



CT Land Development PLC

Annual Report 2012

Majestic City

FINANCIAL CALANDAR

FINANCIAL STATEMENTS FOR 2011 / 12

INTERIM REPORTS

1st Quarter 30th June 2011	-	8th August 2011
2nd Quarter 30th September 2011	-	14th November 2011
3rd Quarter 31st December 2011	-	24th February 2011
4th Quarter 31st March 2012	-	05th May 2012

Annual Report for the year ended 31st March 2012	-	24th August 2012
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MEETINGS

179th Board Meeting	-	13th May 2011
28th Annual General Meeting	-	23rd June 2011
180th Board Meeting	-	5th August 2011
181th Board Meeting	-	2nd November 2011
182th Board Meeting	-	17th February 2012

DIVIDENDS

For the Y/E 31st March 2012	-	Interim Re. 0.60 per share (paid on 14th February 2012)
		Final Re. 0.80 (Payable on 25th September 2012)
		Subject to Shareholder approval)

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C T LAND DEVELOPMENT PLC

CT Land Development PLC is the owning company of *Majestic City*, Sri Lanka's premier shopping mall-cum-entertainment complex ... the vision of the founder chairman, the late Mr. Albert A. Page. *Majestic City* today is Sri Lanka's most sought after 'Destination Center' incorporating a diverse range of shopping outlets, a food zone, supermarket, children's amusement center, banks and the popular Majestic Cineplex.

C T Land is part of the C T Holdings Group of Companies and we take pride in continuing Mr. Page's pioneering vision of growth and success in every activity we undertake.

Our Business model at C T Land is not based on providing mere retail space. It is much, much more.

We enable our tenants to provide their customers with an atmosphere that makes every shopping “expedition” to Majestic City a memorable voyage of discovery.

How else can one explain that so many Sri Lankans of all ages keep coming back to the one and only Majestic City.

CORPORATE INFORMATION

Legal Form

A Quoted Public Company with Limited liability incorporated under the Companies Act No. 17 of 1982 on 9th March 1983 and re-registered under the Companies Act No. 07 of 2007.

Registration No.

P Q 159

Registered Office

10, Station Road, Colombo 4

Contact Details

Tele: 011 2588827

Fax: 011 2592427

E-mail: ctland@sltnet.lk

Stock Exchange Listing

Colombo Stock Exchange

Board of Directors

R. Selvaskandan (*Chairman*)

J. C. Page (*Deputy Chairman/Managing Director*)

A. T. P. Edirisinghe

S. C. Niles

Anthony A. Page

L. R. Page

V. R. Page

Dr. T. Senthilverl

A. D. M. De Alwis

Company Secretary / Legal Consultant

(Ms.) Charuni Gunawardana

Management

J. C. Page (*Deputy Chairman/Managing Director*)

A. D. M. De Alwis (*Executive Director/General Manager*)

S. C. Niles (*Director*)

A. C. Hewage (*Accounts Executive*)

Audit Committee

A. T. P. Edirisinghe (*Chairman*)

Anthony A. Page

R. Selvaskandan

Remuneration Committee

A. T. P. Edirisinghe (*Chairman*)

R. Selvaskandan

Auditors

KPMG

Chartered Accountants

Tax Consultants

PriceWaterhouse Coopers

Chartered Accountants

Bankers

People's Bank

Commercial Bank of Ceylon PLC

Holding Company

C T Holdings PLC

DIRECTORS' PROFILE

Mr. R. Selvaskandan (Chairman)*

Mr. 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 Deputy Chairman of C T Properties Limited and a partner of Varners in addition to his other responsibilities. He has more than 25 years' experience in legal work and management in Sri Lanka, UK and Hong Kong.

Mr. J. C. Page (Deputy Chairman/Managing Director)

Mr. Joseph Page is also a Director of C T Holdings PLC, Managing Director Ceylon Theaters (Private) Ltd and the Executive Director of C T Properties Limited. He is also a Director of several other Companies with the C T Holdings Group. He has over 29 years of management experience in the private sector.

Mr. A. T. P. Edirisinghe*

Mr. Priya Edirisinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds a Diploma in Commercial Arbitration. He counts over 42 years' experience both in public practice and 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 Audit Committee and the Remuneration Committee.

Mr. Anthony A. Page**

Mr. Anthony Page is the Chairman of C T Holdings PLC and counts 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. He has served as a member of the Board of the Colombo Stock Exchange and as a Council Member of the Employers' Federation of Ceylon.

Mr. L. R. Page**

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 the C T Holdings Group in a non-executive capacity in setting and review of policy framework, and in decision making. He functions as the Deputy Chairman of C T Holdings PLC, Chairman of Cargills (Ceylon) PLC and as a Director of several other group Companies.

Mr. V. R. Page**

Mr. Ranjit Page is the Deputy Chairman/CEO of Cargills (Ceylon) PLC and the Managing Director CT Holdings PLC. He also serves on the Boards of several other Group Companies. He possesses over 29 years of management experience with expertise in food retailing, manufacturing and servicing, having introduced the concept of super marketing to the Sri Lankan masses.

Dr. Senthilverl*

Dr. T. Senthilverl is also a director of many quoted public Companies including Lanka Ceramic PLC, Citizens Business Development Bank PLC, Vidulanka PLC, CW Mackie PLC, MBSL Savings Bank, Amana Takaful PLC, SMB Leasing PLC, The Finance Company PLC, Udaka Energy Group (Pvt) Ltd, Udawela Hydro (Pvt) Ltd and Vidul Constructions (Pvt) Ltd. He is also engaged in projection, construction and management of irrigation tanks, power and energy, land development, industrial turnkey projects, air and sea cargo, logistics and trading.

Mr. A. D. M. De Alwis

A. D. M. de Alwis is an associate member of the engineering institutions in UK. The possession over 25 years of engineering Management experience in the private sector.

Mr. S. C. Niles

Mr. Sanjay Niles is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants UK. He is also Director Group Corporate Affairs of C T Holdings PLC and Executive Director of C T Properties Limited.

* *Independent Director*

** *Non-Executive Director*

CHAIRMAN'S STATEMENT

I am pleased to present to you the Annual Report and Audited Financial Statements for the year ended 31st March 2012.

Financial Results

The Company maintained a satisfactory growth momentum in both rental income and profitability during the current year. Profit before taxation and excluding change in fair value of investment property amounted to Rs. 177.49 Mn which is 23.50% above the previous financial year. The change in fair value of investment property for the year amounted to 82 Mn (2011 - Rs. 15.4 Mn). Accordingly, the Profit for the year amounted to 225.7 Mn, which is 22.5% above the previous year. Operational and personnel costs also increased by 3% over the previous year.

The tenancy agreements currently in operation are effective up to 31st December 2014. As per the provisions of these agreements, rentals are increased annually at the rate of 10% over the previous year. Due to the revisions, the rental income for the year increased by Rs. 30.98 Mn over the previous year.

Net interest cost for the year reduced by Rs. 1.72 Mn (12.1%) to Rs. 12.46 for the year which is in line with the current levels of borrowings and increases in borrowing costs.

New Cinemas

The Company completed the refurbishment of the fifth floor of the Majestic City complex and set up three new cinemas. The existing cinema on the fourth floor of the complex was also completely refurbished. The total cost of the work carried out amounts to Rs. 72.8 Mn. The cinemas, which included the first ever 3D cinema screen in the country, commenced operation from 1st December 2012.

The new cinemas have been rented out to the group Company – Ceylon Theatres (Pvt) Ltd. The revenue from the rental of the new cinemas would also boost rental income and profits in the coming years. Further, the increased foot fall from the cinemas would have a positive impact on the operations of the other tenants as well.

We are confident that your Company would benefit from the prevailing environment of peace and stability that has created new avenues of growth for the retail and entertainment property segment. The Company is particularly pleased with the State initiated efforts to revitalize evening entertainment and leisure in the city which would certainly see a growth in our businesses too. We are confident however that Majestic City with its new multiplex would retain its popularity in view of its strategic location and continued receptiveness to consumer aspirations.

Investments

The Company invested a sum of Rs. 37.5 million to subscribe for a stake amounting to 48% in the Group Company, Ceylon Theatres (Pvt) Ltd (CTL). CTL operates the four screens at Majestic City as well as the Regal cinemas in Colombo, Kandy and Negombo. This investment represents an exciting new avenue for the operations of the Company, since CTL has plans to expand its operations in its existing locations and expand to other new locations. The investment in CTL was funded through internal sources and borrowings.

Borrowings

The total debt position of the Company increased during the year to 128 Mn mainly due to the investments in refurbishment of the cinemas in the 4th and 5th floors of the Majestic City complex and the investment in CTL. The increasing borrowing costs, commencing from the latter part of the current year would pose some challenges. However, the improved cash flow resulting from increased revenue streams, higher rentals and returns from investments would enable the Company to repay the current borrowings within the next 3 years.

Appropriation

The Company declared an interim dividend of Re. 0.60 per share (total Rs. 29.25 Mn) from the profits of the current year. The Directors are pleased to recommend a final dividend of Re. 0.80 per share (total Rs. 39,000,000) which is payable on 26th September 2012, subject to shareholder approval. Accordingly, the total dividends payable out of the profits for the year 2011/12 amounted to Rs. 1.40 per share (total - Rs. 68.25 Mn).

In accordance with the Sri Lanka Accounting Standards, the proposed final dividend for the current year has not been reflected as a liability in the accounts.

Future

The management continues to focus on maintaining a clean and pleasant atmosphere at Majestic City to give our customer a special shopping experience. The easily accessible, central location and the continued demand for shopping and entertainment space allows the Company to be in a unique position to both attract and maintain quality tenants and varied attractions. The Company will continue to look for opportunities and tie ups that would lead to further growth and profitability of the company.

Acknowledgements

On behalf of the Board of Directors, I wish to place on record my sincere thanks to our tenants, bankers for their continued support and customers of Majestic City for their continued patronage. I also wish my colleagues on the Board and staff for their co-operation and assistance throughout the year.

Finally I wish to thank the shareholders of the trust they have placed in the Board of Directors and their continued support for the company.



R. Selvaskandan
Chairman

10th August 2012

CORPORATE GOVERNANCE

Compliance with good practices of Corporate Governance practices has been an area of emphasis within the company and the overall Group. It encompasses development and adherence to good practices and continuous improvement in all areas of the Company.

Guidelines on Corporate Governance has 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 2012.

Details of the Company’s compliance with the listing rules are set out below in detail.

Subject	Compliance Status	Remarks
1. Non – Executive Directors		
(a) 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 eight Directors of whom six are Non-Executive Directors.
2. Independent Directors		
(a) Two or 1/3 of Non-Executive Directors appointed to the Board of Directors, whichever is higher shall be ‘independent’.	Complied	Three Directors out of the six Non-Executive Directors are independent.
(b) 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		
(a) 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	Dr. R Senthilverl is an independent Director of the company.
(b) 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.	Complied	Mr. A T P Edirisinghe has served in the Board for more than nine (09) years. Further, Mr. R Selvaskandan and Mr. A T P Edirisinghe serve as Directors of the holding Company, C T Holdings PLC, and other Group Companies. The Board of Directors, having considered their credentials and integrity has resolved that Messrs. R Selvaskandan and A T P Edirisinghe are deemed independent Directors.
(c) The Board shall publish in its annual report a brief resumé of each director on its Board.	Complied	Disclosed in the Annual Report.
(d) Upon appointment of a new director to its board, the company shall forthwith provide to the Exchange a brief resumé of such director for dissemination to the public.	Complied	The Board resolved to appoint Mr. Mahendra De Alwis as Executive Director / General Manager of the company with effect from 2nd December 2011.

CORPORATE GOVERNANCE

Subject	Compliance Status	Remarks
4. Remuneration Committee		
(a) 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 two independent Directors. The Chairman of the Remuneration Committee is an Independent Non-Executive Director.
(b) The Remuneration Committee shall recommend the remuneration payable to the executive directors and Chief Executive Officer, to the Board.	Compliant	Disclosed in the Remuneration Committee Report.
(c) 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.		Mr. A T P Edirisinghe and Mr. R Selvaskandan make up the Remuneration Committee. Remuneration paid to Directors disclosed in Notes to the accounts.
5. Audit Committee		
(a) 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 Deputy Chairman / Managing Director attends all Audit Committee meetings. Other Executive Directors may be invited to attend 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.
(b) Functions 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 A T P Edirisinghe, Anthony A page and R Selvaskandan make up the Audit Committee Disclosed in the Report of 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.	Compliant	Disclosed in the Report of the Audit Committee.

CORPORATE GOVERNANCE

Risk Management

Risk management is an integral part of the management of the Company's business. It helps the Company's management to limit risk and exploit opportunities and is based on a process of risk identification, assessment and control.

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.

The Board of Directors assess and regulate company risk and oversee the implementation and effectiveness of risk management in within the Company. The Board also ensures that the risk management system as a whole is operational and that the standards and processes remain current.

The Company 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 in the internal and external environment. The Company carefully evaluates all risks pertaining to new investments to ensure alignment with corporate strategy in view of creating long term wealth for our shareholders.

Remuneration Committee Report

The Remuneration Committee of C T Land Development PLC consists of the following Non-Executive Directors –

Mr. A T P Edirisinghe (Chairman)
Mr. R Selvaskandan.

The Deputy Chairman / Managing Director of the Company may also be invited to join in the deliberations as required.

The Committee is tasked studying and recommending appropriate remuneration packages for the Executive Directors in line with applicable market values. The committee also maintains the process of consultation with regard to the setting up of

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 and develop strategy that reflects their interests.

Funding & Liquidity

The Company finances its operations and investments through a combination of retained earnings, long term and short term Debt. The strong relationships maintained with banks allows the company 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 dues from tenants. The Company has signed four year rolling lease agreements with tenants. Many of the tenants have held tenancies over a long period of time and are of high credit standing. New tenants are assessed for their credit quality, taking into account their financial position, prior to signing tenancy agreements. The utilization of credit limits regularly monitored.

Interest Rate Risk

The Company's income and operating cash flows are independent of changes in market interest rates. The Company's interest rate arises from long term borrowings. Since borrowings are at variable rates linked to market conditions there is an exposure to long term interest fluctuations. The Company monitors its interest rate exposure on a regular basis.

remuneration / compensation structures. After deliberations, its recommendations are forwarded for approval by the Board of Directors.

The Committee is authorised to carry out periodic reviews to ensure that the remunerations are in line with market conditions.

The Committee met once during the year.



A T P Edirisinghe
Chairman – Remuneration Committee
10th August 2012

CORPORATE GOVERNANCE

Audit Committee Report

The Audit Committee of C T Land Development PLC is appointed by the Board of Directors of the Company and reports directly to the Board. It consists of three Non-Executive Directors – Messrs A T P Edirisinghe (Chairman), Anthony A Page and R Selvaskandan. The Chairman of the Audit Committee and Mr Anthony A 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 on Corporate Governance for listed Companies. They are:

Name	Non-Executive Directors
Mr A T P Edirisinghe FCMA, FCA– Chairman	Independent
Mr Anthony A Page FCA	
Mr R Selvaskandan	Non-Executive Directors

The Audit Committee is empowered to examine all matters pertaining to the Financial Affairs of the Company and assist the Board of Directors in effectively discharging their duties. The Committee also reviews the process of external reporting of financial information to ensure compliance with presentation and disclosure requirements in accordance with prevailing legal and accounting framework and best practice.

This Audit Committee also reviews the adequacy and proper continuous functioning of the Internal Control Procedures of the Company to obtain reasonable assurances that the financial statements of the Company accurately reflect the state of affairs of the Company and the results for the period to which it relates. An independent internal audit was commissioned during the year. Internal audit reports are reviewed and discussed with management with a view to further strengthening the internal control environment within the Company.

The Committee is also empowered to liaise directly with the External Auditors of the Company and study all matters brought to the attention of the Management by the External Auditors. The Committee met with the External Auditors once, to review matters pertaining to the Financial Statements for the current year.

The regular Audit Committee meeting were held twice during the year, in addition to the meeting with the external auditors referred to above. It was attended by all members of the Committee. In addition, where required, the quarterly financial statements were circulated, discussed and recommended to the Board prior to Board approval. In all instances, the Audit Committee obtained relevant declarations from CEO, Company Secretary, Legal Officer 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, (if any).

The Chief Executive Officer attends all audit committee meetings and other Senior Managers attend such meetings as and when requested to do so by the Audit Committee. The company Secretary acts as the Secretary to the Committee.

The Audit Committee is of the opinion that the control procedures and environment within the Company provide reasonable assurance regarding the monitoring of the operations, accuracy of the financial statements and safeguarding of assets of the Company.

The Audit Committee has assessed the independence and performance of the external Auditors, M/s K P M G, Chartered Accountants, and recommended to the Board of Directors that they be re-appointed as Auditors of the Company for the year ending 31st March 2013, subject to the approval by the shareholders at the Annual General Meeting.



A T P Edirisinghe
Chairman – Audit Committee
10th August 2012

ANNUAL REPORT OF THE BOARD OF DIRECTORS

In compliance with the provisions of the Companies Act No. 07 of 2007, the Directors present their Report on the state of affairs of the Company together with the audited Financial Statements of the Company for the year ended 31st March 2012. The Report also provides information as required by the Listing Rules of the Colombo Stock Exchange, best accounting practices and other disclosures deemed relevant to the stakeholders of the Company.

Principal Activity

The principal activity of the Company is property development as approved by the Urban Development Authority.

Review of Operations

A review of the operations during the financial year and the performance of the Company are given in the Chairman's Statement appearing on page 5 of the Annual Report. It forms an integral part of this report.

Financial Statements

The audited financial statements of the Company for the financial year ended 31st March 2012 are given on pages 14 to 34 and form an integral part of the Annual Report of the Board.

Accounting policies

The Accounting Policies adopted in preparation of the Financial Statements are given in Note 1 to 3 to the Financial Statements. There were no material changes in the Accounting policies during the financial year.

Property, Plant & Equipment

The movement of property, plant and equipment is shown in Note 12 to the financial statements. Investment properties are stated at market value as at 31st March 2012.

Stated Capital

The Stated Capital of the Company as at 31st March 2012 was Rs. 487.5 Mn comprising 48.75 Mn Ordinary Shares.

Directors

Mr. A. D. M. De Alwis was appointed as Executive Director/General Manager of the Company with effect from 2nd December 2011.

All other Directors indicated on pages 4 have been Directors of the Company throughout the year under review.

Messrs. A. T. P. Edirisinghe, T. Senthilvel and V. R. Page retire under Articles 103 & 104 of the Articles of Association of the Company and being eligible offer themselves for re-election Mr. A. D. M. Alwis who was appointed as a Director to fill a casual vacancy until the AGM is eligible for election as a Director as per Article 110.

The re-election of the retiring Directors has the unanimous support of the other Directors.

Details of attendance at meetings

Name	Board Meetings		AGM	
	Held	Attended	Held	Attended
Mr. R. Selvaskandan	4	4	1	1
Mr. J. C. Page	4	4	1	1
Mr. A. T. P. Edirisinghe	4	4	1	1
Mr. S. C. Niles	4	4	1	1
Mr. Anthony A. Page	4	2	1	1
Mr. L. R. Page	4	0	1	0
Mr. V. R. Page	4	0	1	0
Dr. T. Senthilvel	4	2	1	1
Mr. A. D. M. De Alwis	1	1	0	0

Directors' Interests in Contract

Directors' interest in Contracts of the Company are included in Note 25 to the Financial Statements under related party transactions. The Directors have declared their interests at meetings of the Board. The Directors have no direct or indirect interest, in any other contract or proposed contract with the Company.

Profit and Appropriation

	Rs. '000
The profit for the year amounted to	225,706
To which has to be added the profit brought forward of	1,723,274
Making available for appropriation	1,948,980

Dividends

The Board has recommended a final dividend of Re. 0.80 per share amounting to Rs. 36.6 Mn. As per the Sri Lanka Accounting Standard 12 (Revised 2005) this liability has not been recognized as at 31st March 2012.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Directors' Shareholdings

Share interest of the Directors in the shares of the Company at the Balance Sheet date were as follows.

	As at 31.3.2012	As at 31.3.2011
R. Selvaskandan	-	-
J. C. Page	610,804	610,804
A. T. P. Edirisinghe	3,000	3,000
S. C. Niles	2,000	-
Anthony A. Page	629,264	625,000
L. R. Page	268,487	268,487
V. R. Page	453,062	453,062
Dr. T. Senthilverl	290,349	3,121,749
A. D. M. De Alwis	-	-

Donations

During the year the Company made charitable donations amounting to Rs. 55,000 (2011 - Rs. 25,000/-).

Going Concern

The Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future. The financial statements of the Company have accordingly been prepared on a going concern basis.

Auditors

Messrs. KPMG, Chartered Accountants retire at the end of the meeting and have expressed their willingness to be re-appointed. A resolution to re-appoint them as Auditors and authorizing the Directors to fix their remuneration will be proposed at the Annual General Meeting.

The fees paid to the Auditors are disclosed in note 07 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.

For and on behalf of the Board of Directors



R. Selvaskandan
Chairman



J. C. Page
Deputy Chairman/
Managing Director



Charuni Gunawardana
Secretary

Colombo
10th August 2012

DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Companies Act No. 07 of 2007 places the responsibility on the Directors to prepare Financial Statements for each year comprising a balance sheet and statements of income, cash flows and changes in equity along with the accounting policies and notes thereto, which give a true and fair view of the affairs of the Company at the Balance Sheet date and the results for that financial year.

The Directors confirm that the Financial Statements have been prepared in accordance with all applicable laws and the Sri Lanka Accounting Standards which have been selected and applied consistently and judgements and estimates have been made which are reasonable and prudent.

The Directors are responsible for ensuring that the Company keeps accounting records, which correctly record and explain the Company's transactions, will at any time enable the financial position of the Company to be determined with reasonable accuracy, will enable the Board to prepare Financial Statements in accordance with the Companies Act and will enable the Financial Statements of the Company to be readily and properly audited.

The Directors are also responsible for taking reasonable steps to manage the resources of the Company and to design and implement appropriate internal control systems with a view to protect the Company from undue risks and loss. The financial reporting systems have also been reviewed by the Board through the management accounts submitted at Board Meetings.

The Financial Statements of the Company give a true and fair view of the state of affairs of the Company and the profit for the year ended 31st March 2012. The Financial Statements of the Company have been signed by two Directors of the Company. The Annual Report has also been signed by two Directors and the Company Secretary of the Company on 10th August 2012.

The Directors also confirm that in preparing the Financial Statements for the year ended 31st March 2012 published on pages 14 to 34 of this report, appropriate accounting policies have been selected and applied on a consistent basis with material departures (if any) disclosed in the Financial Statements and rationale for the same provided.

The directors confirm that all statutory payments due and payable to all statutory and regulatory authorities have been made by the Company up to date.

The Directors confirm that they have discharged their obligations as set out in this statement.

By order of the Board of Directors



Charuni Gunawardana

Company Secretary

10th August 2012.

INDEPENDENT AUDITORS' REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

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+94 - 11 230 7345
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TO THE SHAREHOLDERS OF CT LAND DEVELOPMENT PLC

Report on the Financial Statements

We have audited the accompanying financial statements of CT Land Development PLC (the "Company"), which comprise the balance sheet as at March 31, 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 14 to 34 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

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2012 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2012 and its profit and 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 Section 151(2) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka.
10th August 2012

KPMG, a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

M.R. Mihular FCA	Ms. M. P. Perera FCA	P.Y.S. Perera FCA
C.P. Jayatilake FCA	T.J.S. Rajakarier FCA	W.W.J.C. Perera FCA
Ms. S. Joseph FCA	Ms. S.M.B. Jayasekara ACA	W.K.D.C. Abeyrathne AC
S.T.D.L. Perera FCA	G.A.U. Karunaratne ACA	R.M.D.B. Rajapakse ACA

Principals - S.R.I. Perera ACMA, LLB, Attorney-at-Law, H.S. Goonewardene ACA

INCOME STATEMENT

For the year ended 31st March		2012 Rs. '000	2011 Rs. '000
	Note		
Revenue	4	349,401	309,531
Other Income	5	81,596	18,466
Personnel Costs	6	(34,084)	(34,465)
Depreciation	12	(10,109)	(6,758)
Other Operating Costs		(113,922)	(110,406)
Results from Operating Activities	7	272,882	176,368
Finance Cost	8	(13,383)	(17,219)
Profit before Tax		259,499	159,149
Income Tax Expenses	9	(33,793)	25,075
Profit for the Year		225,706	184,224
<i>Earnings Per Share Rs.</i>	10	4.63	3.78
<i>Dividends Per Share Rs.</i>	11	1.20	1.20

Figures in brackets indicate deductions.

The Notes on pages 18 to 34 form an integral part of these Financial Statements.

BALANCE SHEET

As at 31st March	Note	2012 Rs. '000	2011 Rs. '000
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	12	40,759	28,165
Investment Property	13	2,714,260	2,530,000
Investments	14	152,500	115,000
		<u>2,907,519</u>	<u>2,673,165</u>
Current Assets			
Trade and Other Receivables	15	52,227	103,363
Cash and Cash Equivalents	16	10,641	9,644
		<u>62,868</u>	<u>113,007</u>
Total Assets		<u>2,970,387</u>	<u>2,786,172</u>
EQUITY AND LIABILITIES			
Equity			
Stated Capital	17	487,500	487,500
Retained Earnings		1,890,480	1,723,274
		<u>2,377,980</u>	<u>2,210,774</u>
Non - Current Liabilities			
Retirement Benefit Obligations	18	12,555	11,524
Deferred Tax Liabilities	19	260,668	269,623
Interest Bearing Loans & Borrowings	20	15,625	-
Security Deposits	21	145,120	141,415
		<u>433,968</u>	<u>422,562</u>
Current Liabilities			
Interest Bearing Loans & Borrowings	20	37,500	-
Trade and Other Payables	22	38,002	28,749
Income Tax Payable	23	4,570	21,896
Dividends Payable	24	3,523	5,270
Loans due to Related Companies	20	-	75,000
Bank Overdraft (Secured)	16	74,844	21,921
		<u>158,439</u>	<u>152,836</u>
Total Equity and Liabilities		<u>2,970,387</u>	<u>2,786,172</u>

The Notes on Pages 18 to 34 form an integral part of these Financial Statements.

The Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



S. C. Niles
Director

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

The financial statements have been approved by the Board on 10th August 2012

Signed for and on behalf of the Board:



R. Selvaskandan
Chairman
Colombo.



J. C. Page
Deputy Chairman / Managing Director

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 1st April 2010	487,500	1,597,550	2,085,050
Profit for the year	-	184,224	184,224
Dividends paid	-	(58,500)	(58,500)
Balance as at 31st March 2011	<u>487,500</u>	<u>1,723,274</u>	<u>2,210,774</u>
Profit for the year	-	225,706	225,706
Dividends paid	-	(58,500)	(58,500)
Balance as at 31st March 2012	<u>487,500</u>	<u>1,890,480</u>	<u>2,377,980</u>

The Notes on pages 18 to 34 form an integral part of these Financial Statements.

CASH FLOW STATEMENT

For the year ended 31st March	2012 Rs. '000	2011 Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	259,499	159,149
Adjustment for:		
Depreciation	10,109	6,758
Finance Cost	13,383	17,219
Provision for Defined Benefit Obligations	1,031	4,532
Change in Fair Value of Investment Properties	(82,003)	(15,428)
Operating Profit before Working Capital Changes	202,019	172,230
Adjustment for Working Capital Changes		
(Increase) / Decrease in Trade and Other Receivables	51,136	(41,837)
Increase / (Decrease) in Trade and Other Payables	8,815	15,035
Increase in Security Deposits	3,705	42,010
Cash Generated from / (Used in) Operating Activities	265,675	187,438
Interest Paid - Bank	(9,820)	(719)
Interest Paid - Group Company	(3,125)	(16,500)
Income Tax Paid	(60,074)	(43,491)
Net Cash Generated from / (Used in) Operating Activities	192,656	126,728
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(16,459)	(3,122)
Improvements to Investment Property	(110,327)	(14,572)
Purchase of Investments	(37,500)	-
Net Cash Generated from / (Used in) Investing Activities	(164,286)	(17,694)
CASH FLOWS FROM FINANCING ACTIVITIES		
Term Loan Received	75,000	-
Repayment of Interest Bearing Loans & Borrowings	(96,875)	(75,000)
Dividends Paid	(58,421)	(58,052)
Net Cash Generated from / (Used in) Financing Activities	(80,296)	(133,052)
Net Increase / (Decrease) in Cash and Cash Equivalents during The Year	(51,926)	(24,018)
Cash & Cash Equivalents at the Beginning of the Year	(12,277)	11,741
Cash & Cash Equivalents at the End of the Year (Note 16)	(64,203)	(12,277)

The Notes on pages 18 to 34 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

CT Land Development PLC (the “Company”) is a “Public Quoted Company” with limited liability incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

The Company’s registered office is situated at No. 10, Station Road, Colombo 04.

The Company is in the business of development of property, administration & maintenance.

The Company is a subsidiary of CT Holdings PLC.

The staff strength of the Company as at 31st March 2012 is 23 (2011- 26).

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with Sri Lanka Accounting Standards as issued by the Institute of Chartered Accountants of Sri Lanka (ICASL), and the requirements of the Companies Act No 07 of 2007.

The financial statements for the year ended 31st March 2012 were authorized for issue by the Board of Directors on 10th August 2012.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for the following;

- Investment properties are measured at cost at the time of acquisition and subsequently at revalued amounts (Fair value model).

(c) Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the Company’s functional currency.

(d) Use of Estimates and Judgments

The preparation of financial statements in conformity with SLASs requires management to make judgments, 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 ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

- Note 13 - Investment Property
- Note 19 - Deferred Taxation
- Note 18 - Measurement of Defined Benefit Obligations

NOTES TO THE FINANCIAL STATEMENTS

(e) Materiality and Aggregation

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The comparative information is re-classified wherever necessary to conform to the current year's presentation and disclosed in note 30 to the financial statements.

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future.

3.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

- the cost of materials and direct labour
- any other costs directly attributable to bringing the assets to a working condition for their intended use,
- the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalized 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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

Reclassification to Investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognized in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognized in the statement of changes in equity and presented in the revaluation reserve in equity. Any loss is recognized in the statement of changes in equity and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognized immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

Derecognition

The carrying amount of an item of Property, Plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of Property, Plant & Equipment is included in profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

	Depreciation	Useful Life
Building	2%	50
Plant & Machinery	5%	20
Furniture & Equipment	10%	10
Motor Vehicles	25%	04

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.2 Impairment

The carrying values of Property, plant & equipment are reviewed for impairment indicators annually or when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognized in profit or loss unless it reverses a previous revaluation surplus for the same asset. The recoverable amount of an asset is the higher of its fair value less cost to sell or its value in use.

An impairment loss in respect of assets other than goodwill recognized in prior periods, are assessed at each Balance Sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. 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 amortization, if no impairment loss had been recognized.

NOTES TO THE FINANCIAL STATEMENTS

3.3 Investment Property

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. An external, independent valuation Company, having an appropriate recognized professional qualification and recent experience in the location and category of property being valued, values the portfolio every year. The fair values are based on open market value, being the estimated amount for which a property could be exchanged on the date of 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, prudently and without compulsion.

Valuations reflect, where appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and where appropriate counter notices have been served validly and within the appropriate time.

Any gain or loss arising from a change in fair value is recognized in profit or loss. Rental income from investment property is accounted for as described in the accounting policy.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized directly in equity if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognized in profit or loss immediately.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

When the Company begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Company holds it to earn rentals or for capital appreciation or both any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in the accounting policy.

3.4 Investment Property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development (development projects) and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property. At the date of transfer, the difference between fair value and cost is recorded as income in profit or loss.

All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditures for the development qualifying as acquisition costs and are capitalized. Related borrowing costs are recognized in profit or loss as they incur.

NOTES TO THE FINANCIAL STATEMENTS

3.5 Investments

a. Investment Securities

These are acquired and held for yield or capital growth in the medium /long term. Such securities are recorded at cost. Changes in market values of these securities are not taken into account unless there is considered to be a permanent diminution in value. In classifying securities as “Investment”, the Company has determined that it has both the positive intention and ability to hold the securities until their maturity date. Unquoted long term investments are stated at cost.

3.6 Current Assets

Assets classified as current assets on the Balance Sheet are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle or within one year from the reporting date, whichever is shorter.

3.7 Trade and other receivables

Trade and other receivables are stated at the amounts estimated to be realized after providing for bad and doubtful debts.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short term deposits. Company overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as components of cash and cash equivalents for the purpose of presenting the Cash flow statement.

Cash Flow Statement is prepared under the “indirect” method as per Sri Lanka Accounting Standard 09 - Cash Flow Statements.

3.9 Stated Capital

3.9.1 Ordinary Shares

Company’s Stated Capital comprises of ordinary shares, which are classified as equity.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Company 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.

3.11 Employee benefits

3.11.1 Defined benefit plan

Defined benefit plan is a post employment benefit plan other than a defined contribution plan.

The Company’s obligation in respect of defined benefit gratuity plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Government bonds that have maturity dates approximating to the terms of the Company’s obligations. The calculation is performed by a qualified actuary using the Projected Unit Credit Method which is the method recommended by Sri Lanka Accounting Standard 16 (revised 2006) “Employee Benefits” (SLAS 16).

NOTES TO THE FINANCIAL STATEMENTS

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

The Company carries out an actuarial valuation of the Gratuity Fund once in every three years to ascertain the full liability of the Fund. In the absence of an actuarial valuation which is required every three years, the additional liability related to the relevant year of service is estimated by the management. The valuation method used by the actuary to value the defined benefit is the "Projected Unit Credit Method", the method recommended by SLAS 16. The demographic assumptions underlying the valuation are retirement age (55 yrs.), early withdrawals from service and retirement on medical grounds, death before and after retirement etc.

However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continual service.

The liability is not externally funded.

3.11.2 Defined contribution plan.

A defined contribution plan is a post employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognized as expense in profit or loss as and when they are due.

3.11.2.2 (a) Employees' Provident Fund

The Company and employees contribute 12% and 8% respectively on the salary of each employee to the approved private Provident Fund. [Note 6]

3.11.2.2 (b) Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund. The total amount recognized as an expense to the Company for contribution to ETF is disclosed in the notes to financial statements. [Note 6]

3.12 Trade and other payables

Trade and other payables are stated at their cost.

3.13 Commitments and Contingencies

Commitments and contingencies as at the balance sheet date is disclosed in Note 28 to the financial statements.

3.14 Events after the Balance Sheet Date

All material and important events which occur after the Balance Sheet date have been considered and disclosed in Note 27 or adjusted as applicable.

NOTES TO THE FINANCIAL STATEMENTS

3.15 Turnover

3.15.1 Rental income

The turnover of the Company represents the gross rental, service charge, car park income and sundry income.

Rental income from investment property leased out under operating lease is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

3.15.2 Service Charge and car park income

Service charge and car park income are recognized on accrual basis in the profit or loss.

3.15.3 Other income

Dividends

Dividend income is recognized when the right to receive income is established. Usually this is the ex dividend date for equity securities.

Others

Other income is recognized on an accrual basis. Net Gains and losses of a revenue nature on the disposal of plant and equipment and other non-current assets including investments have been accounted for in profit or loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

3.16 Expenses

Expenses are recognized in profit or loss as they are incurred, in the period to which they relate.

3.17 Finance cost

Finance costs comprise interest expense on borrowings, interest on overdrafts, and other charges.

3.18 Taxation

3.18.1 Current taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No 10 of 2006 and subsequent amendments thereon.

3.18.2 Deferred taxation

Deferred tax is recognized 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 recognized 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;

NOTES TO THE FINANCIAL STATEMENTS

- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- Temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Additional taxes that arise from the distribution of dividends by the company are recognized at the same time as the liability to pay the related dividend is recognized.

A deferred tax asset is recognized 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 utilized. 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 realized.

3.18.3 Economic Service Charge (ESC)

ESC is payable on the liable turnover at specified rates. As per the provision of the Economic Service Charge Act No. 13 of 2006 and subsequent amendments thereto, ESC is deductible from the income tax liability. Any unclaimed payment can be carried forward and set off against the income tax payable as per the relevant provision in the Act.

3.19 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.20 Directors' Responsibility Statement

The Board of Directors of the Company is responsible for the preparation and presentation of these financial statements. Please refer to page 12 for the statement of the Directors' Responsibility for financial reporting.

3.21 New Accounting Standards issued but not Effective as At Balance Sheet Date

The Institute of Chartered Accountants of Sri Lanka has issued a new framework and Sri Lanka Accounting Standards which will become applicable from 1st January 2012.

These new Accounting Standards are prefixed both SLFRS and LKAS which correspond to the relevant IFRS and IAS. Disclosure requirement under SLAS 10.30 and 10.31 have been exempted by the ICASL and therefore all differences and impacts arising from the new Standards are not presented in these financial statements. The impact of the above requirements has not been quantified as exempted by the ICASL. Accordingly these Standards have not been applied in preparing these Financial Statements as they were not effective for the year ended 31st March 2012.

The Company has not carried out a preliminary assessment of the gaps between the present Standards and the new ones and thereby not quantified the differences that may arise due to the adoption of the above and all other new SLASs which come into effect on 1 January 2012.

NOTES TO THE FINANCIAL STATEMENTS

	2012 Rs. '000	2011 Rs. '000
4. Revenue		
Rental Income	279,146	248,163
Service Charges	53,902	45,911
Car Park Income	13,671	13,404
Sundry Income	2,682	2,053
	<u>349,401</u>	<u>309,531</u>
5. Other income		
Change in fair value of investment property	82,003	15,428
(Loss)/Profit on disposal of property, plant and equipment	(1,326)	-
Interest on Treasury Bills	-	1,345
Interest on group company loans	919	1,693
	<u>81,596</u>	<u>18,466</u>
6. Personnel Expenses		
Personnel Expenses include the following:		
Salaries and Wages	26,163	23,412
Contribution to Employees' Provident Fund	2,338	2,178
Contribution to Employees' Trust Fund	584	544
Provision for Staff Retirement Benefit [Note 18.1 (b)]	1,031	4,532
Other	3,968	3,799
	<u>34,084</u>	<u>34,465</u>
7. Results from Operating Activities		
Results from operating activities are stated after deducting all operating expenses including the following,		
Directors' Emoluments	17,650	15,795
Audit Fees	245	208
Depreciation (Note 12)	10,109	6,758
Legal Fees	64	96
Professional Fees	1,127	1,018
8. Finance Cost		
Interest on Bank Overdraft	5,795	719
Interest on Group Company Loans	3,563	16,500
Interest on Bank Loan	4,025	-
	<u>13,383</u>	<u>17,219</u>
9. Income Tax Expenses		
9.1 Tax recognised in the income statement		
a) Current Tax		
Current Year	42,748	49,408
Adjustment for Prior Years	-	1,089
	<u>42,748</u>	<u>50,497</u>
b) Deferred tax expense		
Origination and reversal of taxable temporary differences	(8,667)	(5,753)
Change in recognized deductible temporary differences	(288)	(780)
Reduction in tax rate	-	(69,039)
	<u>(8,955)</u>	<u>(75,572)</u>
Total Tax Expense	<u>33,793</u>	<u>(25,075)</u>

NOTES TO THE FINANCIAL STATEMENTS

	2012 Rs. '000	2011 Rs. '000
9.2 Reconciliation of Accounting profit and Taxable Income		
Profit Before Tax	259,499	159,149
Add: Disallowable Expenses	12,815	16,824
Less: Allowable Expenses	(37,584)	(21,466)
Less: Income from other sources		
Interest income - Inter Company Loan	(919)	(1,693)
Interest income - Treasury bill	-	(1,345)
Change in fair value of investment properties	(82,003)	(15,428)
Business Income	151,808	136,041
Income from Other Sources	919	3,038
Statutory Income	152,727	139,079
Assessable Income	152,727	139,079
Less: Deductions	(55)	-
Total Taxable Income	152,672	139,079
Tax Liability		
Taxable Income at 28% (2011 - 35%)	42,748	48,678
Social Responsibility Levy 2012 Nil (2011 - 15%)	-	730
Total Tax Liability	42,748	49,408
9.3 Reconciliation of Effective Tax Rate		
Profit before income tax	259,499	
Less: Income from other sources	(919)	
Profit from business	258,580	
Income Tax Using the Domestic Tax Rate	28%	72,402
Dissolvable Expenses	2%	3,573
Change in fair value of investment properties	-9%	(22,961)
Allowable Expenses	-4%	(10,523)
Income from Other Sources	0%	257
Other Temporary Differences	-3%	(8,955)
(Over)/Under Provided in Prior Years	0%	-
Total Income Tax Expenses (Note 9.1)	14%	33,793

10. Earnings per Share

The earnings per share is calculated based on the profit attributable to Ordinary Shareholders of the Company divided by the weighted average number of Ordinary shares in issue during the year.

	2012 Rs. '000	2011 Rs. '000
Profit attributable to the Equity Holders of the company (Rs. '000)	225,706	184,224
Weighted Average number of ordinary shares in issue during the year ('000)	48,750	48,750
Earnings Per Share (Rs.)	4.63	3.78
11. Dividends per Share		
Dividends per share is based on the dividends paid during the year covered by the financial Statements		
Final 2010/11 Re. 0.60 per share (2009/10 - Re. 0.60 per share) (Rs. '000)	29,250	29,250
Interim 2011/12 Re. 0.60 per share (2010/11 - Re. 0.60 per share) (Rs. '000)	29,250	29,250
	58,250	58,500
Dividend per share (Rs.)	1.20	1.20

NOTES TO THE FINANCIAL STATEMENTS

12. Property, Plant & Equipment

	Buildings Rs. '000	Plant & Machinery Rs.'000	Furniture & Equipments Rs. '000	Motor Vehicles Rs. '000	Total 2012 Rs. '000	Total 2011 Rs. '000
Cost/Valuation						
As at 1st April 2011	-	56,286	25,905	19,288	101,479	98,358
Additions	-	295	1,432	14,732	16,459	3,122
Disposals	-	(5,046)	(6,238)	(1,926)	(13,210)	-
Adjustments	11,222	(20,904)	7,150	-	(2,532)	-
As at 31st March 2012	<u>11,222</u>	<u>30,631</u>	<u>28,249</u>	<u>32,094</u>	<u>102,196</u>	<u>101,480</u>
Accumulated Depreciation						
As at 1st April 2011	-	42,736	13,520	17,058	73,314	66,557
Charge for the year	224	1,578	2,727	5,580	10,109	6,758
Disposals	-	(3,249)	(6,210)	(1,926)	(11,385)	-
Adjustments	3,613	(16,359)	2,145	-	(10,601)	-
As at 31st March 2012	<u>3,837</u>	<u>24,706</u>	<u>12,182</u>	<u>20,712</u>	<u>61,437</u>	<u>73,315</u>
Carrying Value						
As at 31st March 2011	-	13,551	12,385	2,229		28,165
As at 31st March 2012	<u>7,385</u>	<u>5,925</u>	<u>16,067</u>	<u>11,382</u>	<u>40,759</u>	

Property, Plant and Equipment includes fully depreciated assets having a gross amount of Rs. 25,442,923.

	Land Rs. '000	Buildings Rs. '000	Total Rs. '000
13. Investment Properties			
As at 1st April 2010	1,362,052	1,137,948	2,500,000
Additions during the year	-	14,572	14,572
Change in Fair Value	33,948	(18,520)	15,428
Balance as at 01st April 2011	<u>1,396,000</u>	<u>1,134,000</u>	<u>2,530,000</u>
Additions during the year	-	110,327	110,327
Adjustments	-	(8,070)	(8,070)
Change in Fair Value	142,000	(59,997)	82,003
Balance as at 31st March 2012	<u>1,538,000</u>	<u>1,176,260</u>	<u>2,714,260</u>

Investment property comprises a number of commercial properties that are leased to third parties and to a number of related companies. Each of the leases contains an initial non-cancellable period of 4 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

In accordance with SLAS 40, a property interest under an operating lease is classified and accounted for as an Investment Property on a property-by-property basis when the Company holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an Investment Property is carried at fair value.

The carrying amount of Investment Property is the fair value of the property as determined by a registered independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Company's Investment Property.

13.1 Investment Property

Address	Extent	Name of the Valuer	Date of Valuation	Market Value
No.10, Station Road, Colombo 04	1A-2R-17.25P	Mr. T Weeratne (Incorporated Valuer)	16th April 2012	2,714,260

The valuation is based on the open market fair value of the assets. The building consists of five floors.

NOTES TO THE FINANCIAL STATEMENTS

The Open Market value is intended to mean the best price at which an interest in a property might reasonably be expected to be sold in the Private treaty as at the date of valuation, assuming,

- a) a willing seller;
- b) a willing buyer;
- c) a reasonable period within which to negotiate the sale, taking into account the nature of the property and state of the market;
- d) value remains static throughout the period;
- e) no account is to be taken of an additional bid by a special purchaser.

	2012 Rs. '000	2011 Rs. '000
14. Investments		
Unquoted		
CT Properties Limited	115,000	115,000
Ceylon Theatres (Pvt) Ltd.	37,500	-
	<u>152,500</u>	<u>115,000</u>
15. Trade and Other Receivables		
Trade and other receivables due from related parties (Note 25)	9,180	7,241
Loans to Directors (Note 25)	100	-
Trade Receivables	19,481	27,518
Other Receivables	24,602	69,740
	<u>53,363</u>	<u>104,499</u>
Less: Provision for doubtful receivables	(1,136)	(1,136)
	<u>52,227</u>	<u>103,363</u>
16. Cash and Cash Equivalents		
Cash and Bank balances	10,641	9,644
Bank overdrafts used for cash management purposes	(74,844)	(21,921)
Cash and Cash Equivalents in the statement of cash flows	<u>(64,203)</u>	<u>(12,277)</u>
17. Stated Capital		
48,750,000 Fully paid Ordinary Shares	<u>487,500</u>	<u>487,500</u>
The holders of ordinary shares are entitled to one vote per individual present at meetings of the shareholders and one vote per share in case of a poll and are also entitled to receive dividends as declared from time to time.		
18. Retirement Benefit Obligations		
18.1 The amount recognised in the balance sheet		
Present Value of Defined Benefit Obligations - (Note 18.1.a)	12,555	11,524
Unrecognized Actuarial Gain or (Loss)	-	-
Provision for Defined Benefit Obligations	<u>12,555</u>	<u>11,524</u>
18.1.(a) Movement in the Present Value of Defined Benefit Obligations		
Liability for Defined Benefit Obligations as at 1st April	11,524	6,992
Current Service Cost	661	4,532
Interest Cost	1,261	-
Actuarial (Gain) / Loss immediately recognised	(891)	-
Payments made	-	-
Liability for Defined Benefit Obligations as at 31st March	<u>12,555</u>	<u>11,524</u>

NOTES TO THE FINANCIAL STATEMENTS

	2012 Rs.'000	2011 Rs. '000
18.1.(b) Amount Recognized in the Income Statement		
Current Service Cost	661	4,532
Interest Cost	1,261	-
Actuarial (Gain) / Loss Immediately Recognized	(891)	-
Provision for Staff Retirement Benefit (Note 6)	1,031	-
18.1.(c) Actuarial Assumptions		
The Actuarial Valuation was carried out by a professionally qualified actuary, Mr. M. Poopalanathan on 31st March 2012.		
The following are the principal actuarial assumptions at the reporting date.		
Normal Retirement Age	55	
Rate of Discount	11%	
Salary Increase	8%	
Assumptions regarding future mortality are based on 67/70 mortality table, issued by the Institute of Actuaries, London.		
The demographic assumptions underlying the valuation are with respect to the retirement age, early withdrawal; from service and retirement on medical grounds.		
19. Deferred Tax Liabilities		
As at 1st April	269,623	345,195
(Charge)/Reversal for the year	(8,955)	(75,572)
Balance Carried forward (Note 19.1 & 19.2)	260,668	269,623
19.1 Recognised deferred tax assets and liabilities		
Assets		
Defined Benefit Obligation	(3,515)	(3,227)
Net Deferred Tax (Assets)	(3,515)	(3,227)
Liabilities		
Property Plant and Equipment and Investment Property	264,183	272,850
Net Deferred Tax Liability	264,183	272,850

	Balance as at 1st April 2010	Recognised in profit or loss	Balance as at 31st March 2011	Recognised in profit or loss	Balance as at 31st March 2012
19.2 Movement in deferred tax balances during year					
Property plant and equipment and Investment Property	348,201	(75,351)	272,850	(8,667)	264,183
Defined benefit obligations	(2,447)	(780)	(3,227)	(288)	(3,515)
Provision for trade receivables	(559)	559	-	-	-
Net deferred tax (assets) liability	345,195	(75,572)	269,623	(8,955)	260,668

NOTES TO THE FINANCIAL STATEMENTS

	2012 Rs.'000	2011 Rs.'000
20. Interest bearing loans and borrowings		
Non current interest bearing loans and borrowings		
Secured Bank Loans	15,625	-
Current interest bearing loans and borrowings		
Secured Bank Loans	37,500	-
Loans from Related Party (Note 25)	-	75,000
	<u>53,125</u>	<u>75,000</u>
The Bank Loan is secured over the land and building and Investment Property of CT Land Development PLC		
21. Security Deposits		
Related Companies	3,326	3,242
Others	141,794	138,173
	<u>145,120</u>	<u>141,415</u>
22. Trade & Other Payable		
Trade Creditors	26,977	16,097
Other Payables	5,475	9,950
Accrued Expenses	5,112	2,702
	<u>37,564</u>	<u>28,749</u>
Interest payable on loans from related party (Note 25)	438	-
	<u>38,002</u>	<u>28,749</u>
23. Income Tax Payable		
As at 1st April	21,896	21,247
Less: Payments made during the year	(51,871)	(43,491)
ESC Recoverable	(6,641)	(2,712)
WHT Paid	(1,562)	(3,645)
Provision made during the year	42,748	50,497
Income tax payable balance as at 31st March	<u>4,570</u>	<u>21,896</u>
24. Dividends Payable		
Unclaimed Dividends	<u>3,523</u>	<u>5,270</u>

25. Related Party Transactions

Parent and the ultimate controlling party

The Company is a subsidiary of C T Holdings PLC, which owns 51.89% of controlling interest of the Company.

25.1 Transactions with the Key Management Personnel

According to Sri Lanka Accounting Standard 30 (revised 2005) - Related Party Disclosure, Key Management Personnel are those having authority for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors, and their immediate family members have been classified as Key Management Personnel of the Company.

Immediate family member is defined as spouse or dependent. Dependent is defined as anyone who depends on the respective Director for more than 50% of his / her financial needs.

The following Directors are Directors of C T Holdings PLC as well.

Mr. R. Selvaskandan
Mr. J. C. Page
Mr. A. T. P. Edirisinghe
Mr. Anthony A. Page
Mr. L. R. Page
Mr. V. R. Page

NOTES TO THE FINANCIAL STATEMENTS

Key Management Personnel have transacted with the Company during the period as follows:

a. Loans given to Key Management Personnel

No unsecured loans to directors have been issued during the year. A previously granted loan to a new director had a balance outstanding of Rs. 100,000 as at 31st March 2012 and is included in trade and other receivables.

b. Key Management Personnel compensation for the period comprised the following.

	2012 Rs. '000	2011 Rs. '000
Short term employee benefits	17,650	15,795
Post employment benefits	12,277	9,840
	<u>29,927</u>	<u>25,635</u>

In addition to their salaries, the Company also provides non cash benefits to Directors and Executive Officers. Directors' Emoluments are disclosed in Note 7 to the Financial Statements.

c. Key Management Personnel and Directors transactions

Directors of the company control 4.63% of the voting shares of the company.

Number of key management personnel and their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Company during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably expected to be available, on similar transactions to non-key management personnel of related entities on an arm's length basis.

There are no other transactions and outstanding balances with key management personnel except for the items mentioned in Note No. 25.

NOTES TO THE FINANCIAL STATEMENTS

The aggregate value of transactions and outstanding balances related to Other Related Parties are as follows.

Parties Accommodated	Director / Key Management Personnel (Relationship)	Transaction	Transaction value for the year ended 31st March		Balance outstanding as at 31st March Due from / (Due to)	
			2012 Rs.'000	2011 Rs.'000	2012 Rs.'000	2011 Rs.'000
Cargills (Ceylon) PLC	Mr J C Page (<i>Director</i>)	Rental & Service Charges	16,157	13,599	-	-
	Mr A T P Edirisinghe (<i>Director</i>)	Loan Repayment	75,000	75,000	-	(75,000)
	Mr Anthony A Page (<i>Director</i>)	Interest Expenses	3,563	16,500	(437)	-
	Mr L R Page (<i>Chairman</i>)	Security Deposits	-	-	(1,401)	(1,401)
	Mr V R Page (<i>Deputy Chairman</i>)					
Cargills Food Processors (Pvt) Ltd	Mr A T P Edirisinghe (<i>Director</i>)	Rental & Service Charges	9,005	7,926	-	-
	Mr Anthony A Page (<i>Director</i>)	Security Deposits	-	-	(479)	(479)
	Mr V R Page (<i>Chairman</i>)					
Millers Ltd	Mr V R Page (<i>Chairman</i>)	Rental & Service Charges	3,378	1,494	-	-
		Security Deposits	-	-	(175)	(91)
Ceylon Theatres (Pvt) Ltd	Mr Anthony A Page (<i>Chairman</i>)	Rental & Service Charges	14,003	8,003	-	-
	Mr J C Page (<i>Managing Director</i>)	Expenses Reimbursement			490	-
	Mr L R Page (<i>Director</i>)	Security Deposits	-	-	(600)	(600)
	Mr V R Page (<i>Director</i>)					
	Mr S C Niles (<i>Director</i>)					
	Mr M A de Alwis (<i>Director</i>)					
C T Real Estates (Pvt) Ltd	Mr R Selvaskandan (<i>Director</i>)	Rental & Service Charges	2,214	1,974	-	-
	Mr J C Page (<i>Director</i>)	Loan			8,174	7,241
	Mr Anthony A Page (<i>Director</i>)	Security Deposits	-	-	(205)	(205)
	Mr L R Page (<i>Director</i>)	Interest Income	919	1,693		
	Mr V R Page (<i>Chairman</i>)					
	Mr S C Niles (<i>Director</i>)					
C T Smith Stockbrokers (Pvt) Ltd	Mr Anthony A Page (<i>Chairman</i>)	Rental & Service Charges	3,996	3,502	420	-
		Security Deposits	-	-	(328)	(328)
C T Capital (Pvt) Ltd	Mr Anthony A Page (<i>Chairman</i>)	Rental & Service Charges	2,903	1,206	-	-
	Mr S C Niles (<i>Director</i>)					
Comtrust Asset Management (Pvt) Ltd	Mr Anthony A Page (<i>Chairman</i>)	Rental & Service Charges	1,662	1,505	-	-
	Mr J C Page (<i>Director</i>)	Security Deposits	-	-	(138)	(138)
	Mr S C Niles (<i>Director</i>)					
C T Smith Holding	Mr Anthony A Page (<i>Chairman</i>)	Rental & Service Charges	128	-	-	-
	Mr L R Page (<i>Director</i>)					
	Mr A T P Edirisinghe (<i>Director</i>)					
Horana Plantation PLC	Mr Anthony A Page (<i>Chairman</i>)	Purchases	44	44	-	-

NOTES TO THE FINANCIAL STATEMENTS

The rental and service charges are from the related parties who have occupied the investment property.

26. Litigation and Claims

There are no Litigation and Claims against the Company as at the Balance Sheet date.

27. Subsequent Events

The Board of Directors of the Company recommends a final ordinary dividend of Rs. 0.80 per share for the year 2012 and to be approved at the Annual General Meeting.

No circumstances have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial Statements other than those disclosed above.

28. Commitments and contingencies

Capital expenditure approved by the Board of Directors for which provision has not been made in these account amounted to approximately.

	2012 Rs.'000	2011 Rs. '000
Approved and contracted for	7,900	-
Approved and not contracted for	-	-

There are no other significant capital expenditure commitments other than those shown above.

29. Capital Commitments

There were no material capital commitments outstanding as at the Balance Sheet date .

30. Comparative Information

30.1 Directors fees which was included in Salaries and Wages classified under Personnel Cost in 2011 (Note 6) has been reclassified under Directors' emoluments in Other Operating Cost from year 2012. The comparative figures are also reclassified accordingly (Note 7).

30.2 Change in fair value of investment property in 2011 has been reclassified under Other Income from year 2012. The comparative figures are also reclassified accordingly (Note 5.)

30.3 Amounts due from Related Companies in 2011 has been reclassified under Trade and other receivables from year 2012. The comparative figures are also reclassified accordingly (Note 15).

FIVE YEAR SUMMARY

Year ended 31st March (In Rs. '000)	2012	2011	2010	2009	2008
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OPERATING RESULTS

Revenue	349,401	309,531	271,519	234,155	234,117
Profit from Operations	190,879	160,940	152,043	130,045	133,116
Gain on Revaluation of Investment - Properties	82,003	15,428	1,816	22,966	123,000
Finance Cost	(13,383)	17,219	22,090	25,786	7,050
Profit before Tax	259,499	159,149	131,769	127,225	249,066
Profit after Tax	225,706	184,224	85,201	85,074	122,314

ASSETS

Non Currents Assets	2,907,519	2,673,165	2,646,801	2,513,868	2,353,429
Current Assets	62,868	113,007	79,625	221,161	125,390

EQUITY AND LIABILITIES

Stated Capital	487,500	487,500	487,500	487,500	487,500
Reserves	1,890,480	1,723,274	1,597,550	1,561,099	1,500,400
Borrowings	53,125	-	-	70,000	-
Deferred Liabilities	260,668	269,623	345,195	340,881	330,851
Security Deposit	145,120	141,415	99,405	98,594	97,249
Current Liabilities	158,439	152,836	189,784	185,414	55,272

KEY INDICATORS

Earning per Share (Rs.)	4.63	3.78	1.75	1.75	2.51
Net Assets per Share (Rs.)	48.78	45.35	42.77	42.02	40.78
Market price per Share (Rs.)	24.20	32.90	20.75	12.50	18.00

OTHERS

Market Capitalisation (Rs.'000)	1,179,750	1,603,875	1,011,563	609,375	877,500
Price Earning Ratio (times)	5.23	8.70	11.86	7.17	7.17
Dividend Rate (%)	1.20	1.20	1.00	0.5	11.00
Interest Cover (times)	20.39	10.24	6.97	5.93	36.33
Current Ratio (times)	0.40	0.74	0.42	1.19	2.26
Dividend Yield	4.96	3.65	4.82	4.00	6.11
Equity to Total Assets(%)	80.06	79.35	76.48	74.90	80.20
Number of shares in issue ('000)	48.750	48,750	48,750	48,750	48,750

INFORMATION TO SHAREHOLDERS AND INVESTORS

1. Stock Exchange Listing

The issued ordinary shares of C T Land Development PLC are listed with the Colombo Stock Exchange

2. Distribution of Shareholdings

Size of Shareholding	31st March 2012				31st March 2011			
	Shareholders		Holdings		Shareholders		Holdings	
	Number	%	Number	%	Number	%	Number	%
1 - 1,000	2,712	72.03	865,570	1.77	2,706	71.28	867,282	1.78
1,001 - 5,000	740	19.66	1,705,035	3.50	763	20.10	1,931,096	3.96
5,001 - 10,000	145	3.85	1,106,704	2.26	147	3.87	1,128,261	2.31
10,001 - 50,000	125	3.32	2,514,219	5.84	136	3.58	2,744,316	5.63
50,001 - 100,000	18	0.48	1,227,205	2.61	17	0.45	1,009,215	2.07
100,001 - 500,000	18	0.48	5,025,024	10.31	20	0.53	5,044,719	10.35
500,001 - 1,000,000	4	0.10	2,852,931	5.85	4	0.11	2,732,355	5.60
1,000,001 - Over	3	0.08	33,453,312	68.38	3	0.08	33,292,756	68.29
	<u>3,765</u>	<u>100.00</u>	<u>48,750,000</u>	<u>100.00</u>	<u>3,796</u>	<u>100.00</u>	<u>48,750,000</u>	<u>100.00</u>

3. Analysis of Shareholders

Categories of Shareholders	31st March 2012			31st March 2011		
	Non-Residents	Residents	Total	Non-Residents	Residents	Total
Individuals	923,986	9,554,126	10,478,114	927,714	12,771,152	13,698,866
Institutions and Corporate Holdings	103,350	38,168,536	38,271,886	296,950	34,754,184	35,051,134
	<u>1,027,336</u>	<u>47,722,662</u>	<u>48,750,000</u>	<u>1,224,664</u>	<u>47,525,336</u>	<u>48,750,000</u>

4. Top 20 Shareholders

The holdings of the top 20 shareholders as at 31st March 2012 is given below

	31st March 2012		31st March 2011	
	No of Shares	%	No. of Shares	%
C T Holdings PLC	25,298,407	51.89	25,298,407	51.89
Seylan Bank PLC / Thirugnanasambandar Senthilvel	4,100,000	8.41	-	-
Bank of Ceylon A/C Ceybank Unit Trust	4,054,905	8.32	4,872,600	10.00
Bank of Ceylon A/C Ceybank Century Growth Fund	944,500	1.94	994,500	2.04
Tudawe Brothers Limited	668,363	1.37	502,051	1.03
Mr. A. A. Page	629,264	1.29	625,000	1.28
Mr. J. C. Page	610,804	1.25	610,804	1.25
Mrs C. K. Muttukumar	485,113	1.00	475,113	0.97
Dee Investments (Pvt) Ltd.	460,800	0.95	-	-
Mr. V. R. Page	453,062	0.93	475,113	0.97
Dr. A. C. Visvalingam	398,150	0.82	262,950	0.54
Merrill J Fernando & Sons (Pvt) Limited	392,535	0.82	392,535	0.81
Mrs. T. Selvaratnam	375,813	0.81	375,813	0.77
E. W. Balasuriya & Co. (Pvt) Ltd.	337,500	0.77	337,813	0.77
Sampath Bank Limited-Account No. 3	325,000	0.69	325,000	0.67
David Pieris Motor Company Limited	300,000	0.67	300,000	0.62
Dr. T. Senthilvel	290,349	0.62	3,121,749	6.40
Mrs. J. N. Mather	268,620	0.60	268,620	0.55
Mr. L. R. Page	268,487	0.55	268,487	0.55
Mr. M. M. Udeshi	205,450	0.42	205,450	0.42
	<u>40,867,122</u>	<u>83.83</u>	<u>40,265,741</u>	<u>82.60</u>
Other 3,745 shareholders	<u>7,882,878</u>	<u>16.17</u>	<u>8,484,259</u>	<u>17.40</u>
Total	<u>48,750,000</u>	<u>100.00</u>	<u>48,750,000</u>	<u>100.00</u>

INFORMATION TO SHAREHOLDERS AND INVESTORS

5. Share Valuation

The market value of each Ordinary share on 31st March 2012 was Rs. 24.20 (2011-Rs. 32.90). The highest and lowest values recorded during the twelve month ended 31st March 2011 were Rs. 29.30 and Rs. 23.00 respectively. The highest value was recorded on 13th January 2012. The lowest value was recorded on 15th February 2012.

6. Share Trading

For the year ended 31st March	2012	2011
No. of transactions	605	2,125
No. of shares traded	1,514,767	3,309,200
Value of share traded (Rs.)	41,014,447	109,157,440

7. Dividends

Interim dividend of Re. 0.60 per share paid on 14th February 2012.

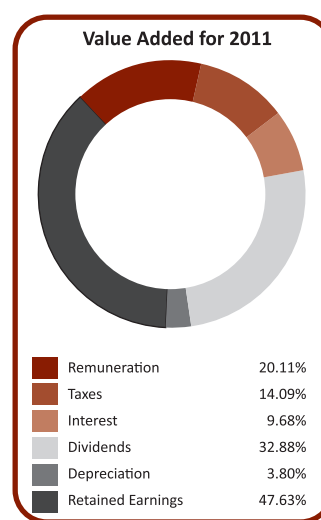
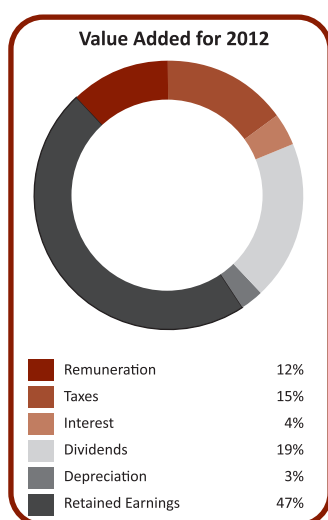
Proposed final dividend of Re. 0.80 per share to be paid on 26th September 2012 subject to approval of shareholders.

8. Public Holders

The percentage of shares held by the public as at 31st March 2012 was 43.48% (2011-37.57%)

STATEMENT OF VALUE ADDED

For the year ended 31st March	%	2012 Rs. '000	%	2011 Rs. '000
Creation of Value Added				
Revenue		349,401		309,531
Operating Expenses		(158,115)		(150,085)
Value Added from Operations		191,286		159,446
Other Income		(407)		3,038
Change in Fair Value of Investment Properties		82,003		15,428
Total Value Added		272,882		177,912
Distribution of Value Added				
To Associates				
Salaries, wages and other related cost	12.49	34,084	20.11	35,770
To Government				
as Income Taxes	15.67	42,748	28.38	50,497
as Deferred Taxes	(3.28)	(8,955)	(42.48)	(75,572)
		33,793		(25,075)
To Lenders of Capital				
as Interest	4.90	13,383	9.68	17,219
To Shareholders				
as Dividends	21.44	58,500	32.88	58,500
Retained for Growth				
Depreciation	3.70	10,109	3.80	6,758
Retained Earnings	45.08	123,013	47.63	84,740
		133,122		91,498
	100.00	272,882	100.00	177,912



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Ninth Annual General Meeting of the Company will be held at the Sri Lanka Foundation Institute, No. 100, Independence Square Colombo 7 on 14th September 2012 at 10.30 a.m. in order to:

1. receive and consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2012 with the Report of the Auditors thereon.
2. declare a Dividend as recommended by the Directors.
3. re-elect Directors who are due to retire by rotation and are eligible for re-election:
 - (a) Mr. A. T. P. Edirisinghe
 - (b) Dr. T. Senthilverl
 - (c) Mr. V. R. Page
4. elect Mr. A. D. M. De Alwis as a Director.
5. authorise the Directors to determine contributions to Charities
6. to authorise the Directors to determine the remuneration of the Auditors, Messrs, KPMG who are deemed reappointed 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,



Charuni Gunawardana

Secretary

Colombo

10th August 2012

PROXY OF FORM

For the use at the Twenty Ninth Annual General Meeting

(Before completing this form please see notes on the reverse hereof)

I/We.....

.....

of

.....

(a) member (s) of C T Land Development PLC hereby appoint

..... of

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me us and me/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held on 14th September 2012 and at any adjournment thereof.

(Please indicate how you wish your vote to be cast by placing an "X" in the space provided below. The resolutions are as indicated in the Notice of Meeting in the Annual Report. Except as indicated by you, the Proxy will exercise his/her discretion both as to voting and whether or not to abstain from voting on all resolutions at the Meeting).

Ordinary Resolutions

Resolution No.	1	2	3 (a)	3 (b)	3 (c)	4	5	6
For								
Against								

.....
Signature of Member (s)

.....
Date

PROXY FORM

Instructions as to completion of the Proxy Form

1. The Form of Proxy must be signed by the member or by his /her attorney duly authorised in writing.
2. In the case of a company, the Form of Proxy must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
3. In the case of joint holders, only one need sign. The votes of the senior holder who tenders a vote will alone be counted.
4. To be valid this Form must be filled up, signed and deposited at the Registered Office of the Company at 10, Station Road, Colombo 4 not less than 48 hours before the time appointed for holding the Meeting.



CT Land Development PLC

10, Station Road, Colombo 4.

Tel. 2 508673-4, Fax. 2 592427