchange Gain	44,283	9,906	-	-
Dividend income on investments	916	1,247	387,622	337,623
Total finance income	274,692	30,774	653,863	500,146
Finance expense				
Finance cost on bank loans and finance lease	(1,507,501)	(956,479)	-	-
Finance cost on overdraft facilities	(514,320)	-	(549)	(4,553)
Fair value of cash flow hedges	(1,161)	1,161	-	-
Total finance expense	(2,022,982)	(955,318)	(549)	(4,553)
Net finance income / (expenses) recognised in profit or loss	(1,748,290)	(924,544)	653,314	495,593
13.2 Recognised in other comprehensive income, net of tax				
Net change in fair value of available-for-sale financial assets, net of tax	10,054	6,642	10,098	6,722
	10,054	6,642	10,098	6,722
13.3 Borrowing cost capitalised by the Group on qualifying assets	193,892	13,686	-	-

14 Tax expenses

Liability of the Group Companies to income tax has been computed in accordance with the provisions of Inland Revenue Act. No. 10 of 2006 and subsequent amendments thereto.

<i>In thousands of rupees</i>	Group		Company	
	2013	2012	2013	2012
14.1 Income tax expense recognised in profit or loss for continuing operations:				
Current tax				
Income tax on profit for the year	533,971	645,493	48,456	29,540
Under/(over) provided in prior periods	(48,294)	(19,032)	-	203
Irrecoverable ESC written off	688	4,649	-	38
Dividend tax	81,188	70,726	4,483	3,112
	567,553	701,836	52,939	32,893
Deferred taxation				
Origination and reversal of temporary differences	298,046	113,012	-	-
	865,599	814,848	52,939	32,893
14.2 Income tax recognised in other comprehensive income				
Defined benefit plan actuarial gains / (losses)	834	12,646	-	-
	834	12,646	-	-

<i>In thousands of rupees</i>		Group		Company	
		2013	2012	2013	2012
14.3 Reconciliation of effective tax rate					
Profit excluding income tax		4,210,782	3,117,939	667,741	465,946
Total income tax expense		(865,599)	(814,848)	(52,939)	(32,893)
Profit for the period		3,345,183	2,303,091	614,802	433,053
Income tax using the Company's standard tax rate		28%	1,179,019	873,023	186,967
Inter-company entries		6%	269,059	2,768	-
Effect of higher tax rate		0%	14,501	22,636	-
Reduction in tax rate		(1%)	(61,753)	(116,999)	-
Non-deductible expenses		17%	727,139	663,081	3,560
Deductible expenses		(22%)	(940,956)	(1,052,690)	(530)
Not Subjected to tax / exempt income		(23%)	(972,384)	(165,150)	(191,622)
Other sources of income		2%	98,556	181,162	74,547
Recognition of previously unrecognised tax losses		(2%)	(68,981)	(79,583)	(26,092)
Current year losses for which no deferred tax asset was recognised		6%	289,771	314,245	1,626
Change in unrecognised temporary differences		7%	298,046	113,012	-
Irrecoverable ESC written off		0%	688	4,649	-
Dividend tax		2%	81,188	70,726	4,483
Under/(over) provided in prior periods		(1%)	(48,294)	(19,032)	-
		21%	865,599	814,848	52,939

14.3 Tax rates applicable to group companies

14.3.1 Standard tax rate

The standard corporate tax rate is 28% for all companies other than for Millers Brewery Limited which is taxed at 40%. Subsidiaries which are enjoying tax holidays, tax exemptions and subjected to concessionary tax rates are disclosed in note 14.3.2.

14.3.2 Group companies enjoying tax holidays, tax exemptions and concessionary rates of tax

- a) In accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and subsequent amendments thereto –
- (i) The income of Cargills Quality Confectioneries (Private) Limited is exempt from income tax until the year of assessment 2017/2018.
 - (ii) The income of Kotmale Milk Products (Private) Limited is subject to a concessionary tax rate of 10%.
 - (iii) Lanka Walltiles PLC is liable to tax at a 12% concessionary rate of tax on qualifying export profit, whereas other profits are liable to tax at 28%.
 - (iv) Uni-Dil Packaging Limited is entitled to a 12% concessionary rate of tax on export profit. Other profits are liable to tax at 28%.

Notes to the Financial Statements

- b) In accordance with the powers conferred on the Board of Investment of Sri Lanka, under section 17 (2) of the Greater Colombo Economic Commission Law No. 04 of 1978 and in terms of the agreement between the BOI and the Company concerned,
- (i) C T Properties Limited is exempt from income tax for a period of 7 years from the year of assessment in which the enterprise commences to make profits or any year of assessment not later than 5 years reckoned from the date of its commercial production or operations whichever is earlier as may be specified in a certificate issued by the Board. The Company will thereafter be liable for income tax on its profits at normal rates. This is the third year of assessment subsequent to commencement of Commercial Operations of the Company. However, due to the tax losses incurred during the year and losses available for carry forward, there is no liability to Income taxation for the year. Tax losses available for carry forward at the end of the Financial Year amounted to Rs 182.4 mn.
 - (ii) Dawson Office Complex (Private) Limited qualifies for a tax holiday of seven years reckoned from the year in which the enterprise commences to make profits or any year of assessment not later than two years from the date of commencement of commercial operations whichever is earlier. However, as at the balance sheet date the exemption period has not commenced as the Company has not commenced the commercial operation as at the reporting date.
 - (iii) Profits and income of Swisstek Aluminium Limited is exempt from income tax for a period of 5 years from the date on which the Company commences to make profits or any year of assessment not later than two years reckoned date of commencement of commercial production / operation, whichever occurs earlier. Accordingly, the tax exemption period of the company commenced from the year of assessment 2011/2012. The tax losses carried forward prior to the exemption period amounted to Rs. 188 Mn.
- c) Under the provisions of the Tourist Board Registration the income of Cargills Food Processors (Private) Limited and Cargills Food Services (Private) Limited are subject to a concessionary tax rate of 12%.
- d) Under the Inland Revenue Act No. 10 of 2006 and subsequent amendments thereto, the Income of Cargills Quality Dairies (Private) Limited, Cargills Quality Foods Limited, Cargills Agrifoods Limited and Kotmale Dairy Products (Private) Limited are subject to a concessionary tax rate of 10%. However, since the Department of Inland Revenue has contested the income tax exemptions claimed, provision has been made for income tax at the normal rate for the financial years ended 31 March 2012 and 31 March 2013. Tax returns, however, continue to be filed based on concessionary tax rate.
- e) Lanka Floortiles PLC commenced operation of its expansion unit with effect from 1st October 2003. Under the Section 21A of the Inland Revenue Act No 38 of 2000, profits and income of that expansion unit is exempt from Income Tax for 5 years. However, since the expansion unit incurred losses during the year of assessment 2003/2004, the tax exemption commenced from the year of assessment 2004/2005. Accordingly profits of the expansion unit are exempt for 5 years from year of assessment 2004/2005 to the year of assessment 2008/2009. Thereafter, as per the Section 48 of the Inland Revenue Act No 10 of 2006, profits of the expansion unit which enjoyed the tax exemptions under Section 17 of this Act is taxed as follows:

	Tax Rate
Year of Assessment 2009/2010	5%
Year of Assessment 2010/2011	10%
Year of Assessment 2011/2012	15%

15 Discontinued operations

On 07 September 2010, the Lanka Walltile PLC announced the decision of its Board of Directors to discontinue operations of the Balangoda Factory consequent to all employees who were offered the Voluntary Retirement Scheme (VRS) accepting the same. The Balangoda Factory was largely dependent on outdated technology and involved a highly labour intensive operation. As the said operation was neither profitable and/or wholly compatible with the production of the subsidiary Lanka Walltile Meepe (Pvt) Ltd, management had made a strategic decision to close down the Balangoda Factory. The effect of the Board decision to discontinue the operation resulted in the non-current asset detailed under note 15 being classified as asset held for sale as at 1 April 2011. This asset was disposed during the year 2012.

In thousands of rupees

2012

The Results of Balangoda factory to the year ended 31 March

Revenue	63,935
Cost of sales	(62,494)
Gross profit/(loss)	1,441
Other income	29,175
Distribution costs	(5,395)
Administrative expenses	(29,323)
	(4,102)
Income tax expense	-
Loss for the year	(4,102)

Attributable to

Owners of the parent	(2,163)
Non-controlling interest	(1,939)
	(4,102)

Earnings per share	
Basic earnings per share	(0.01)

16 Assets held for sale

In thousands of rupees

	2013	2012	1st April 2011
Freehold land	-	-	7,500
Building	-	-	1,690
Plant and machinery	-	-	12,150
	-	-	21,340

Notes to the Financial Statements

17 Earnings per share

17.1 Basic earnings per share

Earnings per Share is calculated by dividing the profit attributable to equity holders of the Company by weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the Basic Earnings per Share computation.

	Group		Company	
	2013	2012	2013	2012
Present no. of shares	183,097	183,097	183,097	183,097
Weighted average number of ordinary shares in issue	183,097	183,097	183,097	183,097
Profit attributable to ordinary shareholders	1,977,280	1,136,755	614,802	433,053
Basic earning per share	10.80	6.21	3.36	2.37

17.2 Diluted earnings per share

The Company has no potential shares to be issued.

18 Dividends

18.1 Dividend Per Share

Dividends per Share is based on the dividends paid and proposed to be paid out of profit for the year covered by the financial statements.

	Group		Company	
In thousands of rupees	2013	2012	2013	2012
Dividend paid (Final)	119,013	119,013	119,013	119,013
Dividend proposed (Interim) (Note 18.3)	302,110	256,336	302,110	256,336
	421,123	375,349	421,123	375,349
Dividend per Share	2.30	2.05	2.30	2.05

18.2 The following dividends were declared and paid during the year.

	Group		Company	
In thousands of rupees	2013	2012	2013	2012
Final dividend	256,336	183,097	256,336	183,097
Interim dividend	119,013	119,013	119,013	119,013
	375,349	302,110	375,349	302,110

18.3 Subsequent to the respective reporting dates the following dividends were proposed / paid by the Directors. The dividends have not been provided for as a liability in the financial statements. There are also no income tax implications on the non-provision.

	Group		Company	
In thousands of rupees	2013	2012	2013	2012
Final Dividends for the year	302,110	256,336	302,110	256,336
Interim dividend from profits for the next financial year	915,485	-	915,485	-
	1,217,595	256,336	1,217,595	256,336

19 Property, plant & equipment

19.1 Group

In thousands of rupees

	Land & buildings	Improvements to Leasehold Buildings	Mines	Plant & Machinery	Immature / Mature Plantations	Transport and Communication Equipment	Permanent Land and Electrical Distribution Systems	Furniture & Fittings	Total
Cost / Valuation							Cost		
As at 1st April 2011	10,048,499	1,620,202	22,806	10,116,781	214,810	951,442	4,014	234,576	23,896,370
Additions	772,600	704,065	-	3,117,036	-	268,066	-	83,128	5,005,492
On allocation of advance paid	340,599	-	-	411,806	-	7,018	-	-	759,423
Disposals	(2,528)	(69)	(421)	(158,491)	-	(60,315)	-	(1,627)	(253,063)
Impairments	-	-	-	-	-	-	-	-	-
Revaluations	43,804	-	-	-	-	-	-	-	43,804
On Legal Merger of Subsidiary	(16,124)	-	-	(193,131)	-	(1,317)	-	(23,959)	(238,041)
Transfers	(286,665)	-	-	57,220	-	-	-	7,150	(222,295)
As at 31st March 2012	10,900,185	2,324,198	22,385	13,351,221	214,810	1,164,894	4,014	292,118	28,991,690
As at 1st April 2012	10,900,185	2,324,198	22,385	13,351,221	214,810	1,164,894	4,014	292,118	28,991,690
Additions	735,223	771,671	-	1,168,038	-	216,376	-	1,969	2,972,216
Other de-recognitions	(10,060)	-	(2,349)	(3,235)	-	-	-	-	(16,520)
Disposals	(76,771)	(4,198)	19,542	(139,809)	-	(92,345)	-	(171)	(316,193)
Revaluations	4,404,354	-	6,580	-	-	-	-	-	4,410,934
Transfers	(2,088,808)	-	-	1,506,206	-	-	877	5,721	(573,108)
As at 31st March 2013	13,864,123	3,091,671	46,158	15,882,421	214,810	1,288,925	4,891	299,637	35,469,019

Notes to the Financial Statements

19.1 Group (Contd.)

In thousands of rupees

	Land & buildings & improvements to Leasehold Buildings	Mines	Plant & Machinery	Immature / Mature Plantations	Transport and Communication Equipment	Permanent Land and Electrical Development	Water supply and Electrical Distribution	Furniture & Fittings	Total
Accumulated depreciation and Impairment losses									
As at 1st April 2011	693,792	1,010,327	12,091	4,870,230	118,165	597,145	3,241	143,490	7,911,698
Charge for the year	95,853	254,437	-	1,057,940	7160	145,253	134	20,585	1,632,343
Disposals	(2,019)	(71)	(421)	(96,986)	-	(49,450)	-	(1,080)	(175,047)
On legal merger of subsidiary	(16,123)	-	-	(193,131)	-	(1,317)	-	(23,959)	(238,040)
Transferred (to)/from investment properties	(29,571)	28,716	-	13,246	-	-	-	(750)	(15,725)
	741,932	1,293,409	11,670	5,651,299	125,325	691,631	3,375	138,286	9,115,229
As at 1st April 2012	741,932	1,293,409	11,670	5,651,299	125,325	691,631	3,375	138,286	9,115,229
Charge for the year	78,946	135,858	9,918	1,295,526	7,160	167,717	454	20,782	1,825,338
Other de-recognitions	-	-	-	(816)	-	240	-	-	(813)
Disposals	(18,965)	(4,111)	(2,349)	(90,710)	-	(90,943)	-	(109)	(228,384)
Transfers	(23,604)	-	-	-	-	-	-	-	(23,604)
As at 31st March 2013	778,309	1,425,156	19,239	6,855,299	132,485	768,645	3,829	158,959	10,687,766
Carrying Value									
At 31st March 2013	13,085,814	1,666,515	26,919	9,027,122	82,325	520,280	1,062	140,678	24,781,253
Construction-in-progress	-	-	-	-	-	-	-	-	3,392,786
At 31st March 2013	13,085,814	1,666,515	26,919	9,027,122	82,325	520,280	1,062	140,678	28,174,039
At 31st March 2012	10,158,253	1,030,789	10,175	7,699,922	89,485	473,263	639	153,832	19,876,461
Construction-in-progress	-	-	-	-	-	-	-	-	2,573,028
At 31st March 2012	10,158,253	1,030,789	10,175	7,699,922	89,485	473,263	639	153,832	22,449,489
As at 1st April 2011	9,354,707	609,875	10,175	5,246,551	96,645	354,297	773	91,086	15,984,672
Construction-in-progress	-	-	-	-	-	-	-	-	2,138,593
As at 1st April 2011	9,354,707	609,875	10,175	5,246,551	96,645	354,297	773	91,086	18,123,265

19.2 Company

In thousands of rupees

	Freehold Land & Building	Plant, Machinery & Others	Motor Vehicles	Furniture & Fittings	Total
Cost / valuation					
As at 1st April 2011	380,348	30,868	16,727	1,195	429,138
Additions	-	99	13,900	-	13,999
Transferred to investment property	(375,291)	-	-	-	(375,291)
As at 31st March 2012	5,057	30,967	30,627	1,195	67,846
As at 1st April 2012	5,057	30,967	30,627	1,195	67,846
Additions	-	152	-	-	152
Other de-recognitions	(203)	(28,412)	-	(1,195)	(29,810)
As at 31st March 2013	4,854	2,707	30,627	-	38,188
Accumulated depreciation and impairment					
As at 1st April 2011	2,719	25,665	1,115	1,150	30,649
Charge for the year	73	2,686	5,234	22	8,015
Transferred to investment property	(290)	-	-	-	(290)
As at 31st March 2012	2,502	28,351	6,349	1,172	38,374
As at 1st April 2012	2,502	28,351	6,349	1,172	38,374
Charge for the year	72	2,362	8,263	23	10,720
Other de-recognitions	(203)	(28,412)	-	(1,195)	(29,810)
As at 31st March 2013	2,371	2,301	14,612	-	19,284
Carrying value					
As at 31st March 2013	2,483	406	16,015	-	18,904
As at 31st March 2012	2,555	2,616	24,278	23	29,472
As at 1st April 2011	377,629	5,203	15,612	45	398,489

19.3 Freehold land carried at revalued amounts

Freehold land owned by Group companies were re-valued as at 31st March 2013 and reflected in the accounts at a valuation at the reporting date.

This revaluation has been carried out in conformity with the requirements of the new Sri Lanka Accounting Standard, the surplus arising on such valuations have been transferred to Revaluation Reserves.

Please refer group real estate portfolio for details in note 44.

19.3.2 If revalued land and buildings were stated on the historical cost basis, the amounts would be as follows:

<i>In thousands of rupees</i>	Group		Company	
	2013	2012	2013	2012
Land	1,594,357	1,325,158	-	-
Building	926,446	864,442	4,854	4,854
	2,520,802	2,189,599	4,854	4,854

Notes to the Financial Statements

19.4 Leased assets capitalised in property, plant and equipment

Group

In thousands of rupees

	Note	Capitalised Amount	Accumulated Amortisation	Carrying value	
				2013	2012
Leasehold rights to bare land of JEDB/SLSPC estates	(19.4.1)				
- Leasehold rights		204,931	(80,345)	124,586	128,453
Immovable JEDB/SLSPC estate assets on finance lease	(19.4.1)				
- Mature plantations		214,810	(132,484)	82,326	89,486
- Permanent land development cost		4,014	(2,781)	1,233	1,367
- Buildings		47,173	(39,209)	7,964	9,851
- Plant & machinery		6,818	(6,818)	-	-
		272,815	(181,292)	91,523	100,704
Other leased assets capitalised					
- Buildings		3,075,241	(1,408,726)	1,666,515	627,387
- Motor vehicles		52,382	(21,066)	31,316	40,017
- Plant & machinery		174,836	(22,814)	152,022	196,343
		3,302,459	(1,452,606)	1,849,853	863,747
		3,780,205	(1,707,083)	2,073,122	1,092,904

19.4.1 Leasehold rights to the bare land on all estates (except for Dumbara Estate which is under an operating lease) have been taken into the books of Horana Plantations PLC as at 22nd June 1992, immediately after the formation of the Company, in terms of the opinion obtained from the Urgent Issues Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose lands have been revalued at Rs. 204.931 Mn being the value established for these lands by Valuation Specialist, D. R. Wickremasinghe just prior to the formation of the Company.

Immovable JEDB/SLSPC estate assets on finance lease represents investments in plantations which were immature, at the time of handing over to Horana Plantations PLC by way of estate leases, are shown under mature immature plantations (re-valued as at 22nd June 1992). In terms of the opinion obtained from the UITF all immovable estate property, plant & equipment under finance leases have been taken into the books of Horana Plantations PLC retroactive to 22nd June 1992. For this purpose all estate immovable have been re-valued at their book values as they appear in the books of the lessor (JEDB / SLSPC) as the case may be on the day immediately preceding the date of formation of the company.

19.4.2 Expenditure incurred on leasehold building includes the cost of civil work incurred in setting up new outlets on leasehold premises of Cargills (Ceylon) PLC.

19.5 The details of assets mortgaged for banking facilities obtained have been given in the note 32.3 to the financial statements.

19.6 Construction work in progress consists of expenditure incurred on projects where operations had not completed as at the reporting date.

19.7 Land & buildings consist of freehold land, road ways & buildings and furniture & fittings consist of tools, implements, furniture & fittings, office & other equipment.

19.8 Property, plant and equipment of the group consist of fully depreciated assets with a value of Rs. 2,936.14 Mn (2012- Rs. 2,468.67 Mn) and that of the company of Rs. Nil (2012- Rs. 18.87 Mn) as at the year end.

20 Prepaid lease rentals to acquire rights to use lands

Group

In thousands of rupees

	Note	2013	2012	1st April 2011
Rights to explore mining lands	20.1	2,479	3,732	8,611
Right to use lands other than mining land	20.2	42,519	28,875	29,750
		44,998	32,607	38,361
20.1 Prepaid rentals to acquire rights to explore mining lands				
Cost				
As at 1st April		27,665	27,665	27,665
Additions during the year		-	-	-
As at 31st March		27,665	27,665	27,665
Accumulated amortization				
As at 1st April		23,933	19,054	16,239
Amortisation for the year		1,253	4,879	2,815
As at 31st March		25,186	23,933	19,054
Carrying value		2,479	3,732	8,611
20.2 Prepaid rentals to acquire right to use other lands				
Cost				
As at 1st April		35,000	35,000	35,000
Additions during the year		14,600	-	-
As at 31st March		49,600	35,000	35,000
Accumulated amortization				
As at 1st April		6,125	5,250	4,375
Amortisation for the year		956	875	875
As at 31st March		7,081	6,125	5,250
Carrying value		42,519	28,875	29,750

21 Biological assets

Group

In thousands of rupees

	Note	2013	2012	1st April 2011
Bearer biological assets	21.1	1,413,994	1,217,319	1,029,577
Consumable biological assets	21.2	381,638	368,588	354,820
		1,795,632	1,585,907	1,384,397
21.1 Bearer biological assets				
Immature bearer biological assets	21.1.1	627,112	556,626	466,779
Mature bearer biological assets	21.1.2	786,882	660,693	562,798
		1,413,994	1,217,319	1,029,577

Notes to the Financial Statements

<i>In thousands of rupees</i>	2013	2012	1st April 2011
21.1.1 Immature bearer biological assets			
Cost			
As at 1st April	556,626	466,779	343,838
Additions	232,695	207,755	163,865
Transferred between mature & immature crops	(162,209)	(117,908)	(40,713)
Transferred to income statement	-	-	(211)
At 31st March	627,112	556,626	466,779
21.1.2 Mature bearer biological assets			
Cost			
As at 1st April	869,096	740,560	688,694
Additions	-	117,908	40,713
Transferred between mature & immature crops	162,209	10,628	11,407
Transferred to income statement	-	-	(254)
At 31st March	1,031,305	869,096	740,560
Accumulated amortisation			
As at 1st April	208,403	177,762	149,655
Charge for the year	36,020	30,641	28,361
Transferred to income statement	-	-	(254)
At 31st March	244,423	208,403	177,762
Carrying value	786,882	660,693	562,798
21.2 Consumable biological assets			
As at 1st April	368,588	354,820	88,954
Additions	13,050	8,475	-
Change in fair value less costs to sell	-	15,921	277,273
Transferred from / (to) bearer biological assets	-	(10,628)	(11,407)
At 31st March	381,638	368,588	354,820

Managed trees which are less than three year old considered to be immature consumable biological assets amounting Rs.14.790 Million as at 31st March 2013. The cost of immature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such plantation becomes mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.

The mature consumable biological assets were valued by Chartered Valuers Mr S. M. Wijepala for 2010/11 and 2011/12, whereas the valuation for 2012/13 was performed by Mr R. J. Samarakone using Discounted Cash Flow (DFC) method. In ascertaining the fair value of timber, physical verification was carried covering all the estates.

Key assumptions used in valuation are;

- The prices adopted are net of expenditure
- Discounted rates used by the Valuer are within the range of 10% - 12%.

The valuation, as presented in the external valuation model based on the net present value; takes into accounts the long-term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisation value. The Board of Directors retains their view that commodity markets are inherently volatile and their long-term price projection is highly unpredictable. Hence, the sensitivity analysis regarding selling price and discount rate variation as included in this note allows every investor to reasonable challenge the financial impact of the assumption used in the valuation against his own assumption.

The biological assets of the Company are mainly cultivated in leased lands. When measuring the fair value of the biological assets it was assumed that these concession can and will be renewed at normal circumstances. Timber content expects to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants and not the expiration date of the lease.

22 Investment properties

In thousands of rupees

	Land	Group Building	Total	Land	Company Building	Total
As at 1st April 2011	1,396,000	1,134,000	2,530,000	413,285	44,715	458,000
Transfer (to) / from property, plant and equipment	289,600	(4,907)	284,693	375,000	1	375,001
Revaluation gain on initial recognition	-	3,499	3,499	65,000	9,999	74,999
Net gain from fair value adjustments on investment property	142,000	(123,105)	18,895	23,715	(1,715)	22,000
At 31st March 2012	1,827,600	1,009,487	2,837,087	877,000	53,000	930,000
As at 1st April 2012	1,827,600	1,009,487	2,837,087	877,000	53,000	930,000
Improvements during the year	1,293,352	12,609	1,305,961	-	-	-
Transfers	2,023,649	43,001	2,066,650	-	-	-
Net gain from fair value adjustments on investment property	1,197,457	99,325	1,296,782	31,500	(1,000)	30,500
At 31st March 2013	6,342,058	1,164,422	7,506,480	908,500	52,000	960,500

22.1 Rental income earned from investment property by the group amounts to Rs. 347.3 Mn (2012 - Rs. 353.4 Mn) and direct operating expenses incurred by the group amounted to Rs. 176.5 Mn (2012 - Rs.159 Mn). Please refer the group real estate portfolio in note 44 for details.

23 Intangible assets and goodwill

In thousands of rupees

	Goodwill	Group Trademarks and Licences	Computer Software	Total	Company Goodwill
Cost					
As at 1st April 2011	1,251,903	65,800	15,167	1,332,870	688,467
Additions during the year	-	685,505	862	686,367	-
As at 31st March 2012	1,251,903	751,305	16,029	2,019,237	688,467
As at 1st April 2012	1,251,903	751,305	16,029	2,019,237	688,467
Additions during the year	-	45,567	4,514	50,081	-
As at 31st March 2013	1,251,903	796,872	20,543	2,069,318	688,467
Accumulated amortisation and impairment					
As at 1st April 2011	-	41,161	7,409	48,570	-
Amortisation for the year	-	5,564	3,857	9,421	-
As at 31st March 2012	-	46,725	11,266	57,991	-
As at 1st April 2012	-	46,725	11,266	57,991	-
Impairment / amortisation for the year	71,746	6,711	2,166	80,623	-
As at 31st March 2013	71,746	53,436	13,432	138,614	-
Net carrying value					
As at 31st March 2013	1,180,157	743,436	7,111	1,930,704	688,467
As at 31st March 2012	1,251,903	704,580	4,763	1,961,246	688,467
As at 31st March 2011	1,251,903	24,639	7,758	1,284,300	688,467

Notes to the Financial Statements

23.1 Impairment loss and subsequent reversal

a Intangible assets other than goodwill

In accordance with LKAS 38 - 'Intangible Assets', any intangible asset with an infinite useful life is subject to an annual impairment test to be carried out in accordance with LKAS 36 - 'Impairment of Assets'. The management is of the view that the brand name worth of 670 Mn (2012: 670 Mn) of Millers Brewery Ltd which is capitalised under trademarks and licenses has an infinite useful life and, accordingly, is not amortised. The Brand has been tested and found no impairment during the year.

b Goodwill

Group - Consolidation goodwill

Goodwill on acquisition as at the reporting date has been tested for impairment and except for the impairment noted no impairment was found in carrying value. Recoverable values have been estimated based on the fair value less cost to sell and value in use for the purpose of the above test.

There has been no permanent impairment of intangible assets that require a provision during the year. Recoverable value of Goodwill has been estimated based on the expected future Cash Flows. When testing for impairment for goodwill, the recoverable amount is determined on the basis of value-in-use calculations. These calculations use cash flow projections based on financial budgets which are approved by management and are discounted at an appropriate pre-tax discount rate equivalent to the average Treasury bond rate. The key assumptions used are given below; Business Growth - Based on the long term average growth for each division. The weighted average growth rate used is consistent with the forecast included in industry reports

Inflation - Based on current inflation rates

Margin - Based on past performance and budgeted expectations

Discount rate - Risk free adjusted for the specific risk relating to the industry

Impairment testing for cash-generating units (CGU) containing goodwill

For the purpose of testing for impairment in the value, goodwill is allocated to the Group's CGUs as follows:

	Group	Company
Retail & Wholesale Distribution	688,467	688,461
Ceramic & Tiles	22,181	-
Food Processing	541,255	-
	1,251,903	688,467

Company - Merger goodwill

The Company goodwill relates to the property assets and investments acquired through the merger of Millers PLC with C T Holdings PLC (previously Ceylon Theatres PLC) in the financial year 2007/08. At the reporting date, the market value of the said quoted investments and property assets exceed the book value and the recognized goodwill. Therefore, no impairment was deemed to be necessary to the carrying value of goodwill stated in the financial statements.

24 Investments in subsidiaries**24.1 Investments in subsidiaries - Group**

a Details of the Group's subsidiaries at the end of the reporting period are as follows.

Name of the investee	Ownership interest and voting power		Total cost of investment (in thousands of rupees)	
	2013	2012	2013	2012
Quoted				
<i>Subsidiaries</i>				
Cargills (Ceylon) PLC	70.00%	70.00%	88,734	88,734
C T Land Development PLC	51.89%	51.89%	214,081	214,081
Lanka Ceramic PLC	80.43%	80.43%	710,053	710,053
			1,012,868	1,012,868
<i>Sub - subsidiaries</i>				
Lanka Walltiles PLC	52.72%	52.72%	723,948	723,948
Lanka Floortiles PLC	28.74%	28.74%	350,642	350,642
Swisstek (Ceylon) PLC	20.88%	20.88%	216,999	216,999
Horana Plantations PLC	14.23%	14.23%	149,415	149,415
Kotmale Holdings PLC	59.68%	59.43%	1,092,470	1,088,242
			2,533,474	2,529,246
Un-quoted				
<i>Subsidiaries</i>				
C T Properties Limited	86.07%	86.07%	863,225	863,225
Ceylon Theatres (Private) Limited	76.03%	76.03%	77,500	77,500
Alliance Tours Limited	100.00%	100.00%	50	50
			940,775	940,775
<i>Sub - subsidiaries</i>				
Alliance Tours & Travels (Private) Limited	100.00%	100.00%	500	500
Cargills Quality Foods Limited	70.00%	70.00%	1,193,453	1,193,453
Cargills Agrifoods Limited	70.00%	70.00%	45,630	45,630
CPC Lanka Limited	70.00%	70.00%	14,200	14,200
Cargills Quality Diaries (Private) Limited	70.00%	70.00%	75,000	75,000
Cargills Distributors (Private) Limited	70.00%	70.00%	50,261	50,261
Cargills Food Processors (Private) Limited	70.00%	70.00%	61,500	61,500
Cargills Food Services (Private) Limited	70.00%	70.00%	-	-
Millers Limited	70.00%	70.00%	300,000	300,000
Cargills Retail (Private) Limited	70.00%	70.00%	475,000	475,000
Cargills Quality Confectionery (Private) Limited	70.00%	70.00%	695,547	695,547
Millers Brewery Limited	70.00%	70.00%	2,010,000	1,005,000
Dawson Office Complex (Private) Limited	70.00%	70.00%	101	101
Cargills Frozen Products (Pvt) Limited	70.00%	0.00%	50,250	-
C T Property Management Company (Private) Limited	86.07%	86.07%	-	-
C T Real Estate (Private) Limited	86.07%	86.07%	-	-
C T Properties Lakeside (Private) Limited	86.07%	86.07%	-	-
Ceytea Plantation Management Limited	27.91%	27.91%	158,000	158,000
Uni-Dil Packaging Limited	27.91%	27.91%	196,992	196,992
Uni-Dil Paper Sacks (Private) Limited	27.91%	27.91%	152,400	152,400
Swisstek Aluminium Limited	18.25%	18.25%	229,784	229,784
Kotmale Products Limited	59.68%	59.43%	185,400	185,400
Kotmale Milk Foods Limited	59.68%	59.43%	-	-
Kotmale Dairy Products (Private) Limited	59.68%	59.43%	13,030	13,030
Kotmale Milk Products Limited	59.68%	59.43%	-	-
Kotmale Kiri (Private) Limited	59.68%	59.43%	250	250
Kotmale Marketing (Private) Limited	59.68%	59.43%	-	-
			5,907,298	4,852,048
			10,394,415	9,334,937

Notes to the Financial Statements

b Disposal of subsidiary and controlling interests

On 6th December 2012, the subsidiary, C T Properties Ltd, disposed of 60% of the shares and voting interests (and thereby control) in Keppel C T Development (Private) Limited (formerly C T Properties G S (Private) Limited). As a result, the effective control of the Group in the said subsidiary reduced from 86.07% to 34.43%. Details of the gain on disposal of the subsidiary is given below:

<i>In thousands of rupees</i>	2013
Fair value of consideration received	270,703
Fair value of residual interest	180,469
	451,172
Less: net assets and goodwill derecognised	(159,783)
Gain	291,389

c Acquisitions / incorporation

During the year, Cargills Frozen Products (Private) Limited (CFPP) was incorporated with an initial share investment of Rs. 50 Mn for which the subsidiary Cargills Quality Dairies (Private) Limited subscribed in full. CFPP had no identifiable assets / liabilities at the acquisition date.

The consideration of the acquisition is Rs. 50 Mn which was settled by transferring debt.

d Acquisition of non-controlling interests

During the year, the subsidiary Cargills Quality Foods Limited acquired 113,373 ordinary shares of the subsidiary Kotmale Holdings PLC for a considerations of 4.2 Mn. As a result, the Group's controlling interest in Kotmale Holdings PLC increased to from 59.53% to 59.68%.

The effect of changes in the Company's ownership interest in Kotmale Holdings PLC and its subsidiaries is as follows:

<i>In thousands of rupees</i>	2013
Company's ownership interest at 1st April 2012	459,913
Effect of increase in Company's ownership interest	970
Share of comprehensive income	94,749
Company's ownership interest as at 31st March 2013	555,631

24.2 Investments in subsidiaries - Company

	Direct holding (%)		Cost of investment (In thousands of rupees)		
	2013	2012	2013	2012	1st April 2011
Quoted subsidiary companies					
Cargills (Ceylon) PLC	70.00%	70.00%	88,735	88,735	78,504
C T Land Development PLC	51.89%	51.89%	214,081	214,081	214,081
Lanka Ceramic PLC	80.43%	80.43%	710,053	710,053	710,053
Lanka Walltiles PLC	2.75%	2.75%	50,577	50,577	50,577
Swisstek (Ceylon) PLC	1.09%	1.09%	4,738	4,738	4,738
			1,068,184	1,068,184	1,057,953
Un-quoted subsidiary companies					
C T Properties Ltd	61.63%	61.63%	532,150	532,150	532,150
Ceylon Theatres (Private) Limited	50.17%	50.17%	40,000	40,000	2,500
Alliance Tours Limited	100.00%	100.00%	50	50	50
			572,200	572,200	534,700
Total			1,640,384	1,640,384	1,592,653

25 Investments in equity accounted investees

None of the group equity accounted investees are publicly listed entities and consequentially do not have published price quotations.

Summary of financial information for equity accounted investees is as follows.

Associate company name	Ownership interest	Total assets	Total liabilities	Net assets associates	Income	Expenses	Profit / (loss)	Group's of share of net assets of associates
<i>In thousands of rupees</i>								
2013								
C T Smith Holdings (Private) Limited	28.40%	1,186,252	953,888	232,364	223,659	224,528	(2,069)	65,991
Cinema Entertainments (Private) Limited	29.30%	36,074	20,252	15,822	11,787	7,261	4,526	4,636
Keppel C T Developments (Private) Limited	34.40%	833,983	382,888	451,095	-	77	(77)	155,177
		2,056,309	1,357,028	699,281	235,446	231,866	2,380	225,804
2012								
C T Smith Holdings (Private) Limited	28.40%	449,124	214,691	234,433	501,494	431,051	80,430	66,579
Cinema Entertainments (Private) Limited	29.30%	25,140	13,102	12,038	11,122	8,808	2,314	3,527
		474,264	227,793	246,471	512,616	439,859	82,744	70,106
2011								
C T Smith Stockbrokers (Private) Limited	25.50%	65,056	527	64,529	11,252	16,189	(4,937)	16,455
C T Capital (Private) Limited	44.07%	333,653	244,179	89,474	362,115	269,366	92,749	39,431
Cinema Entertainments (Pvt) Ltd	29.30%	23,910	13,761	10,149	7,646	6,919	727	2,974
		422,619	258,467	164,152	381,013	292,474	88,539	58,860

Notes to the Financial Statements

25.2 Investments in equity accounted investees - Company

	Direct holding			Carrying Value (In thousands of rupees)		
	2013	2012	1st April 2011	2013	2012	1st April 2011
C T Smith Stockbrokers (Private) Limited	-	-	25.50%	-	-	5,302
C T Capital (Private) Limited	-	-	44.00%	-	-	28,040
C T Smith Holding Limited	28.37%	28.37%	-	33,342	33,342	-
Cinema Entertainment (Private) Limited	16.67%	16.67%	16.67%	1,375	1,375	1,375
				34,717	34,717	34,717

26 Other financial assets

26.1 Other financial assets - Group

	No. of Shares		Carrying Value (In thousands of rupees)	
	2013	2013	2012	1st April 2011
Quoted companies				
Ceylon Printers PLC	6,932	9,704	1,040	693
Kalamazoo Systems PLC	9,761	19,522	21,181	13,665
Office Equipment PLC	16,370	40,920	2,956	1,314
Paragon (Ceylon) PLC	20,424	18,382	33,700	6,127
Overseas Realty (Ceylon) PLC	4,500	63	60	68
Lanka IOC PLC	525,000	10,710	10,185	9,240
Hotel Developers (Lanka) PLC	27,700	-	-	-
The Housing Development Finance Corporation Bank of Sri Lanka	700,000	28,000	47,880	78,814
Sierra Cables PLC	49,500	110	165	266
Aitken Spence PLC	267,500	31,993	30,094	43,391
		159,404	147,261	153,578
Un-quoted companies				
Lanka Film Distributors Company (Private) Limited	100	100	100	100
		100	100	100
Other				
Forward foreign exchange contract		-	1,161	-
Cargills Agriculture & Commercial Bank Limited	132,000,000	1,320,000	-	-
		1,320,000	-	-
		1,479,504	148,522	153,678
Other financial assets - long term		1,443,323	113,223	106,501
Other financial assets - short term		36,181	35,299	47,177
		1,479,504	148,522	153,678

26.2 Other financial assets - Company

	No. of Shares		Carrying Value (In thousands of rupees)	
	2013	2013	2012	1st April 2011
Quoted Companies				
Ceylon Printers PLC	6,932	9,704	1,040	693
Kalamazoo Systems PLC	9,761	19,522	21,181	13,665
Office Equipment PLC	16,370	40,920	2,956	1,314
Paragon (Ceylon) PLC	20,424	18,382	33,700	6,127
Overseas Realty (Ceylon) PLC	4,500	63	60	68
Lanka IOC PLC	325,000	6,630	6,305	5,720
Hotel Developers (Lanka) PLC	27,700	-	-	-
The Housing Development Finance Corporation Bank of Sri Lanka	700,000	28,000	47,880	78,814
		123,221	113,122	106,401
Less : Provision for fall in value		-	-	-
		123,221	113,122	106,401
Un-Quoted Companies				
Lanka Film Distributors Company (Private) Limited	100	100	100	100
		100	100	100
Other				
Cargills Agriculture and Commercial Bank Limited	66,000,000	660,000	-	-
		660,000	-	-
		783,321	113,222	106,501

27 Inventories

In thousands of rupees

Note	2013	Group		2013	Company	
		2012	1st April 2011		2012	1st April 2011
Raw material and consumables	2,235,976	2,109,197	1,712,622	19	528	528
Work-in-progress	202,745	158,312	120,756	-	-	-
Finished goods	5,774,862	1,026,221	3,506,118	-	-	-
Goods in transit	193,560	387,412	49,927	-	-	-
Harvested crops	205,850	188,197	231,455	-	-	-
Food and beverages - restaurant operations	380,641	3,777,633	34,131	-	-	-
Real estate property held for sale and in the process of development	27.2 392,985	865,015	987,347	-	-	-
	9,386,619	8,511,987	6,642,356	19	528	528
Less - Provision for obsolete and slow moving items	(160,111)	(160,803)	(193,309)	-	(509)	-
	9,226,508	8,351,184	6,449,047	19	19	528

27.1 The details of inventories mortgaged for banking facilities obtained have been given in the note 32.3 to the financial statements.

Notes to the Financial Statements

27.2 Real estate property held for sale and in the process of development

In thousands of rupees

	2013	2012	Group 1st April 2011
As at 1st April	865,015	987,347	1,651,613
Expenditure incurred during the year	18,304	35,107	87,739
Transfers	(103,889)	(157,439)	(752,005)
On disposal of subsidiaries	(386,445)	-	-
As at 31st March	392,985	865,015	987,347

The above consist of property development projects carried out by the subsidiary company C T Real Estates (Private) Limited.

28 Trade and other receivables

In thousands of rupees

Note	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
Trade receivables (other than from related parties)	3,230,990	2,720,036	1,800,182	192	366	731
Amounts due from related parties	1,086,787	48,063	5,377	72,099	2,511,328	538,527
Current tax asset	310,587	549,312	453,488	-	1,003	1,963
Advances and other receivables	681,252	433,779	1,439,102	637	1,196	1,315
Loans given to employees	28.2 48,712	42,328	54,437	-	-	-
Prepayments and accrued income	852,894	1,419,841	582,389	-	396	-
	6,211,222	5,213,359	4,334,975	72,928	2,514,239	542,536
Less : Provision for impairment	(229,922)	(171,191)	(145,198)	-	(1,020)	(159)
	5,981,300	5,042,168	4,189,777	72,928	2,513,269	542,377

28.1 Current tax asset includes ESC recoverable, VAT recoverable and Income Tax overpayments receivables.

28.2 Loans given to employees

In thousands of rupees

	2013	2012	Group 1st April 2011
As at 1st April	42,328	54,437	47,465
On acquisition of subsidiaries	-	-	9,457
Adjustment / transfers	-	-	(44)
Loans granted during the year	51,971	28,357	20,914
Less: recoveries	(45,587)	(40,466)	(23,355)
As at 31st March	48,712	42,328	54,437

29 Cash and cash equivalents*In thousands of rupees*

	Note	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
Cash and bank balances		1,180,929	683,839	614,707	25,561	40,430	68,607
Short term deposits with banks	29.1	2,424,420	187,864	227,066	2,084,530	51,893	278
Cash and short term deposits with banks		3,605,349	871,703	841,773	2,110,091	92,323	68,885
Bank overdrafts		(5,552,093)	(5,076,723)	(2,720,708)	-	-	(4,091)
		(1,946,744)	(4,205,020)	(1,878,935)	2,110,091	92,323	64,794

29.1 Short term deposits with bank*In thousands of rupees*

	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
Treasury bills	-	-	11,482	-	-	-
Fixed & other deposits	2,424,420	187,864	215,584	2,084,530	51,893	278
	2,424,420	187,864	227,066	2,084,530	51,893	278

30 Stated capital - ordinary shares*In thousands of rupees*

	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
Issued and fully paid						
In issue at 1st April	3,194,008	516,858	516,858	3,194,008	516,858	516,858
Issue of shares	-	2,677,150	-	-	2,677,150	-
In issue at 31st March	3,194,008	3,194,008	516,858	3,194,008	3,194,008	516,858
No. of shares in issue	183,097	183,097	170,349	183,097	183,097	170,349

31 Reserves*In thousands of rupees*

	Note	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
Revaluation reserve	31.1	3,283,378	46,493	-	74,999	74,999	-
Available for sale reserve	31.2	106,059	95,992	89,350	106,078	95,980	89,258
General reserve	31.3	396,371	396,371	396,371	213,538	213,538	213,538
		3,785,808	538,856	485,721	394,615	384,517	302,796

Notes to the Financial Statements

31.1 Revaluation reserve

The revaluation surplus consists of net surplus resulting from the revaluation of property, plant & equipment as described in Notes 19.3.

31.2 Available for sale reserve

The available for sale (fair value) reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are de-recognised or impaired.

31.3 General Reserve

General Reserve represents the amounts set aside by the Directors for General Application.

32 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

In thousands of rupees

	Note	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
Non-current liabilities							
Secured bank loans	32.1	4,291,923	2,302,839	1,975,408	-	-	-
Finance lease liabilities	32.2	172,465	162,738	206,937	-	-	-
		4,464,388	2,465,577	2,182,345	-	-	-
Current liabilities							
Current portion of secured bank loans	32.1	913,492	658,950	465,332	-	-	-
Current portion of finance lease liabilities	32.2	50,636	72,021	72,562	-	-	-
Other short term bank loans		2,438,117	1,151,596	1,085,409	-	-	761,971
Commercial papers		6,955,190	2,733,895	3,532,960	-	-	-
		10,357,435	4,616,462	5,156,263	-	-	761,971
32.1 Secured bank loans							
As at 1st April		2,961,789	2,440,740	1,795,649	-	-	-
On acquisition of subsidiaries		-	-	695,947	-	-	-
Loans obtained during the year		3,147,712	1,108,064	1,179,969	-	-	-
Repayments during the year		(904,086)	(587,015)	(1,230,825)	-	-	-
As at 31st March		5,205,415	2,961,789	2,440,740	-	-	-
Non-current portion of secured bank loans		4,291,923	2,302,839	1,975,408	-	-	-
Current portion of secured bank loans		913,492	658,950	465,332	-	-	-
		5,205,415	2,961,789	2,440,740	-	-	-
32.2 Finance lease liabilities							
As at 1st April		336,608	397,854	400,180	-	-	-
On acquisition of subsidiaries		-	-	14,022	-	-	-
GDP deflator due	32.2 (a)	9,937	8,840	15,632	-	-	-
New leases obtained		98,618	43,498	53,315	-	-	-
Repayments		(117,649)	(113,584)	(85,295)	-	-	-
As at 31st March		327,514	336,608	397,854	-	-	-
Gross liability		327,514	336,608	397,854	-	-	-
Finance charges allocated to future periods		(104,413)	(101,849)	(118,355)	-	-	-
Net liability		223,101	234,759	279,499	-	-	-
Non-current portion of finance lease liabilities		172,465	162,738	206,937	-	-	-
Current portion of finance lease liabilities		50,636	72,021	72,562	-	-	-
		223,101	234,759	279,499	-	-	-

32.2(a) The lease rentals of subsidiary company Horana Plantations PLC for finance lease on JEDEB/SLSPC Estates, have been amended with effect from 22nd June 1996 to an amount substantially higher than the previous nominal lease rental of Rs.500/- per estate per annum. The basic rental payable under the revised basis is Rs.5.228 Million per annum. This amount is to be inflated annually by the Gross Domestic Product(GDP) Deflator in the form of contingent rent.

This lease agreement was further amended on 10th June 2005, freezing the annual lease rental at Rs.7472 Million for a period of six years commencing from 22nd June 2002. Hence, the GDP Deflator adjustment will be frozen at Rs.2.244 Mn per annum until 21st June 2008. Accordingly, the Financial Statements have been adjusted, in order to reflect the future net liability in the following manner:-

“Future liability on the revised annual lease payment of Rs.7472 Mn continued until 21st June 2008, and thereafter from 22nd June 2008, annual lease payment remained at Rs.5.228 Million, until 21st June 2045. The Net Present Value of this liability at a 4% discount rate would result in a liability of Rs.92.564 Million.”

The Net Present Value as at date is represented by:-

	Rs 'Mn
Gross Liability -Overdue Rentals/GDP Deflator (Contingent Rent) 32 Years @ Rs.5.228 Million per annum	167.296
Less: Interest in Suspense	(74.732)
	92.564

32.3 Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of rupees

Secured bank loan

[illegible]

Notes to the Financial Statements

[illegible]

Financial Institution	Security	Repayment Terms and Maturity	Nominal Interest Rate	Currency	Principle Value	Face Value	Carrying Value
C T Properties Limited							
Sampath Bank PLC	Mortgage over 10 Mn Shares of Cargills (Ceylon) PLC owned by C T Holdings PLC with special Power of Attorney & dividend mandate.	Equal quarterly instalments of Rs.50 Mn starting from the beginning of the first quarter of the year two with one year grace period from the date of disbursement.	First year 11.5% & AWPR +1% from the second year onwards	LKR	550,000	300,000	300,000
Company total - C T Properties Limited						300,000	300,000
Cargills (Ceylon) PLC							
Commercial Bank of Ceylon PLC	Mortgage of future debit & credit card receivables from the selected outlets.	5 years, The Loan is repayable in 48 monthly instalments commencing from 13th Month of disbursement to 60th month. (as per term sheet)	15.56%	LKR	1,000,000	1,000,000	1,000,000
Habib Bank				LKR	500,000	500,000	500,000
State Bank of India				LKR	500,000	500,000	500,000
Company total - Cargills (Ceylon) PLC						2,000,000	2,000,000
Horana Plantations PLC							
Bank of Ceylon	Leasehold rights of Alton, Bambarakelle, Eildon Hall and Gouravilla Estates, to the value of Rs. 244.989 Mn.	Project Loans repayable within fifteen(15) years with a five(5) years grace period from year	14.00%	LKR	244,988	18,362	18,362
Lanka Orix Leasing Co., PLC	Secondary Mortgage over leasehold rights of Millakanda Estate and Mirishena Estate.	Project Loans repayable in eighty four (84) monthly instalments, after a thirty six (36) month grace period starting from year 2006.	10.63%-10.86%	LKR	73,293	34,297	34,297
People’s Leasing Co. Ltd.	Promissory Note and Primary mortgage over leasehold rights of Hillstream Estate, to the value of Rs. 12.001 Million	Project Loans repayable in forty eight (48) monthly instalments, after a twenty four (24) months grace period:	6.50%	LKR	12,001	8,295	8,295
Hatton National Bank PLC	Primary Mortgage for Rs.150.00 Million, over leasehold rights of Frocester Estate	Project Loans repayable in seventy two (72) monthly instalments, after a twenty four (24) months grace period	AWPLR + 0.85%	LKR	150,000	150,000	150,000
National Development Bank PLC	Undertaking from Tea Brokers to recover and remit from future Tea Sales Proceeds	38 monthly instalments w.e.f. 30th May 2011	AWPLR+ (1.19%-1.44%)	LKR	200,000	108,000	108,000

Notes to the Financial Statements

Financial Institution	Security	Repayment Terms and Maturity	Nominal Interest Rate	Currency	Principle Value	Face Value	Carrying Value
Indian Bank	Primary mortgage over leasehold rights of Tillicoultry Estate and Undertaking from Tea Brokers to recover and remit from future Tea Sales Proceeds	54 monthly instalments w.e.f. 26th April 2013	*AWPLR+ 0.65% (with a Cap of 12.00% p.a. and a floor of 9.75% p.a.)	LKR	75,000	75,000	75,000
Company total - Horana Plantations PLC						393,954	393,954
Uni-Dil Packaging Limited							
Sampath Bank PLC	Mortgage Bond for USD 175,000 over machinery. Concurrent Mortgage Bond over stocks and book debtors for USD 2.55 Mn. with HNB, HSBC, Deutsche Bank securing Sampath Bank for USD 575,000/-.	Monthly instalments of USD 3,000/-	***LIBOR + 3%	USD	44,884	22,263	22,263
Company total - Uni-Dil Packaging Limited						22,263	22,263
Lanka Walltiles PLC							
National Development Bank PLC	Primary mortgage over the 300 KVA USP cost of Rs. 3.6 Mn.	60 equal monthly instalments of Rs. 72,876/-	6.50%	LKR	4,373	1,166	1,166
National Development Bank PLC	Primary mortgage over machines and Gazifire Plant cost of Rs. 40.5 Mn.	54 equal monthly instalments of Rs. 750,000/-	6.50%	LKR	40,500	750	750
Hatton National Bank PLC	Primary floating mortgage bond for Rs. 390 Mn over Project Assets comprising Land, Building & Machinery at Meepe.	60 equal monthly instalments of Rs. 5,000,000/-	**AWPR - 1%	LKR	300,000	285,000	285,000
Hatton National Bank PLC	Existing secondary mortgage over the project assets at Meepe for USD 1.8 Mn	60 equal monthly instalments of USD 30,000/-	***LIBOR + 3.75% with a floor rate of 4%	USD	1,800	231,246	231,246
Commercial Bank of Ceylon PLC	Primary Mortgage bond for Rs.200 Mn over the property situated at No. 215, Nawala Road, Narahenpita.	56 equal monthly instalments of Rs. 3,350,000/- & a final instalment of Rs. 2,350,000/-	AWPR + 0.5%	LKR	200,000	136,350	136,350

Financial Institution	Security	Repayment Terms and Maturity	Nominal Interest Rate	Currency	Principle Value	Face Value	Carrying Value
DFCC Bank	Primary mortgage over movable machinery kept at Lanka Walltiles PLC factory premises situated at Meepe & Padukka.	60 equal monthly instalments of Rs. 2,500,000/-	**AWPR + 5% rounded upwards to nearest 0.5%	LKR	200,000	190,000	190,000
Company total - Lanka Walltiles PLC						844,512	844,512
Swisstek (Ceylon) PLC							
Bank of Ceylon	Mortgage over immovable property at Belummahara, Imbulgoda.	57 monthly instalments of Rs. 446,110 after a grace period of 3 month	*AWPLR	LKR	25,817	7,974	7,974
Company total - Swisstek (Ceylon) PLC						7,974	7,974
Swisstek Aluminium Limited							
DFCC Bank	Primary Mortgage over Land, Building, Plant & Machinery, Stocks and Book debts owned by Swisstek Aluminium Limited.	78 monthly instalments of Rs. 3,717,950/-	**AWPR +2%	LKR	290,000	248,217	257,445
Company total - Swisstek Aluminium Limited						248,217	257,445
Lanka Floortiles PLC							
DFCC Bank	A primary mortgage over land, building and plant and machinery located at Ranala amounting to Rs. 300.Mn	84 equal monthly instalments	*AWPLR +3%	LKR	150,000	150,000	150,000
DFCC Bank		84 equal monthly instalments	*AWPLR + 0.5%	LKR	165,000	147,321	147,321
DFCC Bank		85 equal monthly instalments	***LIBOR + 7.5%	USD	3,000	287,712	287,712
Commercial Bank of Ceylon PLC	Rs. 18.88 Mn mortgage over generator and Rs. 60 Mn. mortgage over land and building in Biyagama of Lanka Floortiles PLC.	59 equal monthly instalments after grace 6 months from the day of first disbursement.	*AWPLR +1%	LKR	22,243	9,629	9,629
Hatton National Bank PLC	Primary floating mortgage bond for Rs. 27 Mn. over the Sorting line imported.	59 equal monthly instalments from the day of first disbursement, re-payment commencing from January 2011.	*AWPLR -0.75%	LKR	38,000	21,516	21,516
Company total - Lanka Floortiles Limited						616,178	616,178
Grand Total						5,196,187	5,205,415

Notes to the Financial Statements

33 Employee benefits

In thousands of rupees

	Group		Company	
	2013	2012	2013	2012
As at 1st April	835,936	709,305	5,493	250
Current service cost	71,588	84,681	231	2,504
Interest cost	89,405	71,845	548	261
Benefit paid	(98,633)	(92,548)	-	-
Actuarial (gain)/loss	(22,147)	62,653	409	2,478
Liability for defined benefit obligations as at 31st March	876,149	835,936	6,681	5,493
33.1 Amount recognised in profit or loss				
Current service cost	71,588	84,681	231	2,504
Interest cost	89,405	71,845	548	261
	160,933	156,526	779	2,765
33.2 Amount recognised in other comprehensive income				
Actuarial (gain)/loss	(22,147)	62,653	409	2,478
	(22,147)	62,653	409	2,478

33.3 The Group engaged the following actuaries to carry out the actuarial valuation of different Companies within the Group

- Messrs. Piyal S. Goonetilleke & Associates.
- Messrs. Actuarial and Management Consultants (Private) Limited

The principal assumptions used in the actuarial valuations are as follows:

	2013	2012	2011
(a) Discount rate (the rate of interest used to discount the future cash flows in order to determine the present value)	11% - 12.05%	10% - 11%	9.5 - 11
(b) Future salary increase			
- Executive	10% - 11.4%	7.5% - 12%	7.5 - 12
- Staff	2.5% - 13.01%	7.5% - 15%	2.5 - 10

In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 67/07 mortality table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability of all Group Companies.

34 Deferred income

In thousands of rupees

	Group	
	2013	2012
Grant received		
As at 1st April	177,666	147,930
Net off against amortisation	(4,786)	-
Received during the year	34,993	29,736
As at 31st March	207,873	177,666
Amortisation		
As at 1st April	37,083	28,800
Net off against cost	(4,786)	-
Amortised during the year	4,660	8,283
As at 31st March	36,957	37,083
Net amount		
As at 31st March	170,916	140,583

34.1 Details of Deferred Capital Grants & Subsidies*In thousands of rupees*

Granted By	Purpose of the grant	Basis of amortisation	Amount received	Balance as at 1-Apr-12	Received during the period	Amortised during the period	Balance as at 31-Mar-13
Horana Plantations PLC							
Sri Lanka Tea Board	Tea Factory Modernisation	Rate of Depreciation applicable to Plant & Machinery (7.50% p.a.)	419	293	-	(31)	262
	Tea Replanting Subsidy	Will be amortised at rate applicable to Tea Mature Plantations, after become mature (3.00% p.a.)	1,170	1,170	-	-	1,170
Plantation Development Project (PDP) Asian Development Bank (ADB)	Improvement of workers living environment	Rate of Depreciation applicable to Buildings (2.50% p.a.)	31,587	22,778	-	(790)	21,988
Plantation Human Development Trust (PHDT)	Improvement of workers living environment	Rate of Depreciation applicable to Buildings and Furniture & Fittings (2.50% and 10.00% p.a.)	45,143	35,945	-	(1,128)	34,817
Estate Infrastructure Development Project (EIDP)	Improvement of workers living environment	Rate of Depreciation applicable to Buildings (2.50% p.a.)	489	367	-	(13)	354
Plantation Development Project (PDP) -ADB / JBIC	Improvement of workers living environment	Rate of Depreciation applicable to Buildings (2.50% p.a.)	20,051	17,838	-	(501)	17,337
	Ergonomic Equipment	Rate of Depreciation applicable to Equipment (12.50% p.a.)	5,853	2,750	-	(731)	2,019
	Internal Road Development and Boundary Posts	Rate of Depreciation applicable to Permanent Land Development Cost (2.50% p.a.)	4,622	4,207	-	(115)	4,092
	Earth Moving Vehicles	Rate of Depreciation applicable to Motor Vehicle (20% p.a.)	2,100	107	-	(107)	-
	Other Agricultural Vehicles	Rate of Depreciation applicable to Motor Vehicle (20% p.a.)	354	69	-	(69)	-
	Minor Factory Development	Rate of Depreciation applicable to Buildings (2.50% p.a.)	10,099	9,276	-	(253)	9,023
Rubber Development Department (RDD)	Rubber Replanting Subsidy	Will be amortised at rate applicable to Rubber Mature Plantations, after become mature (5.00% p.a.)	21,368	19,712	1,656	(248)	21,120
	Rubber Factory Development	Rate of Depreciation applicable to Plant & Machinery (7.50%p.a.)	675	414	-	(51)	363
Company total - Horana Plantations PLC			143,930	114,926	1,656	(4,037)	112,545

Notes to the Financial Statements

Granted By	Purpose of the grant	Basis of amortisation	Amount received	Balance as at 1-Apr-12	Received during the period	Amortised during the period	Balance as at 31-Mar-13
Cargills Agrifoods Limited							
United States Agency for International Development (USAID) and Connecting Regional Economies (USAID / CORE)	Jaffna project	Depreciation applicable to the plant & machinery	2,516	1,567	-	(72)	1,495
	Dehiattakandiya project	Based on the corresponding expenditure being incurred	24,905	23,612	-	(73)	23,539
	Kilinochchi project	Depreciation applicable to the plant & machinery	33,337	-	33,337	-	33,337
Company total - Cargills Agrifoods Limited			60,758	25,179	33,337	(145)	58,371
Kotmale Milk Products Limited							
Tetra Pak Singapore and Emerging Markets	Grant Received for UHT filling machine	An amount of Rs. 1.910 Mn per year	3,185	478	-	(478)	-
Company total - Kotmale Milk Products Limited			3,185	478	-	(478)	-
Grand total			207,873	140,583	34,993	(4,660)	170,916

35 Deferred tax (assets) / liabilities

In thousands of rupees

	2013	Group 2012
35.1 The movement on the deferred income tax account is as follows:		
Deferred tax liabilities		
As at 1st April	1,052,962	867,178
Transferred between deferred tax assets & liabilities	(1,298)	(6,275)
Directly charged to reserves	(55,321)	(1,284)
Charge /(release) during the Year	327,678	193,343
As at 31st March	1,324,021	1,052,962
Deferred tax assets		
As at 1st April	(106,795)	(22,534)
Transferred between deferred tax assets & liabilities	1,298	6,275
Directly charged to reserves	11,648	2,441
Charge /(release) during the Year	13,267	(92,977)
As at 31st March	(80,582)	(106,795)
Net	1,243,439	946,167

35.2 The deferred income tax assets and liabilities during the year was calculated after setting off balances within the same tax jurisdiction.

35.3 Breakdown of deferred tax before setting off balances of the same tax jurisdiction is as follows:

Deferred tax liabilities
In thousands of rupees

	Accelerated tax depreciation	Fair value gains	Total
As at 1st April 2011	1,190,169	72,477	1,262,646
Charged/(credited) to other comprehensive income	-	(1,283)	(1,283)
Charged/(credited) to profit or loss	164,797	-	164,797
As at 31st March 2012	1,354,966	71,194	1,426,160
As at 1st April 2012	1,354,966	71,194	1,426,160
Charged/(credited) to other comprehensive income	-	-	-
Charged/(credited) to profit or loss	558,795	-	558,795
As at 31st March 2013	1,913,761	71,194	1,984,955

Deferred tax assets
In thousands of rupees

	Retirement benefit obligation	Tax losses*	Decrease in future tax rates	Provisions	Other	Total
As at 1st April 2011	98,402	222,064	83,096	14,440	-	418,002
Charged/(credited) to other comprehensive income	(12,646)	-	-	-	-	-
Charged/(credited) to profit or loss	68,132	46,831	(82,726)	35,350	7,050	61,991
As at 31st March 2012	153,888	268,895	370	49,790	7,050	479,993
As at 1st April 2012	153,888	268,895	370	49,790	7,050	479,993
Charged/(credited) to other comprehensive income	774	-	-	-	-	774
Charged/(credited) to profit or loss	32,156	180,445	(370)	39,232	9,286	260,749
As at 31st March 2013	186,818	449,340	-	89,022	16,336	741,516
Net as at 31st March 2013						1,243,439
Net as at 31st March 2012						946,167
Net as at 1st April 2011						844,644

* Tax losses are available for deduction against future taxable income.

35.4 Deferred tax has been computed taking into consideration the tax rate effective from 1st April 2012 which is 28% or 40% for all standard rate companies. A weighted averaged rate is applied when income is taxed at different tax rates. Details of tax rates for individual companies are shown in Note 14.3 of the financial statements.

Notes to the Financial Statements

35.5 Deferred Taxation is provided for all Group companies except those companies with tax losses available for carry forward exceeding taxable temporary differences. No provision has been made for deferred taxation for companies which are exempt from income tax.

35.6 Un-accounted deferred tax assets

A Deferred Tax Asset is recognised only to the extent that it is probable that taxable profit will be available in the foreseeable future, against which such deductible temporary timing differences could be utilised. The deferred tax effect on undistributed reserves of subsidiaries has not been recognised where the parent can control the timing of the reversal of these temporary differences.

35.7 The break down of un-accounted deferred tax assets is given below;

In thousands of rupees

	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
On accelerated tax depreciation	41,163	(153)	13,507	255	1,010	(909)
On retirement benefit obligation	2,020	2,360	(9)	1,871	1,538	70
On tax losses	453,399	288,705	220,098	147,061	174,175	181,348
On provisions	607	45	56	-	-	-
	497,189	290,957	233,652	149,187	176,723	180,509

36 Trade and other payables

In thousands of rupees

Note	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
Trade creditors (other than from related parties)	6,649,296	6,094,373	4,572,872	1,355	369	119
Amount due to related parties	23,760	19,084	21,251	18,010	1,898	18,515
Security deposits 36.1	146,320	145,120	138,173	-	-	-
Accruals, other accounts payable & provisions	3,303,700	2,768,054	2,003,150	12,022	10,358	11,031
	10,122,076	9,026,631	6,735,446	31,387	12,625	29,665
Current	9,975,756	8,881,511	6,597,273	31,387	12,625	29,665
Non current	146,320	145,120	138,173	-	-	-
	10,122,076	9,026,631	6,735,446	31,387	12,625	29,665

36.1 This represents deposits which are repayable at the termination of tenancy agreements.

37 Financial instruments

37.1 Carrying amounts and fair values of financial instruments - Group

In thousands of rupees

	Trading at fair value	Loans and receivables	Available for sale	Held to maturity	Other financial liabilities	Total carrying amount	Fair value
As at 31 March 2013							
Financial assets							
Trade and other receivables	-	3,911,535	-	-	-	3,911,535	3,911,535
Dues from related parties	-	1,086,787	-	-	-	1,086,787	1,086,787
Deposits and prepayments	-	852,894	-	-	-	852,894	852,894
Other financial assets							
- Unquoted debt and equity securities	-	-	100	1,320,000	-	1,320,100	1,320,100
- Quoted equity shares	-	-	159,404	-	-	159,404	159,404
- Other bank deposits	-	2,424,420	-	-	-	2,424,420	2,424,420
- Government securities	-	-	-	-	-	-	-
- Forward foreign exchange contracts	-	-	-	-	-	-	-
	-	8,275,636	159,504	2,424,420	-	9,755,140	9,755,140
Financial liabilities							
Interest bearing liabilities	-	-	-	-	14,821,823	14,821,823	14,821,823
Trade and other payables	-	-	-	-	6,795,700	6,795,700	6,795,700
Due to related parties	-	-	-	-	23,760	23,760	23,760
Bank overdrafts and other short-term borrowings	-	-	-	-	5,552,093	5,552,093	5,552,093
	-	-	-	-	27,193,376	27,193,376	27,193,376
As at 31 March 2012							
Financial assets							
Trade and other receivables	-	3,153,815	-	-	-	3,153,815	3,153,815
Dues from related parties	-	48,063	-	-	-	48,063	48,063
Deposits and prepayments	-	1,419,841	-	-	-	1,419,841	1,419,841
Other financial assets							
- Unquoted debt and equity securities	-	-	100	-	-	100	100
- Quoted equity shares	-	-	150,012	-	-	150,012	150,012
- Other bank deposits	-	187,864	-	-	-	187,864	187,864
- Forward foreign exchange contracts	1,161	-	-	-	-	1,161	1,161
	1,161	4,809,583	150,112	-	-	4,960,856	4,960,856
Financial liabilities							
Interest bearing liabilities	-	-	-	-	7,082,039	7,082,039	7,082,039
Trade and other payables	-	-	-	-	6,240,493	6,240,493	6,240,493
Dues to related parties	-	-	-	-	19,084	19,084	19,084
Bank overdrafts and other short-term borrowings	-	-	-	-	5,076,723	5,076,723	5,076,723
	-	-	-	-	18,418,339	18,418,339	18,418,339

Notes to the Financial Statements

In thousands of rupees

	Trading at fair value	Loans and receivables	Available for sale	Held to maturity	Other financial liabilities	Total carrying amount	Fair value
As at 1 April 2011							
Financial assets							
Trade and other receivables	-	3,228,791	-	-	-	3,228,791	3,228,791
Dues from related parties	-	15,870	-	-	-	15,870	15,870
Deposits and prepayments	-	582,389	-	-	-	582,389	582,389
Other financial assets							
- Unquoted debt and equity securities	-	-	100	-	-	100	100
- Quoted equity shares	-	-	156,368	-	-	156,368	156,368
- Other bank deposits	-	227,066	-	-	-	227,066	227,066
	-	4,054,116	156,468	-	-	4,210,584	4,210,584
Financial liabilities							
Interest bearing liabilities	-	-	-	-	7,338,608	7,338,608	7,338,608
Trade and other payables	-	-	-	-	4,709,416	4,709,416	4,709,416
Due to related parties	-	-	-	-	22,880	22,880	22,880
Bank overdrafts and other short-term borrowings	-	-	-	-	2,720,728	2,720,728	2,720,728
	-	-	-	-	14,791,632	14,791,632	14,791,632

Carrying amounts and fair values of financial instruments - Company

In thousands of rupees

	Trading at fair value	Loans and receivables	Available for sale	Held to maturity	Other financial liabilities	Total carrying amount	Fair value
As at 31 March 2013							
Financial assets							
Trade and other receivables	-	829	-	-	-	829	829
Dues from related parties	-	6,399	-	-	-	6,399	6,399
Other financial assets							
- Unquoted debt and equity securities	-	-	660,000	-	-	660,100	660,100
- Quoted equity shares	-	-	123,321	-	-	123,321	123,321
- Other bank deposits	-	2,084,530	-	-	-	2,084,530	2,084,530
	-	2,091,758	783,321	-	-	2,875,179	2,875,079
Financial liabilities							
Trade and other payables	-	-	-	-	1,355	1,355	1,355
Other financial liabilities	-	-	-	-	18,010	18,010	18,010
Due to related parties	-	-	-	-	19,365	19,365	19,365

arrying amounts and fair values of financial instruments - Company

In thousands of rupees

	Trading at fair value	Loans and receivables	Available for sale	Held to maturity	Other financial liabilities	Total carrying amount	Fair value
As at 31 March 2012							
Financial assets							
Trade and other receivables	-	1,562	-	-	-	1,562	1,562
Dues from related parties	-	2,490,628	-	-	-	2,490,628	2,490,628
Deposits and prepayments		396	-	-	-	396	396
Other financial assets							
- Unquoted debt and equity securities	-	-	100	-	-	100	100
- Quoted equity shares	-	-	113,122	-	-	113,122	113,122
- Other bank deposits	-	51,893	-	-	-	51,893	51,893
	-	2,544,479	113,222	-	-	2,657,701	2,657,701
Financial liabilities							
Trade and other payables	-	-	-	-	369	369	369
Dues to related parties	-	-	-	-	1,898	1,898	1,898
	-	-	-	-	2,267	2,267	2,267
As at 1 April 2011							
Financial assets							
Trade and other receivables	-	2,046	-	-	-	2,046	2,046
Dues from related parties	-	517,827	-	-	-	517,827	517,827
Other financial assets							
- Unquoted debt and equity securities	-	-	100	-	-	100	100
- Quoted equity shares	-	-	34,617	-	-	34,617	34,617
- Other bank deposits	-	278	-	-	-	278	278
	-	520,151	34,717	-	-	554,868	554,868
Financial liabilities							
Interest bearing liabilities	-	-	-	-	761,971	761,971	761,971
Trade and other payables	-	-	-	-	119	119	119
Due to related parties	-	-	-	-	18,515	18,515	18,515
Bank overdrafts and other short-term borrowings	-	-	-	-	4,091	4,091	4,091
	-	-	-	-	784,696	784,696	784,696

38 Related parties

38.1 Parent and ultimate controlling party

The Company carries out transactions with parties who are defined as related parties in LKAS - 24 'Related party Disclosures', the details of which are reported below.

Odeon Holdings (Ceylon) (Private) Limited, owns 41.62% (2012 - 41.62%) of ordinary shares of C T Holdings PLC.

38.2 Key management personnel compensation

According to the LKAS 24 - "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive & Non-Executive Directors) of the Company has been classified as Key Management Personnel of the entity.

Notes to the Financial Statements

- (a) The subsidiaries C T Land Development PLC and Cargills (Ceylon) PLC provide an apartment each to the Mr. Joseph Page and Mr. Ranjit Page respectively for the due performance of their representative office.
- (b) Mrs. R Page, wife of the Mr. Ranjit Page, is a Director of the Panadaria (Private) Limited with which Cargills (Ceylon) PLC had the following transactions during the year and the amount outstanding as at 31st March 2013 was Rs. 2.74 Mn (2012 - Rs. 2.46 Mn).
- Purchases for re-sale in the ordinary course of business - Rs 31.77 Mn (2012 - 28.79 Mn)
 - Rental Income - Rs 1.56 Mn (2012 - Rs 1.56 Mn)
- (c) Short term employment benefits paid to key management personnel have been disclosed in the Note 12 to these Financial Statements. There is no post employment benefits paid during the year.
- (d) No unsecured loans to Directors have been granted during the year.

There are no material related party transactions other than those disclosed above.

Related party transactions

Company

The details of transactions of the company with other group companies are given below:

<i>In thousands of rupees</i>		
<i>Related company</i>	<i>Transactions</i>	<i>Amount</i>
Cargills (Ceylon) PLC	Settlement of loan	(1,800,000)
	Interest charged	179,791
	Settlement of interest	(196,547)
C T Properties Limited	Capital contribution	50,000
	Interest charged	5,491
	Settlement	(86,948)
Ceylon Theatres (Private) Limited	Recovery of expenses	1,630
	Rent Charges	3,300
	Settlement	(810)
Horana Plantation PLC	Rent charges	3,376
	Telephone operator's wages	(18)
	Settlement	(3,339)
Millers Limited	Rent charges	24,515
	Settlement	(36,719)
C T Real Estate (Private) Limited	Capital contribution	15,000
Lanka Ceramics PLC	Loan settlement	(610,000)
	Interest charged	60,398
	Settlement of interest	(65,579)
Cinema Entertainment (Private) Limited	Rent charged	617
	Settlements	750
C T Smith Stock Brokers (Private) Limited	Settlements	(47)

Group
In thousands of rupees

Transactions between subsidiary companies

	Amount Received / (Paid)	Balance 2013	Purchase / Sale of Goods	Receipt / Rendering of Services	Interest Received / Paid
Lanka Ceramic PLC	(617,546)	(18,839)	✓	-	✓
Lanka Walltiles PLC	173,428	177,801	✓	-	-
Lanka Floortiles PLC	(304,196)	(476,347)	✓	✓	-
Swisstek (Ceylon) PLC	58,014	183,360	✓	✓	-
Swisstek Aluminium Limited	333,752	402,350	✓	✓	-
Ceytea Plantation Management Limited	(4,084)	(9,444)	✓	✓	-
Uni-Dil Packaging Limited	18,676	(269,928)	✓	✓	-
Horana Plantations PLC	(4,611)	721	✓	✓	-
Uni-Dil Paper Sacks (Private) Limited	(285,166)	(2,066)	✓	✓	-
Cargills (Ceylon) PLC	(3,298,150)	(4,352,270)	✓	✓	✓
Cargills Retail (Private) Limited	(38,557)	(517,568)	-	✓	-
Cargills Quality Foods Limited	(13,163)	1,804,833	✓	✓	-
Cargills Distributors (Private) Limited	(35,303)	(22,671)	✓	✓	-
Cargills Quality Diaries (Private) Limited	689,903	379,865	✓	✓	-
Cargills Frozen Products (Private) Limited	(50,000)	(50,000)	-	-	-
Kotmale Holdings PLC	(3,477)	(62,389)	-	-	-
Kotmale Products Limited	(4,258)	(99,870)	-	-	-
Kotmale Milk Foods Limited	719	(7,337)	-	-	-
Kotmale Dairy Products (Private) Limited	59,374	268,719	✓	✓	-
Kotmale Milk Products Limited	(78,883)	(145,968)	✓	-	-
Kotmale Kiri (Private) Limited	260,407	260,417	-	-	-
Kotmale Marketing (Private) Limited	-	-	-	-	-
Cargills Quality Confectionaries (Private) Limited	86,857	134,538	✓	✓	-
Cargills Agrifoods Limited	118,262	140,282	✓	✓	-
CPC Lanka Limited	(21,261)	(102,218)	✓	✓	-
Cargills Food Processors (Private) Limited	286,518	202,304	✓	✓	-
Cargills Food Services (Private) Limited	119,829	(22,070)	-	✓	-
Millers Limited	(81,738)	(11,371)	✓	✓	✓
Millers Brewery Limited	461,397	2,111,707	✓	-	-
Dawson Office Complex (Private) Limited	-	-	-	-	-
C T Land Development PLC	8,652	448	✓	-	-
Ceylon Theatres (Private) Limited	2,449	5,628	-	✓	-
C T Properties Limited	483,859	160,741	-	-	✓
C T Property Management Company (Private) Limited	(703)	3,250	-	-	-
C T Real Estate (Private) Limited	9,177	(99,226)	-	✓	-
C T Properties Lakeside (Private) Limited	2,211	86,165	-	-	-
Alliance Tours Limited	-	(260)	-	-	-
Alliance Tours & Travels (Private) Limited	-	260	-	-	-

Notes to the Financial Statements

In thousands of rupees

Transactions with Associate Companies

	Amount Received / (Paid)	Balance 2013	Purchase / Sale of Goods	Receipt / Rendering of Services	Interest Received / Paid
C T Smith Stockbrokers (Private) Limited	6,566	(328)	✓	-	-
C T Capital (Private) Limited	2,247	(138)	✓	-	-
C T Smith Holdings (Private) Limited	1,640	-	✓	-	-
Comtrust Asset Management (Private) Limited	2,829	-	✓	-	-
Cinema Entertainment (Private) Limited	-	4,017	✓	-	-
Keppel C T Development (Private) Limited	-	353,271	✓	-	-

38.4 Related party balances

In thousands of rupees

	2013	Group 2012	1st April 2011	2013	Company 2012	1st April 2011
Amounts due to subsidiary companies						
Cargills (Ceylon) PLC	-	-	-	17,454	-	17,250
C T Real Estate (Private) Limited	-	-	-	-	633	-
Millers Limited	-	-	-	556	-	-
	-	-	-	18,010	633	17,250
Amount due to other related companies						
C T Smith Stockbrokers (Private) Limited	328	-	328	-	-	-
C T Capital (Private) Limited	138	10,275	14,583	-	-	-
Dialog Telekom PLC	23,294	4000	-	-	-	-
Cinema Entertainment (Private) Limited	-	4,809	4,445	-	1,265	1,265
Cometrust Asset Management (Private) Limited	-	-	138	-	-	-
Westen Cork Limited	-	-	1,757	-	-	-
	23,760	19,084	21,251	-	1,265	1,265
Total amounts due to related companies (Note 36)	23,760	19,084	22,880	18,010	1,898	18,515

In thousands of rupees

	Group			Company	
	2013	2012	1st April 2011	2013	2012 1st April 2011
Amount receivable from subsidiary companies					
Ceylon Theatres (Private) Limited	-	-	-	5,736	1,615 9,753
Horana Plantations PLC	-	-	-	560	541 560
C T Properties Limited	-	-	-	50,700	82,790 20,700
Millers Limited	-	-	-	-	11,648 4,115
C T Real Estate (Private) Limited	-	-	-	15,000	- 503,382
Cargills (Ceylon) PLC	-	-	-	-	1,799,506 -
Lanka Ceramic PLC	-	-	-	-	615,181 -
	-	-	-	7,146	2,511,281 538,510
Amount due from other related companies					
Odeon Holdings	40	40	300	-	- -
C T Smith Stockbrokers (Private) Limited	-	467	17	-	47 17
Galle Face Hotel Co. Ltd	-	270	435	-	- -
Ceylon Hotels Corporation PLC	-	279	404	-	- -
Kandy Hotels Co. (1938) PLC	-	532	325	-	- -
Dialog Telekom PLC	-	-	3,888	-	- -
Ceylon Printers PLC	2	-	8	-	- -
United Hotels Co. Ltd	20	144	-	-	- -
Cargills Agri Commercial Bank	729,437	46,331	-	-	- -
C T Properties G S (Pvt) Limited	353,271	-	-	-	- -
Cinema Entertainments (Private) Limited	4,017	-	-	103	- -
	1,086,787	48,063	5,377	103	47 17
Total amounts due from related companies (Note 28)	1,086,787	48,063	5,377	72,099	2,511,328 538,527

Notes to the Financial Statements

39 Operating segments

The Group has nine reportable segments, as described in Note 6, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's chief decision maker reviews internal management reports at least a quarterly basis.

39.1 Information about reportable segments

	Retail & wholesale distribution		Ceramic & tiles		Real estate		FMCG	
<i>In thousands of rupees</i>	2013	2012	2013	2012	2013	2012	2013	2012
External revenues	47,472,560	42,686,541	8,220,189	7,384,806	515,396	552,024	11,150,289	8,589,735
Inter-segment revenue	(468,692)	(481,226)	(391,874)	(470,732)	(51,930)	(29,697)	(4,731,655)	(3,924,192)
Reportable segment revenue	47,003,868	42,205,315	7,828,315	6,914,074	463,466	522,327	6,418,634	4,665,543
Reportable segment profit after tax	1,691,875	930,523	744,978	956,986	198,441	(12,099)	14,281	171,196
Finance income	230,977	268	39,709	6,902	-	919	17,577	42
Finance expense	(1,354,332)	(581,841)	(488,586)	(161,135)	(218,489)	(210,224)	(118,699)	(46,825)
Share of result of equity accounted investee, net of tax	-	-	-	-	-	-	-	-
Depreciation	849,490	802,700	387,630	343,030	10,189	12,147	383,099	312,135
Reportable segment assets	31,660,456	22,241,664	13,724,392	11,307,260	6,603,975	5,085,589	14,471,111	10,798,886
Reportable segment liabilities	21,102,039	15,480,738	6,515,238	4,853,525	2,800,408	3,122,636	8,399,624	6,027,389

Refer note 39.2 for reconciliation of balance with the financial statement.

	Plantations		Restaurants		Packaging		Entertainment		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	2,262,925 (15,000)	2,036,529 (11,970)	1,954,824 -	1,383,466 -	1,977,113 (231,200)	1,603,504 (43,599)	157,181 -	104,910 -	- -	- -	73,710,477 (5,890,351)	64,341,515 (4,961,416)
	2,247,925	2,024,559	1,954,824	1,383,466	1,745,913	1,559,905	157,181	104,910	-	-	67,820,126	59,380,099
	200,669	81,878	152,739	173,821	111,836	756,740	909	618	-	-	3,115,728	2,359,666
	238 (61,688)	2,305 (48,505)	- (3,546)	1 (1,421)	8,676 (56,333)	- (52,736)	1,270 (1,012)	149 (1,183)	- -	- -	298,447 (2,302,685)	10,586 (1,103,870)
	- 62,269	- 90,738	- 78,832	- 53,795	- 34,094	- 32,610	- 19,735	- 7,533	745 -	11,246 -	745 1,825,338	11,246 1,654,687
	3,288,147	2,774,710	1,065,625	868,908	1,711,346	1,492,571	96,910	101,299	-	-	72,621,962	54,670,887
	1,452,934	1,367,716	645,879	380,030	860,485	792,815	22,175	26,793	-	-	41,798,782	32,051,642

Notes to the Financial Statements

39.2 Reconciliation of reportable segment revenues, profit or loss, assets and liabilities, and other material items

<i>In thousands of rupees</i>	2013	2012
Revenues		
Total revenue for reportable segments	73,710,477	64,341,515
Revenue for other segments	-	-
Elimination of inter-segment revenue	(5,890,351)	(4,961,416)
Elimination of discontinued operations	-	(63,935)
Consolidated revenue	67,820,126	59,316,164
Profit or loss		
Total profit or loss for reportable segments	3,115,728	2,359,666
Profit or loss for other segments	-	-
Total segmental profit or loss	3,115,728	2,359,666
Elimination of inter-segment profit	246,542	(13,081)
Elimination of discontinued operation	-	4,102
Unallocated amounts:		
- Other corporate expenses	(17,832)	(54,740)
- Share of profit of equity accounted investees	745	11,246
Consolidated profit from continuing operations before tax	3,345,183	2,307,193
Assets		
Total assets for reportable segments	72,621,962	54,670,887
Assets for other segments	-	-
	72,621,962	54,670,887
Equity accounted investees		
Other unallocated amounts	(12,571,078)	(11,206,389)
Consolidated total assets	60,050,934	43,464,498
Liabilities		
Total liabilities for reportable segments	41,798,782	32,051,642
Liabilities for other segments	-	-
	41,798,782	32,051,642
Other unallocated amounts	(8,545,584)	(8,378,293)
Consolidated total liabilities	33,253,198	23,673,349

Other material items

<i>In thousands of rupees</i>	Reportable segment total		Adjustments		Consolidated totals	
	2013	2012	2013	2012	2013	2012
Finance income	298,447	10,586	(23,755)	20,188	274,692	30,774
Finance expense	(2,302,685)	(1,103,870)	279,703	148,552	(2,022,982)	(955,318)
	(2,004,238)	(1,093,284)	255,948	168,740	(1,748,290)	(924,544)

39.3 Geographical information

The Group does not distinguish its turnover into significant geographical segments.

40 Commitments

The capital expenditure commitments of the Company and Group approved by the Directors as at 31st March 2013 were as follows:

	2013	2012	Group 1st April 2011	2013	Company 2012	1st April 2011
a. Capital commitments						
Approved and contracted	952,018	1,540,365	395,553	-	-	-
b. Financial commitments						
(i) Operating lease commitments where C T Holdings PLC and its subsidiaries are the lessees;						
- within 1 year	493,238	431,163	320,792	-	-	-
- between 1 - 5 years	2,486,254	1,740,576	1,674,997	-	-	-
- more than 5 years	3,094,167	2,779,049	1,844,745	-	-	-
	6,073,659	4,950,788	3,840,534	-	-	-

(ii) Horana Plantations PLC had commitments under operating lease rentals on Dumbara Estate as given below,
Operating Lease Rentals on Dumbara Estate as given below:

1-10 years	Rs. 0.552 Mn per annum
11-20 years	Rs. 0.698 Mn per annum
21-30 years	Rs. 0.838 Mn per annum

Finance lease rentals payable to the Secretary to the Treasury for the other estates:
22.06.2011 to 21.06.2045 Rs. 5.228 Mn per annum

(iii) Swisstek Aluminium Limited

The company has a commitment to pay Letter of Credits amounting to Rs 122,281,526 as at the reporting date.

There are no other material capital or financial commitments outstanding as at the reporting date other than those disclosed above.

Notes to the Financial Statements

41 Contingencies

a. Cargills (Ceylon) PLC

Letter of Guarantee to Commercial Banks

The Company has given letters of guarantee to commercial banks on behalf of the subsidiary companies amounting to Rs. 2.18 Bn. Kotmale Holdings PLC, a subsidiary of the company has given letters of guarantee to Commercial Banks on behalf of its subsidiary companies amounting to Rs. 134 Mn. The directors do not expect any claim on these guarantees. Accordingly, no provision has been made in the financial statements.

b. Cargills Agrifoods Limited

Income tax

The income tax exemption claimed under the Inland Revenue Act No 10 of 2006 is being contested by the Department of Inland Revenue. The contingent liability on potential income tax payment is as follows:

Rs. 80.49 Mn, Cargills Quality Dairies (Private) Limited - Rs. 189.43 Mn, Cargills Quality Foods Limited - Rs. 16.56 Mn, Kotmale Dairy Products (Private) Limited - Rs. 40.03 Mn and Kotmale Milk Products Limited - Rs. 8.04 Mn.

Having sought professional advice, the management is confident that the tax exemptions are applicable and as such no liabilities would arise. Accordingly, no provision has been made in the financial statements. Where necessary, interim stay orders have been obtained on any recovery actions.

c. Lanka Ceramic PLC

Certain Companies within the Group have terminated the services of few employees who have since filed action against the respective Companies in the Labour Tribunal. The Directors do not expect these actions to result in material liabilities to the Group.

d. Lanka Walltiles PLC

- (i) Lanka Walltile PLC purchased a land from Collettes Limited. A shareholder of Collettes Limited has instituted an action in the District Court of Colombo seeking to have the said sale null & void and to have Collettes Limited declared as owners of the said property, on the basis that at the time said property was sold, an action to windup Collettes Limited was pending. The case was concluded with the decision in favour of the Company. However the other party appealed against the Court Order and the hearing of the appeal is pending
- (ii) On 07/08/2000, the above-mentioned land was sold to Associated Motorways PLC for Rs. 47.5 Mn subject to the condition that in the event of the said appeal pending before the Court of Appeal and or any appeal there from recided against the Lanka Walltile PLC and the said deed on the transfer of land to Lanka Walltile PLC being declared null and void then Lanka Walltile PLC will refund the purchase consideration of Rs. 47.5 Mn with the interest rate at 4% p.a (from the date of execution of this transfer until the said sum of Rs.47.5 Mn and interest thereupon is paid) plus the reimbursement of stamp duty charge of Rs. 1,889,000/- on the deed of transfer. The case will be mentioned again in court on 3 September 2013.
- (iii) Although there can be no assurance, the Directors believe, based on the information currently available, that the ultimate resolution of such legal proceedings is not likely to have a material adverse effect on the results of operations, financial position or liquidity. Accordingly no provision for any liability has been made in these financial statements.

e. Ceytea Plantation Management Limited

The company has given a Corporate Guarantee for Rs. 100 Mn to Uni Dil Paper Sacks (Pvt) Ltd. During 2007/2008.

f. Horana Plantation PLC

(i) Legal Proceedings on Labour and Other Disputes

Several cases and other disputes are pending against the Company in Labour tribunal and Courts. All these cases are being vigorously contested/ prosecuted and our lawyers have advised that an evaluation of the likelihood of an unfavourable outcome and the amount or range of potential loss can not be quantified or commented upon at this stage.

(ii) GDP Deflator on Annual Lease Rental

Refer Note 32.2(a) to these financial statements.

(iii) Unfulfilled Conditions on Capital Grants

Capital Grant received from the Ceylon Electricity Board (CEB) for Standby Power Generators is subject to a condition of minimum usage of CEB Power as against the Generator Power. A liability will arise only if the above condition is not fulfilled.

g. Swisstek Aluminium Limited

A bank guarantee amounting to Rs 2,300,000 have been given to the suppliers as at 31st March 2013. There were no other material contingent liabilities outstanding as at 31st March 2013.

h. Lanka Floortiles PLC

The company issued bank guarantees to the suppliers amounting to Rs. 16,550,000 as at the reporting date.

There are no other material contingent liabilities that could have a material impact on the financial position of the Group, or which would lead to a disclosure in the Financial Statements for the year ended 31st March 2013.

42 Events after the reporting period

- a. The Board of Directors has proposed a final dividend of Rs. 1.65 per share (on the 183,097,253 shares now in issue) for the year ended 31st March 2013 which is to be approved by the shareholders at the Annual General Meeting.
- b. The Group disposed of the entire shareholding in Lanka Ceramic PLC (24,128,862 shares, constituting 80.42% of issued shares) to Royal Ceramics Lanka PLC on 6th May 2013.
The summarised Group Financial details of Lanka Ceramic PLC and subsidiaries as at 31st March 2013 are as follows:

In Thousands of Rupees

	2013
Revenue	11,601,056
Profit for the Year	723,447
Profit attributable to owners of the Company	128,081
Equity Attributable to owners of the Company	2,649,896

- c. Subsequent to the year end, Cargills (Ceylon) PLC and C T Land Development PLC declared dividends of Rs 1.30 per share (total - Rs 291,200,000) and Rs 1.20 per share (total - Rs 58,500,000) respectively.

Other than the foregoing, no other events have occurred since the Balance Sheet date which would require adjustment to or disclosure in the Financial Statements.

Notes to the Financial Statements

43 Explanation on transition to SLFRS

As stated in note 3, these are the Group's first financial statements prepared in accordance with SLFRSs.

The accounting policies set out in note 4 to 9 have been applied in preparing the financial statements for the year ended 31st March 2013, the comparative information presented in these financial statements for the year ended 31 March 2012 and in the preparation of an opening SLFRS statement of financial position at 1st April 2011 (the Group's date of transition).

In preparing its opening SLFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Sri Lankan GAAP (Previous SLAS). An explanation of how the transition from previous SLAS to SLFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

43.1 Exemptions applied

SLFRS 1 First-Time Adoption of Sri Lanka Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of certain SLFRS. The details and effect of the exemption is given in the notes to the reconciliations. The company has applied the following exemptions:

a Business combinations

The Company elected to apply the exemptions to business combinations allowing not to apply SLFRS 3 retrospectively for business combination recognised before the date of transition to SLFRSs. Additionally SLFRSs require subsequent measurement of some assets and liabilities on a basis that is not based on original cost, such as fair value by the first-time adopters in its opening SLFRS statement of financial position, even if they were acquired or assumed in a past business combination. Any resulting change in the carrying amount is recognised by adjusting retained earnings or, if appropriate, another category of equity, rather than goodwill.

Immediately after the business combination, the carrying amount in accordance with previous GAAP of assets acquired and liabilities assumed in that business combination will be their deemed cost in accordance with SLFRSs at that date. In all instances that SLFRSs would require a cost-based measurement of those assets and liabilities at a later date, that deemed cost will be the basis for cost-based depreciation or amortisation from the date of the business combination.

b Deemed cost

The Group applied both the exemptions permitted under deemed cost. Accordingly Group elected to measure selected items of property, plant and equipment at the date of transition to SLFRSs at its fair value and use that fair value as its deemed cost at that date. Also elected to use previous GAAP revaluation of items of property, plant and equipment at, or before, the date of transition to SLFRSs as deemed cost at the date of the revaluation, if the revaluation was, at the date of the revaluation, broadly comparable to fair value.

c Leases

A first-time adopter may apply the transitional provisions in IFRIC 4 Determining whether an Arrangement contains a Lease. Therefore, a first-time adopter may determine whether an arrangement existing at the date of transition to SLFRSs contains a lease on the basis of facts and circumstances existing at that date. The Group elected to apply this exemption on retrospective application to recognition of leases.

d Investments in subsidiaries, jointly controlled entities and associates

In preparing company's separate financial statements the optional exemption to consider previous GAAP carrying amount at that date of transition as the cost of the investment.

e Designation of previously recognised financial instruments

The Group elected to choose to designate its financial assets which are qualified to be a financial assets under LKAS 39 and were already recognised in previous GAAPs as available for sale on transition date despite the LKAS 39 permits a them to be designated on initial recognition as available for sale. Similarly any financial instrument (provided it meets certain criteria) to be designated as a financial asset or financial liability at fair value through profit or loss on transition date.

f Biological assets

As per the provisions of LKAS41 all bearer biological assets including perennial crops such as tea rubber and coconut should be accounted at fair values. However, pursuant to a ruling by the Institute of Chartered Accountants of Sri Lanka, the Group opted to account for perennial crops (tea and rubber) under LKAS 16 – Property, plant and equipment.

43.2 Reconciliation of equity - Group

As at In thousands of rupees	1st April 2011			31st March 2012		
	Previous SLAS	Effect of transition to SLFRS	SLFRS	Previous SLAS	Effect of transition to SLFRS	SLFRS
ASSETS						
Non-current assets						
Property, plant & equipment (Ref. c,e,o,p,q)	19,013,522	(890,257)	18,123,265	23,541,573	(1,092,084)	22,449,489
Prepaid lease rentals (Ref. r)	41,176	(2,815)	38,361	36,675	(4,068)	32,607
Project work in progress (Ref. u)	419,896	(419,896)	-	394,489	(394,489)	-
Biological assets (Ref. e,f)	-	1,384,397	1,384,397	-	1,585,907	1,585,907
Investment properties (Ref. p)	2,530,000	-	2,530,000	2,749,587	87,500	2,837,087
Intangible assets and goodwill (Ref. a)	1,729,651	(445,351)	1,284,300	2,406,597	(445,351)	1,961,246
Investments in equity accounted investees (Ref. t)	51,976	6,884	58,860	75,040	(4,934)	70,106
Other financial assets (Ref. i,t)	15,193	91,308	106,501	15,193	90,030	113,223
Deferred tax assets	22,534	-	22,534	106,795	-	106,795
Total non-current assets	23,823,948	(275,730)	23,548,218	29,325,949	(169,489)	29,156,460
Current assets						
Inventories (Ref. e,g,u,q)	5,486,875	962,172	6,449,047	7,611,892	739,292	8,351,184
Project work in progress (Ref. u)	567,451	(567,451)	-	470,526	(470,526)	-
Trade and other receivables (Ref. m,s,w)	4,159,032	30,745	4,189,777	4,950,839	91,329	5,042,168
Amount receivable from other related companies (Ref. w)	15,870	(15,870)	-	48,063	(48,063)	-
Other short term financial assets (Ref. i,j)	47,085	92	47,177	34,126	1,173	35,299
Cash and cash equivalents (excluding bank overdrafts)	841,773	-	841,773	871,703	-	871,703
Assets classified as held for sale	21,340	-	21,340	-	-	-
Total current assets	11,139,426	409,688	11,549,114	13,987,149	313,205	14,300,354
Total assets	34,963,374	133,958	35,097,332	43,313,098	143,716	43,456,814

Notes to the Financial Statements

As at In thousands of rupees	1st April 2011 Previous SLAS	Effect of transition to SLFRS	SLFRS	31st March 2012 Previous SLAS	Effect of transition to SLFRS	SLFRS
Equity and liabilities						
Equity attributable to owners of the parent						
Stated capital	516,858	-	516,858	3,194,008	-	3,194,008
Reserves (Ref. d,l,i,p)	4,764,872	(4,279,151)	485,731	4,804,703	(4,265,847)	538,856
Retained earnings (Ref. a,c,d,f,g,h,i,j,k,l,m,n,o,s,q,p,r,t,ix)	3,638,277	4,142,970	7,781,247	4,272,135	4,113,856	8,385,991
Total equity attributable to equity holders of the parent	8,920,007	(136,181)	8,783,826	12,270,846	(151,991)	12,118,855
Non-controlling interest	7,334,030	-	7,334,030	7,679,946	(15,336)	7,764,610
Total equity	16,254,037	(136,181)	16,117,856	19,950,792	(167,327)	19,783,465
Liabilities						
Non-current liabilities						
Loans and borrowings (Ref. k)	2,192,945	(10,600)	2,182,345	2,453,374	12,203	2,465,577
Trade and other payables	138,173	-	138,173	145,120	-	145,120
Employee benefits (Ref. n)	702,140	7,165	709,305	805,582	30,354	835,936
Deferred income (Ref. h)	125,143	(6,013)	119,130	146,596	(6,013)	140,583
Deferred tax liabilities (Ref. ix)	799,858	67,320	867,178	1,005,570	47,392	1,052,962
Total non-current liabilities	3,958,259	57,872	4,016,131	4,556,242	83,936	4,640,178
Current liabilities						
Trade and other payables (Ref. m,v,w)	6,443,260	154,013	6,597,273	8,704,232	177,279	8,881,511
Income tax payable	472,284	-	472,284	426,462	-	426,462
Amounts due to other related companies (Ref. w)	22,880	(22,880)	-	19,084	(19,084)	-
Dividends payable	16,817	-	16,817	32,013	-	32,013
Current portion of secured bank loans (Ref. v)	456,760	(456,760)	-	662,059	(662,059)	-
Short term interest bearing borrowing (Ref. v)	4,618,369	(4,618,369)	-	3,885,491	(3,885,491)	-
Loans and borrowings (Ref. v)	-	5,156,263	5,156,263	-	4,616,462	4,616,462
Bank overdrafts	2,720,708	-	2,720,708	5,076,723	-	5,076,723
Total current liabilities	14,751,078	212,266	14,963,345	18,806,064	227,108	19,033,171
Total equity & liabilities	34,963,374	133,957	35,097,332	43,313,098	433,717	43,456,814

43.3 Reconciliation of consolidated statement of comprehensive income for the year ended 31st March 2012

For the year ended, In thousands of rupees	Previous SLAS	31st March 2012 Effect of transition to SLFRS	SLFRS
Revenue (Ref. m)	59,282,515	33,649	59,316,164
Cost of sales (Ref. c,g,o,q,r)	(51,233,395)	(26,885)	(51,260,280)
Gross profit	8,049,120	6,764	8,055,884
Other income (Ref. f)	999,471	(14,851)	984,620
Distribution expenses (Ref. s,i,c,m)	(1,809,250)	-	(1,809,250)
Administrative expenses (Ref. q)	(2,792,032)	(31,933)	(2,823,965)
Other expenses	(364,949)	(7,001)	(371,950)
Results from operating activities	4,082,360	(47,021)	4,035,339

For the year ended, Note
In thousands of rupees

	Previous SLAS	31st March 2012 Effect of transition to SLFRS	SLFRS
Finance income (Ref. r)	-	30,774	30,774
Finance expenses (Ref. j,k)	(945,357)	(9,961)	(955,318)
Net finance costs	(945,357)	20,813	(924,544)
Share of profit of equity accounted investees - net of tax (Ref. t)	23,064	(11,818)	11,246
Profit before taxation	3,160,067	(38,026)	3,133,859
Tax expenses (ix)	(822,130)	7,282	(814,848)
Profit for the year from continuing operations	2,337,937	(30,744)	2,319,011
DISCONTINUED OPERATIONS			
Profit after tax for the year from discontinuing operations	(4,102)	-	(4,102)
Profit for the year	2,337,937	(30,744)	2,314,909
OTHER COMPREHENSIVE INCOME			
Revaluation of property, plant and equipment (Ref. p)	42,647	3,499	46,146
Net change in fair value of available-for-sale financial assets (Ref. i)	-	6,642	6,642
Defined benefit plan actuarial gains / (losses) - net of tax (Ref. n,i,x)	-	(10,543)	(10,543)
Other comprehensive income for the year, net of income tax	42,647	(402)	42,245
Total comprehensive income for the year	2,376,482	(31,146)	2,357,154
Profit attributable to			
Owners of the parent	1,158,895	(33,957)	1,148,573
Non-controlling interest	1,174,940	(8,604)	1,166,336
	2,333,835	(42,561)	2,314,909
Other comprehensive income attributable to			
Owners of the parent	42,994	6,330	49,324
Non-controlling interest	(347)	(6,732)	(7,079)
	42,647	(402)	42,245
Total comprehensive income attributable to			
Owners of the parent	1,201,889	(27,627)	1,197,897
Non-controlling interest	1,174,593	(15,336)	1,159,257
	2,376,482	(31,146)	2,357,154

43.4 Notes to the reconciliations

(i) Business combinations

The Group has elected to not restate business combinations that occurred before the date of transition to SLFRS. The carrying amount of goodwill has not been adjusted for intangible assets consolidated within goodwill or for intangible assets that do not qualify for recognition under SLFRS. At that date, it was tested for impairment based on cash flow forecasts made at that date. No impairment was identified. Therefore the carrying amount of goodwill under previous GAAP is recognised upon transition to IFRS, except for the restatements due to corrections of misstatements in previous GAAP application for goodwill recognitions.

a Goodwill on investments subsequent to obtaining control over the subsidiary.

Under previous GAAP, the SLAS 25 (revised 2004) : Business Combinations, required the Group not to recognise any excess cost over equity under goodwill for investments subsequent to obtaining control. Even though the Group had recognised for certain investments which is not de-recognised and transferred to retain earnings as at the transition date. This resulted in an adjustment to the carrying amount of goodwill which is not a result of a change in accounting policy.

Notes to the Financial Statements

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
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Consolidated statement of comprehensive income

Adjustment before income tax		-
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Consolidated statement of financial position

Intangible assets and goodwill	(445,351)	(445,351)
Adjustment to retained earnings	(445,351)	(445,351)

b Previously recognised goodwill and goodwill amortisation.

Under previous GAAP, the SLAS 25 (revised 2004): Business Combinations, required the Group to net off the any accumulated amortisation cost of goodwill with respective goodwill and discontinue amortising such goodwill. With transition to SLRSs the Group decided to net off the accumulated amortisation with the respective cost of the goodwill. Except for the effect on netting off between cost and amortisation this had no impact on the financial statements.

(ii) Deemed cost

c Deemed cost – Fair value of property, plant and equipment

Group elected to apply the optional exemption to use fair value of certain items of property, plant and equipment as deemed cost under SLFRs at the transition date. The effect of these changes on cost of the assets and on depreciation expense, recognised in profit or loss adjusted to retained earning are as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
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Consolidated statement of comprehensive income

Cost a sales		(4,841)
Administration expenses		(598)
Adjustment before income tax		(5,439)

Consolidated statement of financial position

Property, plant and equipment	80,907	75,468
Adjustment to retained earnings	80,907	75,468

d Deemed cost – Previous GAAP revaluation

The Group elected to apply the optional exemption to use the previous GAAP revaluation as deemed cost. In addition, due to the application of this exemption the balance of the revaluation reserve was reclassified to retained earnings. At 31st March 2010 the Group re-valued land under previous GAAP.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
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Consolidated statement of comprehensive income

Other comprehensive income		(3,163)
Adjustment before income tax		(3,163)

Consolidated statement of financial position

Revaluation reserve	(4,340,202)	(4,337,039)
Adjustment to retained earnings	4,340,202	4,337,039

(iii) Biological assets re-classification and re-measurement**e Re-classification of biological assets recorded under property, plant and equipment into biological assets.**

The Group had classified mature and immature plantations, under property, plant and equipment according to SLAS 32: Plantations of previous GAAP. Under SLFRSs the above class of asset is now classified as biological assets. Except for the reclassification this had no impact on the financial statements due to this reclassification.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Adjustment before income tax		-
Consolidated statement of financial position		
Property, plant and equipment	(1,090,923)	(1,272,663)
Inventory	(16,201)	(20,049)
Biological assets	1,107,124	1,292,712
Adjustment to retained earnings	-	-

f Re-measurement of biological assets

Under SLFRSs biological assets are measured at fair value less costs to sell. Under previous GAAP biological assets were measured at cost.

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Other income		15,923
Adjustment before income tax		15,923
Consolidated statement of financial position		
Biological assets	277,272	293,195
Adjustment to retained earnings	277,272	293,195

g Revenue recognition - perennial crops

Revenue on the sale of the perennial crop were recognised in the financial period of harvesting as per SLAS 32. Hence the unsold stocks were also treated as a part of revenue as per previous standards. With the implementation of LKAS/SLFRS the revenue is required to recognised based on the date of auction where the recognised criteria are met and therefore quantity which is sold at auction is treated as the sales. Further with the implementation of the new standards the unsold produce inventory which considered as revenue as per previous GAAP are required to measure as per LKAS 2 at the basis of lower of cost and market value.

The effect of these changes on value of inventory and cost of sales recognised in profit or loss adjusted to retained earning are as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Cost a sales		(16,839)
Adjustment before income tax		(16,839)
Consolidated statement of financial position		
Inventory	(8,974)	(25,813)
Adjustment to retained earnings	(8,974)	(25,813)

Notes to the Financial Statements

h Capital grants on consumer biological assets

Government grant capitalised and amortised over its utilising life under previous GAAP are now being charged to profit or loss.

The impact arising from the change is summarised as follows:

In thousands of rupees

	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Adjustment before income tax		-
Consolidated statement of financial position		
Deferred income	(6,013)	(6,013)
Adjustment to retained earnings	6,013	6,013

(iv) Designation of previously recognized financial instruments

i Financial assets designated as available for sale

Under previous GAAP, available-for-sale (AFS) equity securities were measured at cost. Under SLFRSs, these AFS instruments are recognised at fair value with unrealised gains or losses recorded in other comprehensive income.

The impact arising from the change is summarised as follows:

In thousands of rupees

	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Net change in fair value of available-for-sale financial assets		6,642
Adjustment before income tax		6,642
Consolidated statement of financial position		
Other long term financial assets	94,058	100,780
Short term financial assets	92	12
	94,150	100,792
Consolidated statement of financial position		
Fair value reserve through other comprehensive income	89,350	95,992
Adjustment to retained earnings	4,800	4,800

j Financial assets designated at fair value through profit or loss

Under previous SLASs, company recognised profit or loss arisen from forward contracts at the settlement dates, directly in the profit or loss. SLFRSs requires the company to recognised forward contracts at its fair value at each reporting date and recognised fair value changes in the profit or loss accordingly.

The impact arising from the change is summarised as follows:

In thousands of rupees

	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Finance income		1,161
Adjustment before income tax		1,161
Consolidated statement of financial position		
Other long term financial assets	-	1,161
Adjustment to retained earnings	-	1,161

k Financial liabilities measured at amortised cost

Under previous GAAP, borrowings and payables were measured at cost. Under SLFRSs, these are to be valued at fair value or amortised cost based on its classification.

Based on the above criteria the Group decided to value all of its borrowings, security deposits at amortised cost and all other at fair value through profit or loss. With the policy change the Group had below changes made in its borrowings balances.

The impact arising from the change is summarised as follows:

In thousands of rupees	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Finance cost		(11,122)
Adjustment before income tax		(11,122)
Statement of financial position		
Loans and borrowings - non current	10,600	(12,203)
Loans and borrowings - current	(8,572)	3,109
Adjustment to retained earnings	2,028	(9,094)

l Reserves

LKAS 32 - Financial Instruments: Presentations, requires that a description of the nature of reserves to be disclosed and as a result general and other reserves which are not with a specific description are transferred to retained earnings.

The impact arising from the change is summarised as follows:

In thousands of rupees	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Adjustment before income tax		-
Statement of financial position		
Capital reserve on consolidation	(22,962)	(22,962)
Other reserves	(5,337)	(5,337)
Adjustment to retained earnings	28,299	28,299

(v) Prior year re-statement due to correction in applying accounting policies

m Straight line basis of accounting lease rentals over the lease period

The Group recorded operating lease expenses both in lessee's and lessor's books according to actual cost method. With the transition to SLFRSs, Group rectified its accounting policy to record operating lease income and expense under straight line method over the lease period.

The impact arising from the change is summarised as follows:

In thousands of rupees	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Revenue		33,649
Administrative expenses		(26,522)
Adjustment before income tax		7,127

Notes to the Financial Statements

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Statement of financial position		
Trade and other receivables	9,533	43,182
Trade and other payables	(203,695)	(231,705)
Adjustment to retained earnings	(194,162)	(187,035)

n Inconsistency in accounting policy applied in measuring employee benefit

Under SLFRSs the Group's accounting policy is to recognise all actuarial gains and losses in other comprehensive income. Under previous GAAP the Group recognised actuarial gains and losses in the profit or loss over the employees' remaining service period. At the date of transition, all previously unrecognised cumulative actuarial gains and losses were recognised in retained earnings and reversed in the previous year's statement of comprehensive income.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Cost of sales		25,979
Administrative expenses		13,485
Other comprehensive income - defined benefit obligation actuarial gain / (loss)		(62,653)
Adjustment before income tax		(23,189)

Consolidated statement of financial position

Employee benefits	(7,165)	(30,354)
Adjustment to retained earnings	(7,165)	(30,354)

(vi) Prior year re-statement due to change in estimates made with objective evidence that the estimates were in error

o Estimated useful life of property, plant and equipment

With the implementation of SLFRS, the group conducted an operational efficiency review on its property, plant and equipment, which resulted in changes in the expected usage of certain items of property, plant and equipment. As a result the expected useful lives of these assets increased and their estimated residual values decreased. This resulted in an adjustment to the carrying amount of property, plant and equipment which is not a result of a change in accounting policy.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Cost of sales		(8,771)
Adjustment before income tax		(8,771)
Consolidated statement of financial position		
Property, plant and equipment	119,759	110,988
Adjustment to retained earnings	119,759	110,988

p Change in intended use of property

Owner occupied properties, the intended usage of which got changed during the year 2012 and which were not recorded are now re-classified into investment property. This resulted in an adjustment to the carrying amount of investment properties and property, plant and equipment which is not a result of a change in accounting policy.

The impact arising from the change is summarised as follows:

In thousands of rupees

	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Revaluation of property, plant and equipment		3,499
Adjustment before income tax		3,499
Consolidated statement of financial position		
Property, plant and equipment	-	(84,001)
Investment properties	-	87,500
Adjustment to revaluation reserve	-	3,499

q Change in accounting policy for returnable food containers with a considerable useful life and cost

The Group decided to change it's accounting policy of recognising bottles, crates, pallets and kegs from inventory to property, plant and equipment to be in line with LKAS 16, for a proper matching of costs of these containers with revenues over their useful life.

The effect of these changes on cost of the assets and on depreciation expense, recognised in profit or loss adjusted to retained earning are as follows:

In thousands of rupees

	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Cost a sales		5,264
Other expenses		(7,001)
Adjustment before income tax		(1,737)
Consolidated statement of financial position		
Inventory	-	(79,861)
Property, plant and equipment	-	78,124
Adjustment to retained earnings	-	(1,737)

r Re-measurement of leasehold rights over mining land of Lanka Ceramics PLC.

The impact arising from the change is summarised as follows:

In thousands of rupees

	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Cost of sales		(1,253)
Adjustment before income tax		(1,253)
Consolidated statement of financial position		
Leasehold rights over land	(2,815)	(4,068)
Adjustment to retained earnings	(2,815)	(4,068)

Notes to the Financial Statements

s Change in estimations on recoverability

The group reassessed the recoverability of certain receivables and made specific provisions for doubtful debtors and reversed general provisions.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Cost of sales		(5,258)
Administrative expenses		-
Adjustment before income tax		(5,258)

Consolidated statement of financial position

Trade and other receivables	5,342	84
Adjustment to retained earnings	5,342	84

t Investments in equity accounted investees

The investment in Cinema Entertainment (Private) Limited is classified as equity accounted investee as a correction to previous GAAP.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of financial position		
Investments in equity accounted investees	6,884	(4,934)
Other long term financial assets	(2,750)	(2,750)
Adjustment to retained earnings	4,134	(7,684)

(vii) Presentation differences

Certain presentation differences between previous GAAP and SLFRSs have no impact on reported profit or total equity. These assets and liabilities have been reclassified into another line item under SLFRSs at the date of transition. Details are given below.

u Real estate property held for sale and in the process of development

With the transition to SLFRs the Group decided to classify the land under development and work in progress under inventory for a better presentation of the financial position. Except for the reclassification this had no impact on the financial statements.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Adjustment before income tax		-
Consolidated statement of financial position		
Project work in progress - non current	(419,896)	(394,489)
Project work in progress - current	(567,451)	(470,526)
Inventories	987,347	865,015
Adjustment to retained earnings	-	-

v Short term loan classification

With the transition to SLFRs the Group decided to classify all the short term loans under current loans and borrowings for a fair and proper presentation. Except for the reclassification this had no impact on the financial statements. The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Adjustment before income tax		-
Statement of financial position		
Trade and other payables	(72,562)	(72,021)
Current portion of secured bank loans	(456,760)	(662,059)
Short term interest bearing borrowing	(4,618,369)	(3,885,491)
Loans and borrowings	5,147,691	4,619,571
Adjustment to retained earnings	-	-

w Trade and other payables and amounts due to related parties

With the application of LKAS 32 & 39, financial assets in trade and other receivables and due from related parties have been reclassified as below.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Consolidated statement of comprehensive income		
Adjustment before income tax		-
Statement of financial position		
Trade and other receivables	15,870	48,063
Amount receivable from other related companies	(15,870)	(48,063)
Trade and other payables	22,880	19,084
Amounts due to other related companies	(22,880)	(19,084)
Adjustment to retained earnings	-	-

(viii) The following is a summary of transition adjustments to the group's equity from previous GAAP to SLFRS:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Total equity under previous GAAP	16,254,037	19,950,792
Goodwill on investments subsequent to obtaining control over the subsidiary.	(445,351)	(445,351)
Deemed cost – Fair value of property, plant and equipment	80,907	75,468
Re-measurement of biological assets	277,272	293,195
Revenue recognition - perennial crops	(8,974)	(25,813)
Capital grants on consumer biological assets	6,013	6,013
Financial assets designated as available for sale	4,800	4,800
Financial assets designated as available for sale	89,350	95,992
Financial assets designated at fair value through profit or loss	-	1,161
Financial liabilities measured at amortised cost	2,028	(9,094)
Straight line basis of accounting lease rentals over the lease period	(194,162)	(187,035)
Inconsistency in accounting policy applied in measuring employee benefit	(7,165)	(30,354)
Estimated useful life of property, plant and equipment	119,759	110,988
Change in intended use of property	-	3,499
Change in accounting policy for returnable food containers with a considerable useful life and cost	-	(1,737)
Change in estimations on recoverability	5,342	84
Re-measurement of leasehold rights over mining land of Lanka Ceramics PLC.	(2,815)	(4,068)
	4,134	(7,684)
	16,185,176	19,830,857
Tax effect of the above	(67,320)	(17,392)
Total equity under SLFRS	16,117,856	19,783,465

Notes to the Financial Statements

(ix) Changes decreased / (increased) the deferred tax liability

The above changes decreased / (increased) the deferred tax liability as follows based on a tax rate of 28%:

In thousands of rupees

	1 April 2011	31 March 2012
Deferred tax recorded under previous GAAP	799,858	1,005,570
Re-measurement of biological assets	47,924	43,619
Deferred tax recognized at recognition of PPE at deemed cost	27,725	22,670
Deferred tax recognized at recognition of Actuarial gains/ losses in full	1,704	(10,942)
Deferred Tax impact on Allowance for Slow Moving and Obsolete Inventory	(8,022)	(10,033)
Deferred Tax impact on impairment of debtors	(2,011)	3,686
Subsequent release of deferred tax to other comprehensive income	-	(1,608)
Total tax effect	67,320	47,392
Deferred tax under SLFRS	867,178	1,052,962

43.5 Reconciliation of equity - company

As at
In thousands of rupees

		1st April 2011			31st March 2012		
		Previous	Effect of	SLFRS	Previous	Effect of	SLFRS
	Note	SLAS	transition		SLAS	transition	
			to SLFRS			to SLFRS	
ASSETS							
Non-current assets							
Property, plant & equipment	1	398,489	-	398,489	404,473	(375,001)	29,472
Investment properties	1	458,000	-	458,000	480,000	450,000	930,000
Intangible assets and goodwill		688,467	-	688,467	688,467	-	688,467
Investments in subsidiary companies		1,592,653	-	1,592,653	1,640,384	-	1,640,384
Investments in equity accounted investees	2	33,342	1,375	34,717	33,342	1,375	34,717
Other long term financial assets	3, 2	13,818	92,683	106,501	13,818	99,405	113,222
Total non-current assets		3,184,769	94,058	3,278,827	3,260,484	175,779	3,436,262
Current assets							
Inventories		528	-	528	19	-	19
Trade and other receivables	5	1,887	538,527	540,414	1,941	2,510,325	2,512,266
Current tax assets	5	1,963	-	1,963	-	1,003	1,003
Amount receivable from subsidiary companies	5	538,510	(538,510)	-	2,511,281	(2,511,281)	-
Amount receivable from other related companies	5	17	(17)	-	47	(47)	-
Cash and cash equivalents (excluding bank overdrafts)		68,885	-	68,885	92,323	-	92,323
		611,790	-	611,790	2,605,611	-	2,605,611
Total assets		3,796,559	94,058	3,890,617	5,866,095	175,779	6,041,873
Equity and liabilities							
Equity attributable to owners of the parent							
Stated capital		516,858	-	516,858	3,194,008	-	3,384,517
Reserves	4, 3, 1	906,753	(603,957)	302,796	906,753	(522,236)	170,979
Retained earnings	4, 3	1,560,154	698,015	2,258,169	1,688,619	698,015	2,386,634
Total equity		2,983,765	94,058	3,077,823	5,789,380	175,779	5,965,159
Liabilities							
Non-current liabilities							
Employee benefits		250	-	250	5,493	-	5,493
Total non-current liabilities		250	-	250	5,493	-	5,493

1st April 2011
In thousands of rupees

		1st April 2011	1st April 2011	SLFRS	31st March 2012	31st March 2012	SLFRS
	Note	Previous SLAS	Effect of transition to SLFRS		Previous SLAS	Effect of transition to SLFRS	
Current liabilities							
Trade and other payables	5	11,150	18,515	29,665	10,727	1,898	12,625
Income tax payable		-	-	-	26,583	-	26,583
Amounts due to subsidiary companies	5	17,250	(17,250)	-	633	(633)	-
Amounts due to other related companies	5	1,265	(1,265)	-	1,265	(1,265)	-
Dividends payable		16,817	-	16,817	32,014	-	32,013
Loans and borrowings		761,971	-	761,971	-	-	-
Bank overdrafts		4,091	-	4,091	-	-	-
Total current liabilities		812,544	-	812,544	71,222	-	71,221
Total equity & liabilities		3,796,559	94,058	3,890,617	5,866,095	175,779	6,041,873

Reconciliation of comprehensive income reported in accordance with Previous SLAS to equity in accordance with SLFRS.

For the year ended,
In thousands of rupees

	Note	Previous SLAS	31st March 2012 Effect of transition to SLFRS	SLFRS
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Other income	6	534,452	(500,146)	34,306
Distribution expenses		-	-	-
Administrative expenses	6	(66,323)	2,478	(63,845)
Other expenses		(108)	-	(108)
Result from operating activities		468,021	(497,668)	(29,647)
Finance income		-	500,146	500,146
Finance cost	6	(4,553)	-	(4,553)
Net finance income / (expenses)		(4,553)	500,146	495,593
Profit / (loss) before tax		463,468	2,478	465,946
Tax expense		(32,893)	-	(32,893)
Profit / (loss) for the year		430,575	2,478	433,053
OTHER COMPREHENSIVE INCOME				
Revaluation of property, plant and equipment	1	-	74,999	74,999
Net change in fair value of available-for-sale financial assets	3	-	6,722	6,722
Defined benefit plan actuarial gains (losses) - net of tax	6	-	(2,478)	(2,478)
		430,575	81,721	512,296

Notes to the Financial Statements

NOTES

1 Property, plant and equipment

Owner occupied properties usage of which is changed are classified into investment property during the year 2012.

The impact arising from the change is summarised as follows:

	1 April 2011	31 March 2012
<i>In thousands of rupees</i>		
Statement of financial position		
Property, plant and equipment	-	(375,001)
Investment properties	-	450,000
Adjustment to revaluation reserve	-	74,999

2 Investments in equity accounted investees

The investment in Cinema Entertainment (Private) Limited is classified as equity accounted investee as a correction to previous GAAP.

The impact arising from the change is summarised as follows:

	1 April 2011	31 March 2012
<i>In thousands of rupees</i>		
Statement of financial position		
Investments in equity accounted investees	1,375	1,375
Other long term financial assets	(1,375)	(1,375)
Adjustment to retained earnings	-	-

3 Other long term financial assets

Under previous GAAP, available-for-sale (AFS) equity securities were measured at cost. Under SLFRSs, these AFS instruments are recognised at fair value with unrealised gains or losses recorded in other comprehensive income.

The impact arising from the change is summarised as follows:

	1 April 2011	31 March 2012
<i>In thousands of rupees</i>		
Net change in fair value of available-for-sale financial assets		6,722
Statement of financial position		
Other long term financial assets	94,058	100,780
Fair value reserve	(89,258)	(95,980)
Adjustment to retained earnings	4,800	4,800

4 Revaluation reserves

SLFRS 1 requires the adjustments arising from first-time adoption to be recognised in retained earnings or, if appropriate, another category of equity. Since the revalued amounts of land are recognised as deemed cost on transition to SLFRSs, the adjustment is decided to be recognised in retained earnings, and is not included in the revaluation surplus.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Statement of financial position		
Revaluation reserve	693,215	693,215
Adjustment to retained earnings	693,215	693,215

5 Trade and other receivables / (payables) and amounts due from / (to) related parties

With the application of LKAS 32 & 39, financial assets in trade and other receivables and due from related parties have been reclassified as below.

The impact arising from the change is summarised as follows:

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Statement of financial position		
Trade and other payables	18,515	1,898
Amounts to to related parties	(18,515)	(1,898)
Trade and other receivable	538,527	2,511,328
Amounts due from related parties	(538,527)	(2,511,328)
Adjustment to retained earnings	-	-

6 Re-classification as per SLFRS

As per the newly applicable SLFRS, the following re-classifications were made during 2012.

<i>In thousands of rupees</i>	1 April 2011	31 March 2012
Statement of Comprehensive Income		
Other Income		(500,146)
Finance Income		500,146
Administrative Expenses		2,478
Other Comprehensive Income		(2,478)
Adjustment to retained earnings		-

Notes to the Financial Statements

444 Group Real Estate Portfolio					Last valuation details			
Location	Land extent	Building area (Sq. ft.)	No. of buildings	Value (Rs. Mn)	Use of the property	Valuer	Method of valuation	Year
C T Holdings PLC								
Kandy	170.0 Perches	9,650	4	248.00	Investment property	Mr. T Weeratne (FIV)	Open Market Value	2013
	60.0 Perches	6,500	3	127.50	Investment property	Mr. T Weeratne (FIV)	Open Market Value	2013
	91.0 Perches	17,500	1	90.00	Investment property	Mr. T Weeratne (FIV)	Open Market Value	2013
	2.8 Acres	30,600	4	495.00	Investment property	Mr. T Weeratne (FIV)	Open Market Value	2013
				960.50				
Cargills (Ceylon) PLC								
Colombo 01	141 Perches	124,215	1	2,550.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	82 Perches	20,970	2	707.60	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	94 Perches	25,174	1	1,250.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	145 Perches	15,827	1	498.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
Nuwara Eliya	57 Perches	9,617	1	150.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
(111, Sri Wickrama Mw.)	2 Acres	80,967	2	720.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	Park Road *	4,610	1 *	35.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	Boralasgamuwa	23,168	4	290.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	Kohuwala	6,225	1	91.50	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
Mattakuliya								
(141, Sri Wickrama Mw.)	1.8 Acres	44,469	4	457.75	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	1.5 Acres	21,070	1	1,906.00	Investment property	Mr. T Weeratne (FIV)	Open Market Value	2013
	78 Perches	4,846	1	510.50	Investment property	Mr. T Weeratne (FIV)	Open Market Value	2013
	15 Perches	12,300		234.00	Investment property	Mr. T Weeratne (FIV)	Open Market Value	2013
				9,400.35				
Cargills Quality Foods Limited								
Mattakuliya	1.3 Acres	16,409		316.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	5.1 Acres	38,381		365.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	4 Acres	29,246		90.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
				771.00				
Cargills Agrifoods Limited								
Katana	11.3 Acres	66,184		366.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
				366.00				
Millers Limited								
Bandarawela	85 Perches	6,345		292.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
	1.5 Acres	55,770		263.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
			-	70.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
				625.00				
CPC Lanka Limited								
Katoolaya Estate, Thawalantenne	4 Acres	695	1	5.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
				5.00				
Dawson Office Complex (Private) Limited								
Colombo 02	94 Perches	-		655.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
				655.00				

Location	Land extent	Building area (Sq. ft.)	No. of buildings	Value (Rs. Mn)	Use of the property	Valuer	Method of valuation	Year
Kotmale Dairy Products (Private) Limited								
Mulleriyawa	1.7 Acres	28,862		100.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
Bogahawatta	1.7 Acres	15,980		22.90 122.90	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
Millers Brewery Limited								
Watareka	19.4 Acres	76,300		465.50 465.50	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
C T Land Development PLC								
Colombo 4	257 Perches	247,823	1	2,850.00 2,850.00	Investment property	Mr. T Weeratne (FIV)	Open Market Value	2013
C T Properties Lakeside (Private) Limited								
Boralesgamuwa	43 Acres	-	-	1,200.00 1,200.00	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
C T Real Estate (Private) Limited								
Piliyandala	529.8 Perches	-	2	210.62 210.62	Owner occupied property	Mr. T Weeratne (FIV)	Open Market Value	2013
Lanka Ceramic PLC								
Colombo 3	41.1 Perches	25,000	1	240.09	Investment property	Ariyaratillake & Co (Pvt) Ltd	Open Market Value	2012
Meetiyyagoda	45.2 Acres	37,900		18.68	Owner occupied property	Ariyaratillake & Co (Pvt) Ltd	Open Market Value	2013
Owela	27.7 Acres	6,500		3.53	Owner occupied property	Ariyaratillake & Co (Pvt) Ltd	Open Market Value	2013
Dediyaawala	67 Acres	16,514		5.94 268.24	Owner occupied property	Ariyaratillake & Co (Pvt) Ltd	Open Market Value	2013
Lanka Walltiles PLC								
Colombo 05	1.1 Acres		-	353.68	Owner occupied property	Messrs. Sunil Fernando and Associates (Pvt) Ltd	Market based evidence	2013
Mawathgama and Galagedara village	23.24 Acres		-	352.00 705.68	Owner occupied property	Mr. Ranjan J Samarakone	Market based evidence	2013
Lanka Floortiles PLC								
Ranala	40.6 Perches	222,238		524.64	Owner occupied property	Mr. Ranjan J Samarakone	Market based evidence	2013
Biyagama	2.1 Perches	130,125		218.35	Owner occupied property	Mr. Ranjan J Samarakone	Market based evidence	2013
Madampe	13 Perches	-		35.78 778.78	Owner occupied property	Mr. Ranjan J Samarakone	Market based evidence	2013
Swisstek (Ceylon) PLC								
Imbulgoda	6.25 Acres	77,800	14	470.00 470.00	Owner occupied property	K.T.D.Tissera	Market based evidence	2013
Uni-Dil Packaging Limited								
Dekataana	10.1 Acres	82,126	2	76.39 76.39	Owner occupied property	Mr. C. Anton Rich	Market based evidence	2007
Uni-Dil Paper Sacks (Private) Limited								
Dekataana	2.2 Acres	22,051	1	18.15 18.15	Owner occupied property	Mr. C. Anton Rich	Market based evidence	2010

* Condominium parcel

Six Year Review - Group

Year Ended 31st March	2013 Rs'000	2012 Rs'000	2011 Rs'000	2010 Rs'000	2009 Rs'000	2008 Rs'000
Financial Results						
Continuing Operations :						
Revenue	67,820,126	59,316,164	47,044,574	38,544,183	38,594,013	31,866,470
Results from Operations	5,958,327	4,035,339	3,681,990	2,582,053	2,098,740	2,315,863
Net Finance Costs	(1,748,290)	(924,544)	(787,581)	(1,061,590)	(948,731)	(703,745)
Profit Before Taxation	4210,782	3,122,041	2,894,409	1,520,463	1,150,009	1,612,118
Tax Expenses	(865,599)	(814,848)	(599,795)	(582,760)	(423,221)	(478,706)
Profit After Taxation	3,345,183	2,307,193	2,294,614	937,703	726,788	1,133,412
Discontinued Operations :						
Profit after tax for the year from discontinuing operations	-	(4,102)	(300,637)	39,944	-	-
Profit for the year	3,345,183	2,303,091	1,993,977	977,647	726,788	1,133,412
Attributable to -						
Owners of the company	1,977,280	1,136,755	864,030	373,863	326,415	413,446
Non-controlling Interest	1,367,903	1,166,336	1,129,947	603,784	400,373	719,966
	3,345,183	2,303,091	1,993,977	977,647	726,788	1,133,412
Financial Position						
Stated Capital	3,194,008	3,194,008	516,858	516,858	516,858	516,858
Reserves	13,777,893	8,924,847	8,266,968	7,730,456	4,458,886	4,253,239
Total equity attributable to equity holders of the parent	16,971,901	12,118,855	8,783,826	8,247,314	4,975,744	4,770,097
Non-controlling interest	9,825,801	7,664,610	7,334,030	6,429,722	4,391,334	4,345,919
Total Equity	26,797,702	19,783,465	16,117,856	14,677,036	9,367,078	9,116,016
Net Assets						
Current Assets	18,849,338	14,300,354	11,549,114	9,078,377	9,259,347	9,990,489
Current Liabilities	(26,271,404)	(19,033,171)	(14,963,345)	(10,967,280)	(10,779,764)	(11,081,097)
Net Current Liabilities	(7,422,150)	(4,732,817)	(3,414,231)	(1,888,903)	(1,520,417)	(1,090,608)
Non Current Liabilities	(6,981,794)	(4,640,178)	(4,016,131)	(3,028,161)	(3,577,018)	(3,211,394)
Non Current Assets	41,201,562	29,156,460	23,548,218	19,594,100	14,464,513	13,418,018
	26,797,702	19,783,465	16,117,856	14,677,036	9,367,078	9,116,016
Ratios & Statistics						
Growth in Annual Turnover (%)	14.34%	26.09%	22.05%	-0.13%	21.11%	27.85%
Earnings Per Share (Rs.)	11.65	6.67	5.07	2.19	1.92	2.43
Growth in Earnings (%)	73.94	31.56	131.11	14.54	(21.05)	55.83
Shareholders' Funds Per Share (Rs.)	99.63	71.14	51.56	48.41	29.21	28.00
Growth in Shareholders' Funds (%)	40.05	37.97	6.51	65.75	4.31	114.68
Return on Shareholders' Funds (%)	11.65	9.38	9.84	4.53	6.56	8.67
Non Current Assets to Shareholders' Funds (%)	242.76	240.59	268.09	237.58	290.70	281.29
Current Ratio (times)	0.72	0.75	0.77	0.83	0.86	0.90
Debt Equity Ratio (times)	1.20	1.00	1.13	0.25	1.44	3.00
Dividend Per Share (Rs.)	2.31	2.06	1.20	0.55	0.15	0.11
Dividend Cover (times)	5.02	3.24	4.23	3.99	12.77	22.06
Market Price Per Share (Rs.)	126.20	150.10	200.00	54.00	27.00	4,500.00
Price Earnings Ratio (times)	10.87	22.49	39.43	24.60	14.09	26.49
Net Asset Value per share	157.31	116.13	94.62	86.16	54.99	53.51

Note

Earnings, Dividends and shareholders funds per share have been calculated based on the current number of issued shares.

Group Directory

Parent Company

C T Holdings PLC

Address: No 8, Sir Chittampalam A Gardiner Mawatha, Colombo 2.
Phone: 2431243 Fax: 2447956
Email: info@ctholdings.lk
Directors: Anthony A Page (Chairman), Louis Page (Deputy Chairman), Ranjit Page (Managing Director), Priya Edirisinghe, Sunil Mendis, J B L De Silva, Mrs. Cecilia Muttukumaru, Joseph Page, R Selvaskandan

Retail and Wholesale Distribution

Cargills (Ceylon) PLC

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Email: ccl@cargillsceylon.com
Directors: Louis Page (Chairman), Ranjit Page, Imtiaz Abdul Wahid, Sidath Kodikara, P S Mathavan, Jayantha Dhanapala, Priya Edirisinghe, Sanjeev Gardiner, Sunil Mendis, Anthony A Page, Joseph Page, Errol Perera

Cargills Retail (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid, Sidath Kodikara, P S Mathavan

Millers Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid, P S Mathavan, D G O Dias, Ms. M G Perera

FMCG

Cargills Quality Foods Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid, Sidath Kodikara, P S Mathavan, J C M Victoria, S L W Dissanayake

Cargills Distributors (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid, Sidath Kodikara

Cargills Quality Dairies (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid, Sidath Kodikara, P S Mathavan, D G O Dias, S L W Dissanayake

Cargills Agrifoods Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid, Sidath Kodikara, P S Mathavan, Ms. M G Perera, Ms. D Chandrasekera

CPC (Lanka) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid, Sidath Kodikara

Millers Brewery Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Ranjit Page, M Beamish, Priya Edirisinghe, P S Mathavan, Sidath Kodikara

Kotmale Holdings PLC

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Ranjit Page, Imtiaz Abdul Wahid, P S Mathavan, Priya Edirisinghe, Sunil Mendis, Joseph Page

Kotmale Products Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid

Kotmale Milk Foods Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid

Kotmale Dairy Products (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid

Kotmale Milk Products Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid

Kotmale Kiri (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2505214
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid

Kotmale Marketing (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2505214
Directors: Stuart Young (Chairman), Imtiaz Abdul Wahid

Group Directory

Cargills Frozen Products (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2505214
Directors: Stuart Young (Chairman),
Imtiaz Abdul Wahid, Sidath Kodikara, D
G O Dias, S L W Dissanayake

Cargills Quality Confectionaries (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman),
Imtiaz Abdul Wahid, Sidath Kodikara

Restaurants

Cargills Food Processors (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman),
Imtiaz Abdul Wahid, Sidath Kodikara,
P S Mathavan, J C M Victoria, Ms. D
Chandrasekera

Cargills Foods Services (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Stuart Young (Chairman),
Imtiaz Abdul Wahid, Sidath Kodikara, P
S Mathavan

Real Estate

C T Land Development PLC

Address: 4th Floor, Majestic City, 10
Station Road, Colombo 4.
Phone: 2508673-4 Fax: 2592427
Email: ctland@sltnet.lk
Directors: R Selvaskandan (Chairman),
Joseph Page, Anthony A Page, Louis
Page, Priya Edirisinghe, Sunil Mendis,
S C Niles, Dr. T Senthilvel, A D M De
Alwis

C T Properties Limited

Address: 28th Floor, West Tower, World
Trade Centre, Colombo 1
Phone: 2005700 Fax: 2336727
Email: info@ctproperties.lk
Directors: Ranjit Page (Chairman), R
Selvaskandan, Joseph Page, Mrs. Cecilia
Muttukumaru, Louis Page, Jayantha
Perera, S C Niles, Errol Perera

C T Property Management Company (Private) Limited

Address: 28th Floor, West Tower, World
Trade Centre, Colombo 1
Phone: 2005700 Fax: 2336727
Directors: R Selvaskandan (Chairman),
Joseph Page, Louis Page, Jayantha
Perera, S C Niles, Errol Perera

C T Real Estate (Private) Limited

Address: 28th Floor, West Tower, World
Trade Centre, Colombo 1
Phone: 2005700 Fax: 2336727
Directors: R Selvaskandan (Chairman),
Joseph Page, Mrs. Cecilia Muttukumaru,
Louis Page, Jayantha
Perera, S C Niles, Errol Perera

C T Properties Lakeside (Private) Limited

Address: 28th Floor, West Tower, World
Trade Centre, Colombo 1
Phone: 2005700 Fax: 2336727
Directors: R Selvaskandan (Chairman),
Joseph Page, Mrs. Cecilia Muttukumaru,
Louis Page, Jayantha
Perera, S C Niles, Errol Perera

Keppel C T Developments (Pvt) Limited

Address: 28th Floor, West Tower, World
Trade Centre, Colombo 1
Phone: 2005700 Fax: 2336727
Directors: Ng Ooi Hooi (Chairman), Lim
Kei Hin (alternate - Tan Siew Ngok),
Pannir Chelvam Ramaya, Louis Page
(alternate - R Selvaskandan), Ranjit
Page (alternate - S C Niles)

Dawson Office Complex (Private) Limited

Address: 40 York Street, Colombo 1
Phone: 2427777 Fax: 2338704
Directors: Imtiaz Abdul Wahid, P S
Mathavan

Entertainment

Ceylon Theatres (Private) Limited

Address: 8 Sir Chittampalam A
Gardiner Mw, P O Box 2042, Colombo 2
Phone: 2431243 Fax: 2447956
Directors: Anthony A Page (Chairman),
Joseph Page, Mrs. Cecilia Muttukumaru,
S C Niles

Financial Services

C T Smith Holdings (Private) Limited

Address: 4-14, Majestic City, 10 Station
Road, Colombo 4
Phone: 2552293/0 Fax: 2552289
Email: ctsmith@sltnet.lk
Directors: Anthony A Page (Chairman),
Mrs. Cecilia Muttukumaru, M A R
Fernando

C T Smith Stockbrokers (Private) Limited

Address: 4-14, Majestic City, 10 Station
Road, Colombo 4
Phone: 2552293/0 Fax: 2552289
Email: ctsmith@sltnet.lk
Directors: Mrs. Cecilia Muttukumaru
(Chairperson), Anthony A Page, M
A R Fernando, G D Nadesan, C L
Iddamalagoda

C T Capital (Private) Limited

Address: 4-03, Majestic City, 10 Station
Road, Colombo 4
Phone: 2584843/2503523 Fax: 2580181
Email: info@ctcapital.lk
Directors: Mrs. Cecilia Muttukumaru
(Chairperson), Anthony A Page, S C
Niles

Comtrust Asset Management Limited

Address: 4th Floor, Majestic City, 10
Station Road, Colombo 4
Phone: 5759570 Fax: 2506347
Email: comtrust@ctfund.net
Directors: Mrs. Cecilia Muttukumaru
(Chairperson), Anthony A Page, Joseph
Page, S C Niles

Lanka Ceramic PLC and subsidiaries**Lanka Ceramic PLC**

Directors: Anthony A Page (Chairman), Priya Edirisinghe, P S R Casie Chitty, Joseph Page, Mrs. Cecilia Muttukumaru, J A P M Jayasekera, Dr. T Senthilvel, Errol Perera

Lanka Walltiles PLC

Directors: Anthony A Page (Chairman), Dr. S Selliah, J A P M Jayasekera, Tilak de Zoysa, P S R Casie Chitty, Ranjit Page, Priya Edirisinghe, Sunil Mendis

Lanka Floortiles PLC

Directors: Anthony A Page (Chairman), Dr. S Selliah, J A P M Jayasekera, P L Amerasinghe, Joseph Page, Priya Edirisinghe, Ranjit Page, Sunil Mendis

Swisstek (Ceylon) PLC

Directors: Anthony A Page (Chairman), J A P M Jayasekera, Dr. S Selliah, Dayal de Silva, K Y Choi

Uni-Dil Packaging Limited

Directors: Anthony A Page (Chairman), P S R Casie Chitty, L J Rubera, L J A Fernando, Errol Perera, Dr. S Selliah, Priya Edirisinghe, D B Gamalath

Uni-Dil Paper Sacks (Private) Limited

Directors: Anthony A Page (Chairman), P S R Casie Chitty, L J Rubera, L J A Fernando, Errol Perera, Dr. S Selliah, Priya Edirisinghe, D B Gamalath

Swisstek Aluminium Limited

Directors: Anthony A Page (Chairman), J A P M Jayasekera, Dr. S Selliah, A S Mahendra, B T T Roche, Dr. De Silva, K Y Choi

Ceytea Plantation Management Limited

Directors: Anthony A Page (Chairman), P S R Casie Chitty, L J Rubera, Priya Edirisinghe, L J A Fernando, Ranjit Page, Dr. R D Bandaranaike, Sunil Mendis

Horana Plantations PLC

Directors: Anthony A Page (Chairman), P S R Casie Chitty, L J Rubera, L J A Fernando, Dr. S Selliah, Ranjit Page, Sunil Mendis, Priya Edirisinghe, Dr. R D Bandaranaike

Information to Shareholders

1. Distribution of Shareholders

Size of Shareholdings	31st March 2013				31st March 2012			
	Shareholders		Holdings		Shareholders		Holdings	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%
1 - 1,000 Shares	950	51.52	297,127	0.16	989	51.04	331,351	0.18
1,001 - 10,000 Shares	543	29.454	2,425,578	1.32	576	29.72	2,542,868	1.39
10,001 - 100,000 Shares	290	15.73	8,899,589	4.86	309	15.94	9,521,522	5.20
100,001 - 1,000,000 Shares	44	2.39	12,407,994	6.78	49	2.53	13,844,575	7.56
Over 1,000,000 Shares	17	0.92	159,066,965	86.88	15	0.77	156,856,937	85.67
	1,844	100.00	183,097,253	100.00	1,938	100.01	183,097,253	100.00

2. Analysis of Shareholders

Description of Shareholders	31st March 2013				31st March 2012			
	Shareholders		Holdings		Shareholders		Holdings	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%
Institutions	165	8.95	109,657,206	59.89	177	9.13	108,667,478	59.35
Individuals	1,679	91.05	73,440,047	40.11	1,761	90.87	74,429,775	40.65
Total	1,844	100.00	183,097,253	100.00	1,938	100.00	183,097,253	100.00
Residents	1,699	92.14	157,628,083	86.09	1,791	92.41	157,413,309	85.97
Non-Residents	145	7.86	25,469,170	13.91	147	7.59	25,683,944	14.03
Total	1,844	100.00	183,097,253	100.00	1,938	100.00	183,097,253	100.00

3. Major Shareholders

Name of Shareholder	31st March 2013		31st March 2012	
	Number of Shares	%	Number of Shares	%
Odeon Holdings (Ceylon) (Pvt) Ltd	76,199,104	41.62	76,199,104	41.62
Mr. Anthony A. Page	15,873,398	8.67	15,860,394	8.66
Mr. Ranjit Page	10,927,338	5.97	10,919,429	5.96
Sir Chittampalam A Gardiner Trust	9,200,004	5.02	9,200,004	5.02
Ms. M.M. Page	7,886,624	4.31	7,748,880	4.23
Mr. Joseph Page	7,803,159	4.26	7,821,061	4.27
Employees Provident Fund	6,705,582	3.66	4,584,204	2.50
Mrs. T. Selvaratnam	5,152,045	2.81	10,212,045	5.58
The Bank of New York Mellon SA/NV – CF Ruffer Total Return Fund	4,300,000	2.35	4,300,000	2.35
The Bank of New York Mellon SA/NV –CF Ruffer Total Absolute Return Fund	3,351,080	1.83	3,351,080	1.83
Mrs. T. S. Scheib	2,565,000	1.40	-	-
Mr. T. Selvaratnam	2,530,000	1.38	-	-
BNY-CF Ruffer Investment Funds : CF Ruffer Pacific Fund	2,000,000	1.09	2,000,000	1.09
Melstacorp (Pvt) Ltd	1,475,500	0.81	1,475,500	0.81
Mrs. Cecilia Muttukumaru	1,055,000	0.58	1,038,605	0.57
Mr. J.A. Aloysius	1,039,531	0.57	1,039,531	0.57
Deutsche Bank AG-National Equity Fund	1,003,600	0.55	1,107,100	0.60
Ms. A.M. Muttukumaru	841,085	0.46	841,085	0.46
The Galle Face Hotel Co. Ltd	832,275	0.45	832,275	0.45
Mr. P.E. Muttukumaru	803,000	0.44	791,485	0.43
Mr. D F K Jayamaha	-	-	824,950	0.45
Mrs. D Grimshaw	-	-	759,570	0.41
	161,543,325	88.23	160,906,302	87.88
Others	21,553,928	11.77	22,190,951	12.12
	183,097,253	100.00	183,097,253	100.00

4. Share Valuation

The Market Value of the ordinary shares of the Company on 31st March 2013 was Rs 126.20 (2012 – Rs 150.10). The highest and the lowest values recorded during the year ended 31st March 2013 were Rs 185.00 on 11th September 2012 and Rs 120.00 on 11th December 2012 respectively.

5. Public Holders

The percentage shares held by the public as at 31st March 2013 was 38.68% (2012 – 38.69%).

Notice of Annual General Meeting

Notice is hereby given that the Eighty second Annual General Meeting of C T Holdings PLC will be held at the Sri Lanka Foundation, Padanama Mawatha, No 100, Independence Square, Colombo 7 on Wednesday, 30th October 2013 at 09.00 a.m. and the business to be brought before the meeting will be:

- a) To receive and consider the Annual Report of the Directors and the Financial Statements for the year ended 31st March 2013 with the Report of the Auditors thereon.
- b) To re-elect Mr. Louis Page who retires as a Director in terms of the Articles of Association at the Annual General Meeting.
- c) To re-elect Mr. Joseph Page who retires as a Director in terms of the Articles of Association at the Annual General Meeting.
- d) To authorise the Directors to determine contributions to charities
- e) To declare a dividend as recommended by the Directors.
- f) To authorise the Directors to determine the remuneration of the Auditors, Messrs. KPMG, who are deemed re-appointed as auditors at the General Meeting of the Company in terms of Section 158 of the Companies Act No. 7 of 2007.

By order of the Board



S L W Dissanayake
Company Secretary
Colombo

25th September 2013

Note:

A shareholder is entitled to appoint a proxy to attend and vote in his/her stead and a proxy need not be a shareholder of the Company. A form of proxy is enclosed for this purpose. The instrument appointing a proxy must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for the holding of the Meeting.

Form of Proxy

I/Weof

..... being the Shareholder/Shareholders of C T HOLDINGS PLC hereby appoint

(1) of

or failing him/her

(2) The Chairman of the Meeting as my/our proxy to vote as indicated for me/us and on my / our behalf at the Eighty Second Annual General Meeting of the Company to be held on 30th October 2013 and at any adjournment thereof.

Resolution

To adopt the Financial Statements for the year ended 31st March 2013

To re-elect Mr Louis Page as a Director

To re-elect Mr Joseph Page as a Director

To authorise the Directors to determine contribution to charities

To declare a dividend as Recommended by the Directors

To authorise the Directors to determine the remuneration of the Auditors,
Messrs. KPMG, who are deemed Re-appointed as Auditors at the Annual General Meeting.

For

Against

☐
☐
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☐

The proxy may vote as he/she thinks fit on any other resolution brought before the meeting.

Dated thisday of 2013

Witnesses:

.....
Signature of the Shareholder

Note:

- a) A proxy need not be a member of the Company.
- b) Instructions as to completion appear on the reverse hereof

Instructions as to Completion

To be valid, this Proxy form must be completed, signed and deposited at the Registered Office of the Company, No. 8, Sir Chittampalam A Gardiner Mawatha, Colombo 2, not less than 48 hours before the time appointed for holding the meeting.

In perfecting the Form of Proxy, please ensure that all details are legible.

If you wish to appoint a person other than the Chairman as your proxy, please insert the relevant details at (1) overleaf and initial against this entry.

Please indicate with an X in the space provided how your Proxy is to vote on each resolution. If no indication is given, the proxy at his/her discretion will vote as he/she thinks fit.

In case of a Company/Corporation, the Proxy must be under its common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.

In the case of joint holders, only one need sign. The votes of the senior holder who tenders a vote will alone be counted.

In the case of non-resident Shareholders, the stamping will be attended to upon return of the completed Form of Proxy to Sri Lanka.

Corporate Information

Name of Company

C T Holdings PLC

Registration No

PQ 210

Legal Form

Quoted Public Company with limited liability

Incorporated in Sri Lanka on 29th September 1928 and re-registered under the Companies Act No. 7 of 2007.

Board of Directors

Anthony A Page (Chairman)
Louis Page (Deputy Chairman)
Ranjit Page (Managing Director)
J B L De Silva
Sunil Mendis
Joseph Page
Priya Edirisinghe
Mrs. Cecilia Muttukumar
R Selvaskandan

Company Secretary

S L W Dissanayake

Director Group Corporate Affairs

S C Niles

Registered Office

No 8, Sir Chittampalam A Gardiner
Mawatha, Colombo 2, Sri Lanka
Telephone: +94 11 2431243
Email: info@ctholdings.lk
Fax: +94 11 2447956
Postal Address
PO Box 327, Colombo

Exchange Listing

Colombo Stock Exchange

Executive Committee

Priya Edirisinghe (Chairman)
Ranjit Page
Sunil Mendis
Anthony A Page
Joseph Page
R Selvaskandan

Audit Committee

Priya Edirisinghe (Chairman)
Anthony A Page
J B L De Silva

Remuneration Committee

Louis Page (Chairman)
Anthony A Page
Priya Edirisinghe
Sunil Mendis
J B L De Silva

Auditors

KPMG, Chartered Accountants

Tax Consultants

PricewaterhouseCoopers, Chartered Accountants

Bankers

Commercial Bank of Ceylon PLC
People's Bank
Hatton National Bank PLC
NDB Investment Bank Ltd
Sampath Bank PLC
Standard Chartered Bank
Nations Trust Bank PLC



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