CT Land Development PLC

Annual Report 2014

Majestic City

A Member of the CT Holdings Group

Financial Calendar

Financial Statements For 2013/14

INTERIM REPORTS

1st Quarter 30th June 2013	-	15th August 2013
2nd Quarter 30th September 2013	-	04th November 2013
3rd Quarter 31st December 2013	-	07th February 2014
4th Quarter 31st March 2014	-	03rd June 2014
Annual Report for the year ended 31st March 2014	-	16th July 2014

MEETINGS

187th Board Meeting	-	17th May 2013
188th Board Meeting	-	09th August 2013
189th Board Meeting	-	04th November 2013
190th Board Meeting	-	31st January 2014
30th Annual General Meeting	-	03rd October 2013

DIVIDENDS

Interim Rs. 1.10 per share	-	Paid on 14th January 2014
Final Rs. 1.50 per share subject to Shareholder approval	-	Payable on 1st September 2014

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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.

It is situated at the hub of a very active retail area of Colombo and is a most sought after Destination Center in Sri Lanka, incorporating a diverse range of Shopping outlets, Banks, a Food Zone, Supermarket, Quick Service Restaurant, Amusement Centre and the ever 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.

Majestic City is a unique destination center where you can shop, dine and watch a movie all under one roof. Exclusive International Brands and up-market Fashion Boutiques for the discerning shopper as well as a wide array of value-for-money merchandise and services to meet the day-to-day needs of all customer segments are offered at the mall.

Quick and easy access is provided to the supermarket and the international franchise restaurant located on the ground floor to enable customers to fulfil all their household shopping needs conveniently and to enjoy quick service dining or take-away fast food that caters to international as well as local palates. Over the counter fast food and drinks are also available on this floor for hungry shoppers in a hurry.

The Amusement Centre is equipped with fun generating equipment that provides entertainment for children.

The wide array of goods available include Antiques, Handicrafts, Gift Items, Cosmetics, Gems & Jewellery, Baby Goods, Eye Wear, Watches & Clocks, Sports & Health goods, Electronic goods, Mobile Phones & accessories and Computer equipment & accessories in addition to the ever essential Clothing, Footwear and Household items.

The complex also houses a Hair & Beauty Salon, an exclusive Tea Centre, a Money Changer, a photographic outlet and several Banks and ATM's.

The Food Zone located in the Basement, with its many outlets, offers a varied dining experience that caters to any palate, with a common dining area that is open throughout the day.

The Cinema complex comprises of four cinemas and was the first to provide cinema-goers with a superior 3D movie experience in Sri Lanka. The 3D effects and picture quality at its main cinema-Platinum which has a seating capacity for 445 patrons has recently been further improved. 3D effects are available at two of the cinemas and digital facilities will soon be available at all four of the cinemas in the complex.

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

(Ms.) M. G. Perera *(Finance Director - Appointed w.e.f. 04/11/2013)*

A. T. P. Edirisinghe

S. C. Niles

Anthony A. Page

L. R. Page

Dr. T. Senthilverl

Sunil Mendis

Company Secretary / Legal Consultant

(Ms.) Charuni Gunawardana

Management

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

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

(Ms.) M. G. Perera *(Finance Director)*

A. C. Hewage *(Accounts Executive)*

Audit Committee

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

Anthony A. Page

Sunil Mendis

Remuneration Committee

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

Sunil Mendis

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) & 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 CT Holdings Group. He is the Deputy Chairman of CT Properties Limited and a partner of Varners in addition to his other responsibilities. He has more than 27 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 CT Holdings PLC, Managing Director, Ceylon Theatres (Private) Limited and a Director of CT Properties Limited. He is also a Director of several other Companies within the CT Holdings Group. He has over 31 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, a Fellow member of the Chartered Institute of Management Accountants (UK) and holds a Diploma in Commercial Arbitration. Having retired from professional practice, he is now the Consultant/Advisor of HLB Edirisinghe & Co., Chartered Accountants and is the Managing Director of PE Management Consultants (Pvt.) Ltd. He counts over 44 years' experience of which 27 years has been in public practice and 17 years in the private sector having held senior positions. He serves on the Boards of a number of other listed and non-listed Companies where in some Companies he also serves as Chairman/ Member of the Audit Committee and as a Chairman/Member of the Remuneration Committee. He also serves as the Chairman of the Audit and Remuneration Committees of the Company.

Mr. Anthony A Page **

Mr. Anthony Page is the Chairman of CT Holdings PLC and counts over 42 years of Management Experience in a diverse array of businesses. He serves on the Boards of many group as well as other companies and 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 CT 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 CT Holdings PLC, Chairman of Cargills (Ceylon) PLC and as a Director of several other group companies.

Dr. T Senthilverl *

Dr. Senthilverl is a Director of many quoted public Companies including Vidullanka PLC, CW Mackie PLC, Amana Takaful PLC, SMB Leasing PLC, The Finance Company PLC, FLC Hydro Power PLC and Nawaloka Hospitals PLC. He is also engaged in projection, construction and management of irrigation tanks and development of industrial turnkey projects, air and sea cargo, logistics and trading.

Mr. Sunil Mendis*

Deshamanya Sunil Mendis was formerly the Chairman of the Hayleys Group and a former Governor of the Central Bank of Sri Lanka. He possesses over 46 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. A. D. M De Alwis

Mr. Mahendra de Alwis is an Associate Member of the Engineering Institution in UK. He possesses over 27 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 the Director, Group Corporate Affairs of CT Holdings PLC and a Director of CT Properties Limited.

(Ms.) M. G. Perera

Ms. Mignonne Perera is an Associate Member of the Chartered Institute of Management Accountants, UK and possesses over 31 years of experience in the manufacturing, trading and service sectors. She has held several key positions within the Group companies of C T Holdings PLC, including Directorships, since joining the subsidiary, Millers PLC in 1992.

* Independent Director

**Non- Executive Director

Chairman's Statement

I am pleased to present to you the Annual Report and Audited Financial Statements of the Company for the year ended 31st March 2014.

Operations

Shopping and leisure activities within the City and the rest of the Island are undergoing a tremendous transformation with several new locations being developed and existing locations upgraded. The main drivers are the continuous growth of the Tourism sector, increasing inflow of tourists in to the country, steady economic growth in the country and higher disposable income among Sri Lankans. The improvement in transport infrastructure has also made most locations within the city easily accessible. The focus would, thus, be on the development of destinations with varied attractions and quality environment.

The Company continues to focus all efforts in maintaining its preeminent position as a shopping and entertainment destination in the city. The ambience and facilities of the Majestic City (MC) complex are thus managed in a manner that would offer its customers a wide selection and enjoyable shopping experience.

The main access road adjoining the complex (Galle Road) is being developed and upgraded, along with the adjacent pedestrian walk ways. Further, we understand that plans have been drawn up for elevated pedestrian walk ways to be constructed. The said developments, and increased economic activity resulted in an upsurge in property values which is reflected in an increase of Rs. 185.8Mn (2013-Rs. 132.8Mn) in the fair value of the company's Investment Property.

Financial Results

The Company achieved another year of steady growth in revenue and profitability. Rental income was revised in January 2014 in accordance with the agreement entered into with the tenants of the Majestic City complex. The said rental agreements,which apply for four year terms, will come up for renewal at the end of the calendar year 2014. Rental Revenue and Other Income grew by 7.8% and 38.0% respectively over the previous year. The increase in fair value of Investment Property is accounted as Other Income in the Financial Statements.

The increase in revenue was off-set by increases in operating expenses including electricity, water supply and costs of services such as security and janitorial, which increased in total by 17.0% over the previous year. Finance costs of the Company, however, declined by 81.6% to Rs 2.6Mn for the year. The resulting profit before taxation of the Company amounted to Rs 410.0Mn which is 19.0% above the previous year.

Borrowings

In the absence of any significant investments the Company did not undertake any borrowings during the year. Further, all borrowings of the Company outstanding from the previous year have also been fully settled, resulting in a minimal finance cost and a very healthy balance sheet as at the end of the Financial Year. We do not foresee any need for Bank borrowings in the future other than to fund any significant new investments.

Investee Company-Ceylon Theatres (Pvt) Ltd.

Ceylon Theatres (Pvt) Ltd, which is involved in the film exhibition sector, has invested a sum of Rs 130 Mn in expansion and development of the entertainment sector in Sri Lanka. It has set up a cinema complex in Jaffna which houses 3 screens with a total seating capacity of 629 seats, one of which has 3D projection facility. It has also upgraded the 3D effects and picture quality at its main cinema at the Majestic City in Colombo and added digital projection facilities to another of its screens in the Cineplex. Ceylon Theatres has planned for further investments during the current year in digitalizing two more screens at the Majestic Cineplex and setting up two new screens in another location in Colombo. The company expects to cash in on the demand for high quality entertainment to earn adequate returns from its investments in the future.

The Company has a shareholding of 49.25% in Ceylon Theatres as at the Balance Sheet date.

Appropriations

The company declared an interim dividend of Rs. 1.10 per share from the profits of the current year. The Directors are pleased to recommend a Final Dividend of Rs 1.50 per share which is payable on 1st September 2014 subject to shareholder approval. The proposed final dividend out of the profits of the current year has not been reflected as a liability in the Financial Statements.

Future

The recent years have seen an economic upsurge, positive consumer sentiment and increased demand for shopping, office and entertainment space. The Majestic City mall which is centrally located and easily accessible is ideally suited to benefit from this demand. The Company is also in a very healthy financial status. As such, we are confident that further careful planning and management would convert all the progressive factors in the economy and the Company to consistent shareholder returns. We look forward positively to the future.

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 most importantly to customers of the Majestic City for their continued patronage. I also wish to thank 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 company for their continued support.

R. Selvaskandan
Chairman

21st July 2014

Corporate Governance

Compliance with good practices of Corporate Governance 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 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 2014.

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 ten Directors of whom seven 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	Four Directors out of the seven 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. T. Senthilverl, Mr. A T P Edirisighe, Mr. R. Selvaskandan and Mr. Sunil Mendis are independent Directors 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, Mr. A T P Edirisinghe and Mr. Sunil Mendis 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 they 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 resume of (Ms.) M. G. Perera was disseminated.

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.	Complied	The Remuneration Committee consists of two independent Directors.
	One non-executive director shall be appointed as Chairman of the Committee by the Board.		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.	Complied	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. Sunil Mendis make up the Remuneration Committee. Remuneration paid to Directors is 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 directors; or exclusively by non-executive directors a majority of whom shall be independent whichever shall be higher.	Complied	The Audit Committee consists of three Non-Executive Directors, two of whom are Independent.
	One non-executive director shall be appointed chairman of the committee by the Board.		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 and Finance Director attend 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 Sunil Mendis 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.	Compliant	Disclosed in the Report of the Audit Committee.

Corporate Governance

Audit Committee Report

The Audit Committee of CT 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. The Chairman of the Audit Committee and Mr. Anthony A. Page are Fellow Members 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. S. Mendis	Independent

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 the prevailing legal and accounting framework and best practice.

The 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 accurately reflect the state of affairs of the Company and the results for the period to which it relates. Independent internal audit reports are reviewed periodically 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 of the previous year.

The regular Audit Committee meetings were held twice during the year, in addition to the meeting with the External Auditors referred to above. All members of the Committee were in attendance at these meetings except in the case of inability to attend due to medical reasons. 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 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 listing any departures from financial reporting, statutory requirements and Group policies, if any.

The Managing Director and Finance Director attend 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. KPMG, Chartered Accountants, and recommends to the Board of Directors that they be reappointed as Auditors of the Company for the year ending 31st March 2015, subject to approval by the shareholders at the Annual General Meeting.

A. T. P. Edirisinghe
Chairman – Audit Committee
21st July 2014

Corporate Governance

Remuneration Committee Report

The Remuneration Committee of CT Land Development PLC consists of the following Non-Executive Directors -

Mr. A. T. P. Edirisinghe *(Chairman)*
Mr. Sunil Mendis

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

The Committee is tasked with 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 remuneration / compensation structures. After deliberations, its recommendations are forwarded for approval by the Board of Directors.

The Committee is authorized 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
21st July 2014

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 for the year ended 31st March 2014. 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 and forms an integral part of this report.

Financial Statements

The audited Financial Statements of the Company for the financial year ended 31st March 2014 are given on pages 13 to 40 and form an integral part of the Annual Report.

Accounting policies

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 18 to 29.

Property, Plant & Equipment

The movement of property, plant and equipment is shown in note 14 to the financial statements. Investment properties are stated at market value as at 31st March 2014.

Stated Capital

The stated capital of the Company as at 31st March 2014 was Rs. 487.5 Mn comprising 48.75Mn Ordinary Shares.

Directors

Ms. M.G. Perera was appointed as a Director of the Company with effect from 4th November 2013. All other Directors indicated on page 3 have been Directors of the Company throughout the year under review.

Mr. R. Selvaskandan, Dr. T. Senthilverl and Mr. A.T.P. Edirisinghe retire under Articles 103 and 104 of the Articles of Association of the Company and being eligible, offer themselves for re-election. Ms. M.G. Perera 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. D. M. De Alwis	4	4	1	1
Ms. M. G. Perera	2*	2	0*	N/A
Mr. A. T. P. Edirisinghe	4	4	1	1
Mr. Sunil Mendis	4	4	1	1
Mr. S. C. Niles	4	3	1	1
Mr. Anthony A. Page	4	1	1	0
Mr. L. R. Page	4	1	1	0
Dr. T. Senthilverl	4	1	1	0

*Appointed during the year

Directors' Interests in Contract

The Directors' interests in Contracts of the Company are included in Note 28 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 of the Company.

Dividends

An Interim Dividend of Rs. 1.10 per share for the year ended 31st March 2014 was paid to the shareholders on 7th January 2014. The Board has recommended a final dividend of Rs. 1.50 per share amounting to Rs. 73.1Mn.

Annual Report of the Board of Directors

Directors' Shareholdings

The interests of the Directors in the shares of the Company at the Balance Sheet date were as follows.

	As at 31.3.2014	As at 31.3.2013
R. Selvaskandan	-	-
J.C. Page	610,804	610,804
A.D.M. De Alwis	-	-
M.G. Perera	-	-
A.T.P. Edirisinghe	3,000	3,000
Sunil Mendis	-	-
S.C. Niles	2,000	2,000
Anthony A. Page	654,264	654,264
L.R. Page	268,487	268,487
Dr. T. Senthilverl	-	290,349

Donations

During the year the Company made charitable donations amounting to Rs. 70,000/- (2013 - 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 9 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	**J. C. Page**	**Charuni Gunawardana**
Chairman	Deputy Chairman/ Managing Director	Director Secretary

Colombo
21st July 2014

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 polices 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 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 2014. 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 21st July 2014.

The Directors also confirm that in preparing the Financial Statements for the year ended 31st March 2014 published on pages 14 to 39 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
21st July 2014.

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 C T LAND DEVELOPMENT PLC

Report on the Financial Statements

We have audited the accompanying financial statements of C T Land Development Plc ("the Company") and the Company and its equity accounted investee ("the Entity and Investee"), which comprise the statements of financial position as at March 31, 2014, 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 14 to 39 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 separately and also with its equity accounted investee maintained proper accounting records for the year ended March 31, 2014 and the financial statements give a true and fair view of the financial position as at March 31, 2014, 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 151(2) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka.
21st July 2014

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

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

Statement of Comprehensive Income

For the Year ended 31st March	Note	Entity and Investee 2014 Rs. '000	Entity and Investee 2013 Rs. '000	Company 2014 Rs. '000	Company 2013 Rs. '000)
Revenue	6	**430,471**	399,256	**430,471**	399,256
Other Income	7	**187,501**	135,911	**187,501**	135,911
Personnel Cost	8	**(45,498)**	(39,826)	**(45,498)**	(39,826)
Depreciation	14	**(9,101)**	(7,955)	**(9,101)**	(7,955)
Other Operating Cost		**(150,790)**	(128,785)	**(150,790)**	(128,785)
Results from Operating Activities	9	**412,583**	358,601	**412,583**	358,601
Finance Costs	10	**(2,564)**	(13,946)	**(2,564)**	(13,946)
Share of profit of Equity Accounted Investee	16	**(12,040)**	439	**–**	–
Profit before Taxation		**397,979**	345,094	**410,019**	344,655
Income Tax Expenses	11	**(88,585)**	(84,186)	**(88,585)**	(84,186)
Profit for the Year		**309,394**	260,908	**321,434**	260,469
Other Comprehensive Income; net of income tax					
Defined benefit plan actuarial gains (losses)		**(1,220)**	(245)	**(1,220)**	(245)
Share of the Comprehensive Income of Equity Accounted Investee		**40**	305	**–**	–
Other comprehensive income for the year, net of income tax		**(1,180)**	60	**(1,220)**	(245)
Total Comprehensive Income for the year		**308,214**	260,968	**320,214**	260,224
Earnings Per Share Rs.	12	***6.35***	*5.35*	***6.59***	*5.34*
Dividends Per Share Rs.	13	***2.30***	*1.60*	***2.30***	*1.60*

Figures in brackets indicate deductions

The notes on pages 18 to 39 form an integral part of these financial statements.

Statement of Financial Position

As at 31st March	Note	Entity and investee 2014 Rs. '000	Entity and investee 2013 Rs. '000	Company 2014 Rs. '000	Company 2013 Rs. '000
ASSETS					
Non Current Assets					
Property, Plant & Equipment	14	**33,322**	37,415	**33,322**	37,415
Investment Properties	15	**3,040,000**	2,850,000	**3,040,000**	2,850,000
Equity Accounted Investee	16	**71,607**	38,607	**82,500**	37,500
Investments	17	**115,000**	115,000	**115,000**	115,000
		3,259,929	3,041,022	**3,270,822**	3,039,915
Current Assets					
Trade and Other Receivables	18	**58,972**	82,562	**58,972**	82,562
Cash and Cash Equivalents	19	**29,400**	6,607	**29,400**	6,607
		88,372	89,169	**88,372**	89,169
Total Assets		**3,348,301**	3,130,191	**3,359,194**	3,129,084
EQUITY AND LIABILITIES					
Equity					
Stated Capital	20	**487,500**	487,500	**487,500**	487,500
Retained Earnings		**2,313,082**	2,116,993	**2,323,975**	2,115,886
		2,800,582	2,604,493	**2,811,475**	2,603,386
Non Current Liabilities					
Employee Benefits	21	**19,452**	15,541	**19,452**	15,541
Deferred Tax Liabilities	22	**319,676**	292,971	**319,676**	292,971
Interest Bearing Loans & Borrowings	23	**–**	–	**–**	–
Security Deposits	24	**141,826**	139,013	**141,826**	139,013
Deferred Interest		**11,792**	10,206	**11,792**	10,206
		492,746	457,731	**492,746**	457,731
Current Liabilities					
Interest Bearing Loans & Borrowings	23	**–**	15,625	**–**	15,625
Trade and Other Payables	25	**27,712**	25,002	**27,712**	25,002
Dues to Cargills (Ceylon) PLC		**3,729**	–	**3,729**	–
Income tax Payable	26	**23,532**	18,837	**23,532**	18,837
Bank Overdraft/(Secured)	19	**–**	8,503	**–**	8,503
		54,973	67,967	**54,973**	67,967
Total Equity and Liabilities		**3,348,301**	3,130,191	**3,359,194**	3,129,084

The notes on pages 18 to 39 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.

Mrs. M. G. Perera
Finance 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 21st July 2014
Signed for and on behalf of the Board.

R. Selvaskandan
Chairman
Colombo

J. C. Page
Deputy Chairman / Managing Director

Statement of Changes in Equity

	Entity and Investee		
	Stated Capital Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 31st March 2012	487,500	1,934,025	2,421,525
Total Comprehensive Income			
- Profit for the Year	–	260,908	260,908
Other Comprehensive Income, net of tax			
- Defined Benefit Plan Actuarial Gains (Losses)	–	(245)	(245)
- Share of OCI of Equity Accounted Investee	–	305	305
Dividends Paid	–	(78,000)	(78,000)
Balance as at 31st March 2013	487,500	2,116,993	2,604,493
Total Comprehensive Income			
- Profit for the Year	–	309,394	309,394
Other Comprehensive Income, net of tax			
- Defined Benefit Plan Actuarial Gains (Losses)	–	(1,220)	(1,220)
- Share of the OCI of Equity Accounted Investee	–	40	40
Dividends Paid	–	(112,125)	(112,125)
Balance as at 31st March 2014	**487,500**	**2,313,082**	**2,800,582**

	Company		
	Stated Capital Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 1st April 2012	487,500	1,933,662	2,421,162
Total Comprehensive Income			
- Profit for the Year	–	260,469	260,469
Other Comprehensive Income, net of tax			
- Defined Benefit Plan Actuarial Gains (Losses)	–	(245)	(245)
Dividends Paid	–	(78,000)	(78,000)
Balance as at 31st March 2013	487,500	2,115,886	2,603,386
Total Comprehensive Income			
- Profit for the Year	–	321,434	321,434
Other Comprehensive Income, net of tax			
- Defined Benefit Plan Actuarial Gains (Losses)	–	(1,220)	(1,220)
Dividends Paid	–	(112,125)	(112,125)
Balance as at 31st March 2014	**487,500**	**2,323,975**	**2,811,475**

The notes on pages 18 to 39 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31st March	Entity and investee 2014 Rs. '000	Entity and investee 2013 Rs. '000	Company 2014 Rs. '000	Company 2013 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax	**397,979**	345,094	**410,019**	344,655
Adjustments for				
Depreciation	**9,101**	7,955	**9,101**	7,955
Profit/(Loss) on sale of property, plant & equipment	**(1,059)**	(2,411)	**(1,059)**	(2,411)
Change in Fair Value of Investment Properties	**(185,798)**	(132,825)	**(185,798)**	(132,825)
Provision for Bad Debts	**1,346**	–	**1,346**	–
Provision for Defined Benefit Obligation	**2,486**	2,718	**2,486**	2,718
Share of profit of equity accounted investee	**12,040**	(439)	–	–
Finance Cost	**2,564**	13,946	**2,564**	13,946
Operating profit before Working capital changes	**238,659**	234,038	**238,659**	234,038
Adjustment for Working Capital Changes				
(Increase)/Decrease in Trade & Other Receivables	**22,244**	12,847	**22,244**	12,847
Increase/(Decrease) in Trade & Other Payables	**3,054**	(14,243)	**3,054**	(14,243)
Increase in Security Deposits	**4,398**	3,061	**4,398**	3,061
Cash Generated from / (Used in) Operating Activities	**268,355**	235,703	**268,355**	235,703
Interest paid	**(2,564)**	(13,946)	**(2,564)**	(13,946)
Gratuity Payment	**(269)**	(72)	**(269)**	(72)
Income Tax paid	**(56,711)**	(37,521)	**(56,711)**	(37,521)
Net Cash Generated from / (Used in) Operating Activities	**208,811**	184,164	**208,811**	184,164
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	**(7,417)**	(4,611)	**(7,417)**	(4,611)
Improvements to Investment Properties	**(2,232)**	(2,915)	**(2,232)**	(2,915)
Proceeds on disposal of Property, Plant & Equipment	**1,500**	2,411	**1,500**	2,411
Purchase of Investments	**(45,000)**	–	**(45,000)**	–
Net cash Generated from / (Used in) Investing Activities	**(53,149)**	(5,115)	**(53,149)**	(5,115)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	**(108,741)**	(80,280)	**(108,741)**	(80,280)
Repayment of Interest Bearing Loans & Borrowings	**(15,625)**	(36,462)	**(15,625)**	(36,462)
Repayment of related party loans	–	–	–	–
Net Cash Generated from / (Used in) Financing Activities	**(124,366)**	(116,742)	**(124,366)**	(116,742)
Net Increase/(Decrease) In Cash & Cash Equivalents during The Year	**31,296**	62,307	**31,296**	62,307
Cash & Cash Equivalents at the Beginning of the Year	**(1,896)**	(64,203)	**(1,896)**	(64,203)
Cash & Cash Equivalents at the End of the Year (Note 19)	**29,400**	(1,896)	**29,400**	(1,896)

The notes on pages 18 to 39 form an integral part of these financial statements.

Notes to the Financial Statements

GROUP ACCOUNTING POLICIES

1. REPORTING ENTITY

CT Land Development PLC 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, administration & maintenance of property.

The company is a subsidiary of CT Holdings PLC.

The staff strength of the company as at 31st March 2014 is 22 (2013-20).

2. BASIS OF PREPARATION

2.1. Statement of compliance

The Financial Statements of the Company and Entity & Investee which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes thereto have been prepared in accordance with the Sri Lanka Accounting Standards (LKAS and SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka, and comply with the requirements of the Companies Act No 7 of 2007.

The company's Financial Statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 21st July 2014.

2.2. Basis of measurement

The financial statements have been prepared on a historical cost basis and accounting policies are applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following;

- Investment properties are measured at cost at the time of acquisition and subsequently at fair value.
- The liability for defined benefit obligation is recognized as the present value of the defined benefit obligation.
- Security deposits are measured at fair value.

2.3 Functional and presentation currency

The 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 up to the nearest rupee, unless stated otherwise.

2.4 Presentation of Financial Statements

The assets and liabilities of the Company presented in its Statement of Financial Position are grouped by nature and listed in an order that reflects their liquidity and maturity pattern.

Assets and liabilities are offset and the net amount is reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted by an Accounting Standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are described in the relevant notes.

- Note 15-Investment Property
- Note 22-Deferred Taxation
- Note 21-Defined Benefit Obligations

2.6 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, unless otherwise indicated.

3.1 Financial instruments

3.1.1 Non derivative financial assets

The company initially recognizes all financial assets on the date that they are originated. However for financial assets held at fair value through profit and loss any changes in fair value from the trade date to settlement date is accounted in the Statement of Comprehensive Income while for available for sale financial assets, any changes in fair value from the trade date to settlement date is accounted in the Statement of Other Comprehensive Income.

A financial asset is measured initially at fair value and for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction costs in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with through profit or loss.

The company has the following non-derivative financial assets:

- Loans and receivables
- Available for sale financial assets

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

Available-for-sale investments are non-derivative investments that were designated as available-for-sale or are not classified as another category of financial assets. Unquoted equity securities whose fair value cannot reliably be measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income on available-for-sale financial assets is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Group becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in profit or loss.

Other fair value changes are recognised in other comprehensive income until the investment is sold or impaired, whereupon the cumulative gains and losses previously recognised in other comprehensive income are reclassified to profit or loss as a reclassification adjustment.

3.1.2 Non derivative financial liabilities

The company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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

The company has the following other financial liabilities: loans and borrowings, bank overdrafts, trade & other payables and security deposits.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

3.1.3 Fair value of financial instruments carried at amortized cost

The financial instruments held at amortized cost are trade and other receivables including related party receivables, loans and borrowings and trade and other payables. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The estimated fair values are based on relevant information. The company does not anticipate the fair value of these to be significantly different to their carrying values and considers the impact as not material for the disclosure.

3.1.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, i.e. without modification or repackaging, or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique in a situation in which the valuation is dependent on unobservable parameters is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

3.1.5 Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumption and other risks affecting the specific instrument.

• Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

• Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices); and

• Level 3 - Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

3.1.6 Financial Liabilities

The Company initially recognises all financial liabilities on the date that they are originated and classifies its financial liabilities as measured at amortised cost or fair value through profit or loss.

3.1.7 Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, balances with banks, money at call and short notice with less than three months maturity from the date of acquisition. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

3.1.8 Trade and other Receivables

Trade and other receivables are stated at their estimated realisable amounts.

3.2 Property, Plant and Equipment

3.2.1 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 asset to a working condition for their intended use.
- and 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 a 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.

3.2.2 Reclassification of 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 re-measurement 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.

3.2.3 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.

3.2.4 De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain and lossarising from de-recognition of an item of Property, Plant & Equipment is included in profit and 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 inspection is derecognized.

3.2.5 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 and 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
Buildings	2%	50
Plant &Machinery-Light, A/C equipment	10%	10
Plant &Machinery-Other	5%	20
Furniture and equipment	10%	10
IT equipment	25%	04
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.

3.2.6 Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon 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.

The cost of improvements to or on leased property is capitalized, and depreciated on a basis consistent with similar owned assets or the lease term whichever is shorter.

3.3 Identification and measurement of impairment

3.3.1 Impairment of financial assets

At each reporting date the company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower. 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.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition costs, net of any principal repayment and amortisation, and the current fair value; less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value 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 objectively related to an event occurring after the impairment loss was recognised in profit or loss, 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.

3.3.2 Impairment of non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

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 the purpose of impairment testing, assets that cannot be tested individually 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 CGU.

The company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses recognised in prior periods are assessed at each reporting 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 the 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 amortisation, if no impairment loss had been recognised.

3.4 Equity accounted investee

Equity accounted investee are those entities in which the company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the company holds between 20 and 50 percent of the voting power of another entity. Equity accounted investee is accounted for using the equity method. The Financial Statements include the company's share of income and expenses and equity movements of equity accounted investee from the date that significant influence commences until the date significant influence ceases. When the company's share of losses exceeds its investment in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the company has incurred obligations or has made payments on behalf of the investee.

A listing of the company's equity accounted investee is set out in Note 16 to the Financial Statements.

3.5 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 or 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.

3.6 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 expenditure for the development qualifying as acquisition costs are capitalized. Related borrowing costs are recognized in profit or loss as they are incurred.

3.7 Liabilities and Provisions

3.7.1 Dividend payable

Provision for final dividends is recognized at the time the dividend recommended and declared by the Board of Directors, is approved by the shareholders. Interim dividends payable is recognized when the Board approves such dividend in accordance with the Companies Act No. 7 of 2007.

3.8 Stated Capital - Ordinary Shares

Company's stated capital comprises of ordinary shares, which are classified as equity.

3.9 Employee benefits

3.9.1 Defined benefit plan

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 21 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.

3.9.2 Defined contribution plan.

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.

(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.

(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 note 8 to the financial statements.

(c) Short-Term 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 if the Company 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.

3.10 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

3.11 Trade and other Payables

Trade and other payables are stated at their cost.

3.12 Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. The Company's share of any contingencies and capital commitments of a Subsidiary or Associate for which the Company is also liable severally or otherwise are also included with appropriate disclosures.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

3.13 Turnover

3.13.1 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.

3.13.2 Service charge and Car park income

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

3.13.3 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.

3.14 Expenses

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

3.15 Finance cost

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

3.16 Taxation

3.16.1 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.

3.16.2 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 the following,

- 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 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 divided is recognized.

Deferred tax is not recognized for the undistributed profits of associates as the Company has control over the dividend policy of its associates and distribution of those profits.

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 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.

3.17 Offsetting of Tax Assets and Liabilities

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority, there is a legal right and intentions to settle on a net basis and it is allowed under the tax law.

3.18 Earnings per share

The company presents basic and diluted 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.

3.19 Cash Flow Statement

The Cash Flow Statement has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard 07-Statement of Cash Flows.

3.20 Events occurring after the reporting period

All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in respective notes to the financial statements.

3.21 Comparative information

Except when a standard permits or requires otherwise, comparative information is disclosed in respect of the previous period. Where the presentation or classification of items in the financial statements are amended, comparative amounts are reclassified unless it is impracticable.

3.22 Directors' Responsibility Statement

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

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka (CA 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 Sri Lanka Accounting Standards (LKAS 39) - "Financial Instruments Recognition and Measurements" and applies to classification and measurement of financial assets and liabilities.

The mandatory effective date of IFRS 9 is deferred until at least 2017 by IASB. Therefore having considered the decisions taken internationally, the Institute of Chartered Accountants of Sri Lanka has also decided to defer the mandatory effective date of SLFRS 9.

SLFRS 13 - Fair value measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements and is effective for financial periods beginning on or after 1st January 2014.

The extent of the impact of the above standards to the Financial Statements has not been determined as at 31st March 2014. None of these is expected to have a significant effect on the Financial Statements of the Company.

5. FINANCIAL RISK MANAGEMENT

5.1 Introduction and Overview

The company has exposure to the following risks from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

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

5.2 Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board consists of seven non-executive directors including four independent directors with wide financial and commercial knowledge and experience.

The Board discharges its governance responsibility through the Board of Directors and the Audit Committee. The company's risk management policies are established to identify and analyse the risks faced by the company, 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, products and services offered. The Group, 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.

The Audit Committee is responsible for monitoring compliance with the company's risk management policies and procedures.

5.3 Credit risk

Credit risk is the risk of financial loss to the company if a tenant or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from tenants.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each tenant.

The Board of Directors has established a credit policy under which each new tenant is analysed individually for creditworthiness. The company's review includes review of financial position and bank references.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

5.4 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company'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 company's reputation.

5.5 Market risk

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

5.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company'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 company's operations.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company'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 within the company. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization 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 when this is effective

5.7 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The company's debt to adjusted capital ratio at the end of the reporting period was zero.

There were no changes in the company's approach to capital management during the year. The Company wishes to raise additional capital to invest in more diversified investments to mitigate the future operational risk.

For the Year ended 31st March	Entity and Investee / Company 2014 Rs. '000	2013 Rs. '000
6. Revenue		
Rental Income	**337,464**	313,228
Service Charges	**67,717**	64,308
Car Park Income	**16,755**	15,261
Sundry Income	**8,535**	6,459
	430,471	399,256
7. Other Income		
Change in Fair Value of Investment Property	**185,798**	132,825
Profit/(Loss) on Disposal of PPE	**1,059**	2,411
Interest Received	**644**	675
	187,501	135,911
8. Personnel Cost		
Personnel Costs include the following		
Salaries and Wages	**34,543**	30,119
Contribution to Employees Provident Fund	**3,065**	2,643
Contribution to Employees Trust Fund	**766**	687
Provision for Staff Retirement Benefits	**2,486**	2,718
Other	**4,638**	3,659
	45,498	39,826
9. Results from Operating Activities		
Results from operating activities are stated after deducting all operating expenses including the following		
Directors Emoluments	**25,181**	22,488
Audit Fees	**310**	280
Depreciation	**9,101**	7,955
Legal Fees	**83**	–
Professional Fees	**1,499**	1
10. Finance Cost		
Interest on Bank Overdraft	**1,975**	9,008
Interest on Bank Loan	**589**	4,938
	2,564	13,946
11. Income Tax Expenses		
11.1. Tax recognised in the Statement of Comprehensive Income		
a) Current Tax (Note 11.2)		
Current Year	**61,406**	51,788
	61,406	51,788
b) Deferred Tax Expense (Note 20)		
Origination and Reversal of Taxable Temporary Differences	**27,800**	33,140
Change in Recognized Deductible Temporary Differences	**(621)**	(742)
	27,179	32,398
Total Tax Expense	**88,585**	84,186

For the Year ended 31st March		Entity and Investee 2014 Rs. '000	Entity and Investee 2013 Rs. '000	Company 2014 Rs. '000	Company 2013 Rs. '000
11.2 Reconciliation of Accounting Profit and Taxable Income					
Profit Before Tax		**397,979**	345,094	**410,019**	344,655
Add: Disallowable Expenses		**33,174**	13,107	**33,174**	13,107
Less: Allowable Expenses		**(38,076)**	(39,971)	**(38,076)**	(39,971)
Less: Exempt Income		**12,040**	(439)	**–**	–
Less: Income from other sources					
Interest Income - Treasury Bill / Financial Instruments		**(220)**	(675)	**(220)**	(675)
Change in Fair Value of Investment Property		**(185,798)**	(132,825)	**(185,798)**	(132,825)
Business Income		**219,099**	184,291	**219,099**	184,291
Income from Other Sources		**244**	675	**244**	675
Statutory Income		**219,343**	184,966	**219,343**	184,966
Assessable Income		**219,343**	184,966	**219,343**	184,966
Less: Deductions		**(35)**	(10)	**(35)**	(10)
Total Taxable Income		**219,308**	184,956	**219,308**	184,956
Tax Liability					
Taxable Income at 28% (2013-28%)		**61,406**	51,788	**61,406**	51,788
Total Taxable Liability		**61,406**	51,788	**61,406**	51,788
11.3 Reconciliation of Effective Tax Rate					
Profit before Income Tax		**410,019**	344,655	**410,019**	344,655
Less: Income from Other Sources		**(220)**	(675)	**(220)**	(675)
Profit from Business		**409,799**	343,980	**409,799**	343,980
Income Tax Using the Domestic Tax Rate	28%	**114,744**	96,312	**114,744**	96,312
Disallowable Expenses	2%	**9,289**	3,724	**9,289**	3,724
Change in Fair Value of Investment Properties	-9%	**(52,023)**	(37,150)	**(52,023)**	(37,150)
Allowable Expenses	-4%	**(10,661)**	(11,192)	**(10,661)**	(11,192)
Income from Other Sources	0%	**57**	189	**57**	189
Other Temporary Differences	-3%	**27,179**	32,303	**27,179**	32,303
(Over) / Under Provided in Prior Years	0%	**–**	–	**–**	–
Total Income Tax Expenses (Note 11.1)	14%	**88,585**	84,186	**88,585**	84,186

12. Earnings Per Share

The calculation of the Earnings/(Loss) per share is based on the profit/(loss) attributable to ordinary shareholders of the company divided by the average number of ordinary shares in issue during the year.

	Entity and Investee 2014	Entity and Investee 2013	Company 2014	Company 2013
Profit/(Loss) attributable to ordinary shareholders of the company (Rs. '000)	**309,394**	260,908	**321,434**	260,469
Weighted Average no. of Ordinary Shares ('000)	**48,750**	48,750	**48,750**	48,750
Earnings/(Loss) per share (Rs.)	**6.35**	5.35	**6.59**	5.34
Diluted earnings per share is same as computed above.				
Weighted Average no. of Ordinary Shares:				
Issued ordinary shares ('000)	**48,750**	48,750	**48,750**	48,750
Effect of shares issued during the year	**–**	–	**–**	–
Weighted average no. of ordinary shares at year end	**48,750**	48,750	**48,750**	48,750

13. Dividends Per Share

	Entity and Investee 2014	Entity and Investee 2013	Company 2014	Company 2013
Dividends per share is based on the dividends paid during the year covered by the financial statements.				
Final 2012/13 Rs. 1.20 per share (2011/12 - Rs. 0.80 per share) (Rs.'000)	**58,500**	39,000	**58,500**	39,000
Interim 2013/14 Rs. 1.10 per share (2012/13 - Rs. 0.80 per share) (Rs.'000)	**53,625**	39,000	**53,625**	39,000
	112,125	78,000	**112,125**	78,000
Dividends per share (Rs.)	**2.30**	1.60	**2.30**	1.60

14. Property, Plant & Equipment

	Entity and Investee / Company						
	Buildings Rs. '000	Plant & Machinery Rs. '000	Furniture & Equipment Rs. '000	Motor Vehicles Rs. '000	IT Equipment Rs. '000	Total 2014 Rs. '000	Total 2013 Rs. '000
Cost/Valuation							
As at 01st April	11,222	30,631	32,861	25,628	–	**100,342**	102,196
Additions	–	360	1,369	5,580	108	**7,417**	4,611
Reclassification-Inv.Prop	–	(6,812)	–	–	–	**(6,812)**	–
Reclassification-PPE	–	982	(3,435)	–	2,453	**–**	–
Write-off	–	(15,238)	(5,054)	–	–	**(20,292)**	–
Disposals	–	–	–	(2,704)	–	**(2,704)**	(6,466)
As at 31st March	11,222	9,923	25,741	28,504	2,561	**77,951**	100,341
Accumulated Depreciation							
As at 01st April	4,061	25,433	15,170	18,262	–	**62,926**	61,437
Charge for the year	224	656	2,770	4,846	605	**9,101**	7,955
Reclassification-Inv.Prop	–	(4,843)	–	–	–	**(4,843)**	–
Reclassification-PPE	–	521	(1,551)	–	1,030	**–**	–
Write-off	–	(15,103)	(4,748)	–	–	**(19,851)**	–
Disposals	–	–	–	(2,704)	–	**(2,704)**	(6,466)
As at 31st March	4,285	6,664	11,641	20,404	1,635	**44,629**	62,926
Carrying Value							
As at 31st March 2013	7,161	5,198	17,691	7,366	–		37,415
As at 31st March 2014	6,937	3,259	14,100	8,100	926	**33,322**	

Property, Plant and Equipment includes fully depreciated assets having a gross amount of Rs. 9,394,277 (2013 - Rs 18,671,784).

15. Investment Properties

	Land Rs. '000	Buildings Rs. '000	Total Rs. '000
Balance as at 01 April 2012	1,538,000	1,176,260	2,714,260
Additions during the year	–	2,915	2,915
Adjustments	–	–	–
Change in Fair Value	32,500	100,325	132,825
Balance as at 31st March 2013	1,570,500	1,279,500	2,850,000
Investment Property completed during the year	–	2,232	2,232
Re-classification from Property, Plant & Equipment	–	1,970	1,970
Change in Fair Value	122,000	63,798	185,798
Balance as at 31st March 2014	**1,692,500**	**1,347,500**	**3,040,000**

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 LKAS 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 property as determined by a registered independent appraiser having an appropriate recognized professional qualification and recent experience in the location and the 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.

15.1 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)	5th April 2013	3,040,000,000

16. Equity accounted investee - Entity and Investee

The Entity and Investees' share of profit/(loss) in its equity accounted investee for the year was Rs. (12.0) Mn (2013 - Rs. 744,433/-).

In 2014 and 2013, the Entity and Investee did not receive any dividends from its equity accounted investee.

Summary of financial information for the equity accounted investee, is as follows.

	2014	2013
Ceylon Theatres (Pvt) Ltd.		
Ownership	**49.25%**	48.39%
Current assets	**21,676**	22,701
Non current assets	**173,313**	74,208
Total assets	**194,989**	96,909
Current liabilities	**51,075**	16,482
Non current liabilities	**3,544**	5,692
Total liabilities	**54,619**	22,174
Net assets	**140,370**	74,735
Income	**197,195**	195,106
Expenses	**(221,560)**	(193,568)
Total Comprehensive Income	**(24,365)**	1,538
Entity and Investee Share of Profit/(Loss)	**(12,000)**	744

	Entity & Investee		**Company**	
	2014 Rs.'000	**2013 Rs.'000**	**2014 Rs.'000**	**2013 Rs.'000**
As at 01st April	**38,607**	37,863	**37,500**	37,500
Shares Purchased during the year	**45,000**	–	**45,000**	–
Share of Profit / (Loss)	**(12,000)**	744	–	–
As at 31st March	**71,607**	38,607	**82,500**	37,500

	No. of Shares	**% Share**	**Entity & Investee / Company 2014 Rs.'000**	**Entity & Investee / Company 2013 Rs.'000**
17. Investments				
C T Properties Ltd.	**11,500,000**	**8.36%**		
As at 01st April			115,000	115,000
Additions / Disposals			–	–
Fair Value Gain / (Loss)			–	–
As at 31st March			**115,000**	**115,000**

Unquoted shares of C T Properties Ltd. are classified as available-for-sale financial assets. The fair value of the Investment was computed based on property valuations carried out on the companies under the CT Properties group.

Based on the valuation of the investment carried out at the reporting date, there is no significant fair value gain or loss on the above investment. Accordingly, there is no fair value gain or loss recognized in the financial statements for the year.

For the year ended 31st March	**Entity and Investee / Company 2014 Rs.'000**	**Entity and Investee / Company 2013 Rs.'000**
18. Trade and Other Receivables		
Trade Receivables	**13,530**	20,813
Other Receivables	**47,924**	62,885
	61,454	83,698
Less: Provision for Impairment	**(2,482)**	(1,136)
	58,972	82,562
19. Cash and Cash Equivalents		
Cash and Bank balances	**29,400**	6,607
Bank Overdrafts	**–**	(8,503)
Cash and Cash Equivalents in the Statement of Cash Flows	**29,400**	(1,896)

For the year ended 31st March	Entity and Investee / Company 2014 Rs.'000	2013 Rs.'000
20. Stated Capital		
48,750,000 Fully paid Ordinary Shares	**487,500**	487,500

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.

	2014 Rs.'000	2013 Rs.'000
21. Employee Benefits Obligations		
21.1 The amount recognised in the Statement of Financial position		
Present Value of Defined Benefit Obligations - (Note 21.1(a))	**19,452**	15,541
Provision for Defined Benefit Obligations	**19,452**	15,541
21.1 (a) Movement in the Present Value of Defined Benefit Obligations		
Liability for Defined Benefit Obligations as at 1st April	**15,541**	12,555
Current Service Cost	**954**	1,289
Interest Cost	**1,532**	1,429
Actuarial (Gain) / Loss immediately recognised	**1,694**	340
Payments made	**(269)**	(72)
Liability for Defined Benefit Obligations as at 31st March	**19,452**	15,541
21.1 (b) Amount Recognized in the Statement of Comprehensive Income		
Current Service Cost	**954**	1,289
Interest Cost	**1,532**	1,429
Provision for Staff Retirement Benefit (Note 8)	**2,486**	2,718
21.1 (c) Amount Recognized in Other Comprehensive Income		
Actuarial (Gain) / Loss Immediately Recognized in OCI	**1,694**	340
	1,694	340
21.1 (d) Actuarial Assumptions		
The following are the principal actuarial assumptions at the reporting date		
Retirement Age	**60**	60
Rate of Discount	**10%**	11%
Salary Increment Rate	**8%**	8%

An actuarial valuation of the Employee Benefit Obligation was carried out as at 31st December 2012 by a firm of professional actuaries. The valuation method used by the actuaries was the "Projected Unit Credit Method", the method recommended by the Sri Lanka Accounting Standard (LKAS 19) "Employee Benefits

The Employee Benefit Obligation as at 31st March 2014 was calculated by the Company using formula method as actuarial valuation will be carried out once in three years only.

Sensivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the Statement of Comprehensive Income and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

Company

2014	**Effect on charge to the Statement of Comprehensive Income**		**Effect on Employee Benefit Obligation**	
	Increase Rs.	**Decrease Rs.**	**Increase Rs.**	**Decrease Rs.**
Discount rate (Change by 1%)	(428,831)	454,883	(428,831)	454,883
Salary Increment Rate (Change by 1%)	459,184	(440,500)	459,184	(440,500)

22. Deferred Tax Liabilities

As at 31st March	Assets 2014 Rs. '000	Assets 2013 Rs. '000	Liabilities 2014 Rs. '000	Liabilities 2013 Rs. '000	Net 2014 Rs. '000	Net 2013 Rs. '000
	Entity and Investee / Company					
Property, Plant and Equipment	**–**	–	**325,123**	297,323	**325,123**	297,323
Defined Benefit Obligations	**(5,447)**	(4,352)	**–**	–	**(5,447)**	(4,352)
Net Deferred Tax (Assets) / Liabilities	**(5,447)**	(4,352)	**325,123**	297,323	**319,676**	292,971

22.1 Movement in Deferred Tax balances during year

	Year ended 31st March 2014 PPE and Investment Property	Year ended 31st March 2014 Defined Benefit Obligations	Year ended 31st March 2014 Net Deferred Tax (Assets) / Liabilities	Year ended 31st March 2013 PPE and Investment Property	Year ended 31st March 2013 Deferred Benefit Obligations	Year ended 31st March 2013 Net Deferred Tax (Assets) / Liabilities
Balance b/f	**297,323**	**(4,352)**	**292,971**	264,183	(3,515)	260,668
Recognized in Profit or Loss	**27,800**	**(621)**	**27,179**	33,140	(742)	32,398
Recognized in OCI	**–**	**(474)**	**(474)**	–	(95)	(95)
Balance c/f	**325,123**	**(5,447)**	**319,676**	297,323	(4,352)	292,971

For the year ended 31st March	Entity and Investee / Company 2014 Rs. '000	Entity and Investee / Company 2013 Rs.'000
23. Interest Bearing Loans and Borrowings		
Non current portion of interest bearing loans and borrowings		
Secured Bank Loan	**–**	–
Current portion of interest bearing loans and borrowings		
Secured Bank Loan	**–**	15,625
	–	15,625
The Bank Loan is secured over the Land, Building and Investment Property of CT Land Development PLC		
24. Security Deposits		
Related Companies	**2,992**	2,897
Others	**138,834**	136,116
	–	–
	141,826	139,013
25. Trade & Other Payable		
Trade Creditors	**17,415**	15,183
Other Payables	**819**	4,693
Dividends Payable	**4,627**	1,243
Accrued Expenses	**4,850**	3,883
	27,712	25,002
26. Income Tax Payable		
As at 1st April	**18,837**	4,570
Less: Payments made during the year	**(56,711)**	(37,521)
Provision made during the year	**61,406**	51,788
Balance as at 31st March	**23,532**	18,837

27. Financial Risk Management

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arise principally from the company's receivables from customers.Carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows;

Carrying value

	Entity and Investee / Company	
	2014	**2013**
Trade & Other Receivables	**58,972**	82,562
Cash & Cash Equivalents	**29,400**	6,607

Management of Credit Risk

Trade & Other Receivables

The company has a well-established credit control policy & process to minimize credit risk. Customers are categorized according to segments and credit limits have been fixed as per the security deposits given by the respective customer. Transactions will be started only when the company receives the security deposit from the customers and further invoicing will be done only for the customers whose oustanding balance do not exceed the security deposit.

Impairment losses

The aging of trade receivables at the reporting date that were not impaired was as follows;

Carrying value

	Entity and Investee / Company	
	2014	**2013**
Below 31 days	**12,481**	14,070
31 - 62 days	**742**	3,116
63 - 93 days	**60**	644
94 - 124 days	**–**	590
Over 125	**247**	2,392
	13,530	20,813

The movement in the provision for impairment in respect of trade and other receivables during the year was as follows.

	Entity and Investee / Company	
	2014	**2013**
Balance b/f	**1,136**	1,136
Impairment loss recognised	**2,350**	–
Amounts written off	**(1,004)**	–
Balance c/f	**2,482**	1,136

The Group believes that the unimpaired amounts that are past due by more than 45 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk. Based on the Group's monitoring of customer credit risk, the Group believes that, except as indicated above, no impairment allowance is necessary in respect of trade receivables not past due.

Cash & Cash Equivalents

The Group held cash and cash equivalents of Rs. 29.4Mn at 31 March 2014 (2013-Rs.(1.9)Mn), which represents its maximum credit exposure on these assets.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company'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 company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest.

The maturity analysis of Liabilities-Entity and Investee / Company:

		Current		Non Current	
	Carrying Value	Upto 1 year	Upto 2 years	Upto 5 years	Above 5 years
Bank Overdrafts	–	–	–	–	–
Trade and Other Payables	27,712	27,712	–	–	–
Dues to Related Companies	3,729	3,729	–	–	–

Capital management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors the return on capital, which the company defines as Results from Operating Activities divided by Total Shareholders' Equity. The company also monitors the level of dividends to ordinary shareholders.

The company's debt to adjusted capital ratio at the end of the reporting period was as follows.

	Entity & Investee		Company	
	2014	2013	**2014**	2013
Total liabilities	**547,719**	525,698	**547,719**	525,698
Less: cash and cash equivalents	**(29,400)**	(6,607)	**(29,400)**	(6,607)
Net debt	**518,319**	519,091	**518,319**	519,091
Total equity	**2,800,582**	2,604,493	**2,811,475**	2,603,386
Net debt to equity ratio at 31 March	**0.19**	0.20	**0.18**	0.20

There were no changes in the company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

Analysis of financial instruments by measurement basis

The fair values of financial assets and liabilities, together with carrying amounts shown in the Statement of Financial Position, are as follows.

Entity and Investee / Company

2014	**Note**	**Fair value through profit or loss**	**Available for sale financial assets**	**Loans and receivables**	**Held to maturity**	**Total**
Long term investments						
Available for sale financial assets	17	–	115,000	–	–	115,000
Trade and Other receivables	18	–	–	58,972	–	58,972
Cash and cash equivalents	19	–	–	29,400	–	29,400
		–	115,000	88,372	–	203,372
2013						
Long term investments						
Available for sale financial assets	17	–	115,000	–	–	115,000
Trade and Other receivables	18	–	–	82,562	–	82,562
Cash and cash equivalents	19	–	–	6,607	–	6,607
		–	115,000	89,169	–	204,169

28. Related Party Transactions

Parent and the Ultimate Controlling Party

The Company is a subsidiary of CT Holdings PLC, the ultimate parent, which owns 64.2% of the controlling interest of the Company.

28.1 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard 24 - Related Party Disclosures, 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 CT 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. Sunil Mendis

Key Management Personnel have transacted with the company during the period as follows

a. Loans given to Key Management Personnel

There are no loans given to Directors or Key Management Personnel during the year.

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

	2014	2013
Short term employee benefits	**25,181**	22,428
Post employment benefits	**15,680**	15,201
	40,861	37,629

Directors' Emoluments are disclosed in Note 9 to the Financial Statements.

c. Key Management Personnel and Directors transactions

Directors of the company control 3.16% of the voting shares of the company.

A 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. 28.1(b).

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)	
			2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000
Cargills (Ceylon) PLC	Mr J C Page *(Director)*	Rental & Service Charges	**19,856**	19,329	**–**	–
	Mr A T P Edirisinghe *(Director)*	Loan Repayment	**–**	–	**–**	–
	Mr Anthony A Page *(Director)*	Security Deposits	**–**	–	**(1,401)**	(1,401)
	Mr L R Page *(Chairman)*	Management Fees	**3,291**	–	**(3,291)**	–
	Mr V R Page *(Deputy Chairman)*					
Cargills Food Processors (Pvt) Ltd	Mr A T P Edirisinghe *(Director)*	Rental & Service Charges	**10,872**	9,005	**–**	–
	Mr Anthony A Page *(Director)*	Security Deposit	**–**	–	**(479)**	(479)
	Mr V R Page *(Chairman)*					
Cargills Quality Foods Ltd		Rental & Service Charges	**932**	–	**46**	–
Ceylon Theatres (Pvt) Ltd	Mr R Selvaskandan *(Protem Chairman)*	Rental & Service Charges	**22,879**	14,003	**–**	–
	Mr J C Page *(Managing Director)*					
	Mrs M G Perera *(Finance Director)*	Security Deposit	**–**	–	**(600)**	(600)
	Mr Anthony A Page *(Director)*					
	Mr S C Niles *(Director)*					
	Mr A D M De Alwis *(Director)*					
Millers Ltd	Mrs M G Perera (Director)	Rental & Service Charges	**1,123**	–	**(175)**	–
C T Smith Stockbrokers (Pvt) Ltd	Mr Anthony A Page *(Chairman)*	Rental & Service Charges	**7,084**	3,996	**–**	–
		Security Deposit	**–**	–	**(328)**	(328)
CT Capital (Pvt) Ltd	Mr Anthony A Page *(Chairman)*	Rental & Service Charges	**2,422**	2,247	**–**	–
	Mr S C Niles *(Director)*					
Comtrust Asset Management (Pvt) Ltd	Mr Anthony A Page *(Chairman)*	Rental & Service Charges	**3,055**	2,829	**–**	–
	Mr J C Page *(Director)*	Security Deposit	**–**	–	**(138)**	(138)
	Mr S C Niles *(Director)*					
CT Smith Holdings Ltd	Mr Anthony A Page *(Chairman)*	Rental & Service Charges	**1,768**	1,640	**–**	–
	Mr L R Page *(Director)*					
	Mr A T P Edirisinghe *(Director)*					

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

29. Litigation and Claims

There is no Litigation and no Claims against the Company as at the reporting date.

30. Events after the reporting date

The Board of Directors of the Company recommends a final ordinary dividend of Rs.1.50 per share for the year 2014 to be approved at the Annual General Meeting.

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

31. Commitments and Contingencies

There were no material capital commitments or contingencies outstanding as at the reporting date .

Three Year Summary

Year ended 31st March	2014		2013		2012
	Entity and investee				
	Rs. '000	% Change	Rs. '000	% Change	
OPERATING RESULTS					
Revenue	430,471	7.8%	399,256	4.2%	383,050
Results from Operating Activities	412,583	15.1%	358,601	17.3%	305,640
Finance Cost	(2,564)	-81.6%	(13,946)	4.2%	(13,383)
Share of Profit-Equity Accounted Investee	(12,040)	-2840.2%	439	98.8%	221
Profit Before Taxation	397,979	15.3%	345,094	18.0%	292,478
Profit After Taxation	309,394	18.6%	260,908	0.9%	258,685
Total Comprehensive Income for the year	308,214	18.1%	260,968	0.5%	259,718
ASSETS					
Non Current Assets	3,259,929	7.2%	3,041,023	4.6%	2,907,882
Current Assets	88,372	-0.9%	89,169	-15.9%	106,050
EQUITY AND LIABILITIES					
Stated Capital	487,500	0.0%	487,500	0.0%	487,500
Reserves	2,313,082	9.3%	2,116,993	9.5%	1,934,025
Borrowings	–	-100.0%	15,625	-70.6%	53,125
Deferred Liabilities	339,128	9.9%	308,512	12.9%	273,223
Security Deposits	153,618	2.9%	149,219	2.8%	145,120
Current Liabilities	54,973	5.0%	52,342	-56.7%	120,939
KEY INDICATORS					
Earnings Per Share (Rs.)	6.35	18.6%	5.35	0.8%	5.31
Net Assets Per Share (Rs.)	57.45	7.5%	53.43	9.8%	48.67
Market Price Per Share (Rs.)	29.10	20.7%	24.10	-0.4%	24.20
OTHERS					
Market Capitalization (Rs. '000)	1,418,625	20.7%	1,174,875	-0.4%	1,179,750
Price Earnings Ratio (times)	4.59	1.8%	4.50	-1.2%	4.56
Dividends Per Share (Rs.)	2.30	43.8%	1.60	33.3%	1.20
Interest Cover (times)	160.91	525.8%	25.71	12.6%	22.84
Current Ratio (times)	1.61	22.5%	1.31	95.8%	0.67
Dividend Yield (%)	7.90	19.1%	6.64	33.9%	4.96
Equity to Total Assets (%)	83.64	0.5%	83.21	3.6%	80.34
Number of Shares in Issue ('000)	48,750	0.0%	48,750	0.0%	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 2014				31st March 2013			
	Shareholders		Holdings		Shareholders		Holdings	
	Number	%	Number	%	Number	%	Number	%
1 - 1,000	**2,459**	**73.18**	**729,627**	**1.50**	2,605	72.56	791,010	1.62
1,001 - 5,000	**629**	**18.72**	**1,522,701**	**3.12**	691	19.25	1,695,239	3.48
5,001 - 10,000	**125**	**3.72**	**969,966**	**1.99**	129	3.59	986,874	2.02
10,001 - 50,000	**110**	**3.27**	**2,148,797**	**4.41**	125	3.48	2,483,280	5.10
50,001 - 100,000	**17**	**0.51**	**1,237,863**	**2.54**	17	0.48	1,261,834	2.59
100,001 - 500,000	**11**	**0.33**	**3,426,976**	**7.03**	15	0.42	4,470,052	9.17
500,001 - 1,000,000	**6**	**0.18**	**3,873,751**	**7.94**	4	0.11	2,253,519	4.62
1,000,001 - Over	**3**	**0.09**	**34,840,319**	**71.47**	4	0.11	34,808,192	71.40
	3,360	**100.00**	**48,750,000**	**100.00**	3,590	100.00	48,750,000	100.00

3. Analysis of Shareholders

Categories of Shareholders	31st March 2014				31st March 2013			
	Non-Residents	Residents	Total	%	Non-Residents	Residents	Total	%
Individuals	**1,118,557**	**8,495,686**	**9,614,243**	**19.72**	838,417	9,353,113	10,191,530	20.91
Insitutions and Corporate Holdings	**200,085**	**38,935,672**	**39,135,757**	**80.28**	283,885	38,274,585	38,558,470	79.09
	1,318,642	**47,431,358**	**48,750,000**	**100.00**	1,122,302	47,627,698	48,750,000	100.00

4. Top 20 Shareholders

The holdings of the top 20 shareholders as at 31st March 2014 is given below

	31st March 2014		31st March 2013	
	No of Shares	%	No. of Shares	%
C T Holdings PLC	**31,298,407**	**64.20**	25,298,407	51.89
Seylan Bank PLC/Thirugnanasambandar Senthilverl	**2,516,238**	**5.16**	4,100,000	8.41
Bank of Ceylon No. 1 Account	**1,025,674**	**2.10**	–	–
Bank of Ceylon A/C Ceybank Unit Trust	**777,196**	**1.59**	4,317,688	8.86
Bank of Ceylon A/C Ceybank Century Growth Fund	**747,708**	**1.53**	1,092,097	2.24
Mr. A.A. Page	**654,264**	**1.34**	654,264	1.34
Mr. J.C. Page	**610,804**	**1.25**	610,804	1.25
Mrs. C.K. Muttukumaru	**582,674**	**1.20**	505,113	1.04
Tudawe Brothers Ltd	**501,105**	**1.03**	668,363	1.37
Mr. V.R. Page	**453,062**	**0.93**	453,062	0.93
Dr. A.C. Visvalingam	**449,814**	**0.92**	408,449	0.84
E.W. Balasuriya & Co. (Pvt) Ltd	**395,417**	**0.81**	389,149	0.80
Merrill J Fernando & Sons (Pvt) Ltd	**392,535**	**0.81**	392,535	0.81
Mrs. T. Selvaratnam	**375,813**	**0.77**	375,813	0.77
Mr. S.K. Jhunjhnuwala	**342,182**	**0.70**	–	–
Mrs. J.N. Mather	**270,618**	**0.56**	270,618	0.56
David Pieris Motor Company Ltd	**268,775**	**0.55**	298,000	0.61
Mr. L.R. Page	**268,487**	**0.55**	268,487	0.55
Mr. P.G.K. Fernando	**106,266**	**0.22**	–	–
Mr. S. Srikanthan	**104,007**	**0.21**	–	–
Dee Investments Ltd.	–	–	460,800	0.95
Sampath Bank Ltd.-Account No.3	–	–	325,000	0.67
Dr. T. Senthilverl	–	–	290,349	0.60
Mr. M.M. Udeshi	–	–	205,449	0.42
	42,141,046	**86.44**	41,384,447	84.89
Others 3,340 Shareholdres (as at 31st March 2014)	**6,608,954**	**13.56**	7,365,553	15.11
Total	**48,750,000**	**100.00**	48,750,000	100.00

5. Share Valuation

The market value of each Ordinary share on 31st March 2014 was Rs. 29.10 (2013-Rs. 24.10). The highest and lowest values recorded during the twelve months ended 31st March 2014 were Rs. 34.40 and Rs. 28.50 respectively. The highest value was recorded on 23rd January 2014 and the lowest value was recorded on 04th March 2014.

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6. Share Trading

For the year ended 31st March	2014	2013
No. of Transactions	**325**	593
No. of Shares Traded	**196,340**	431,292
Value of Shares Traded (Rs.)	**6,056,877**	11,300,837

7. Dividends

An Interim Dividend of Rs. 1.10 per share was paid on 14th January 2014.

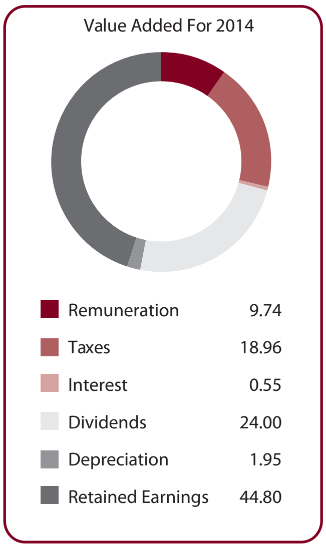
The Directors have recommended a Final Dividend of Rs. 1.50 per share to be paid on 1st September 2014 subject to approval of shareholders at the Annual General Meeting.

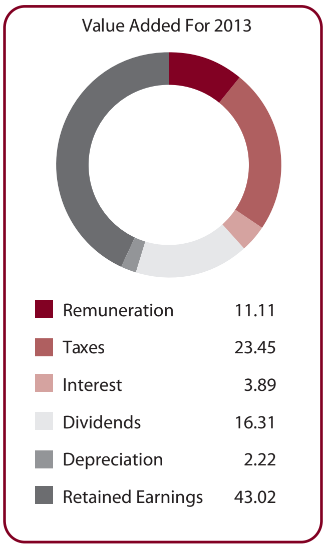
8. Public Holders

The percentage of shares held by the public as at 31st March 2014 was 24.99% (2013-37.15%).

Statement of Value Added

For the year ended 31st March	Company			
	2014		2013	
	% of Total	Rs. '000	% of Total	Rs. '000
Creation of Value Added				
Revenue		**430,471**		399,256
Operating Expenses		**(150,790)**		(128,785)
Value Added from Operations		**279,681**		270,471
Other Income		**1,703**		3,086
Change in Fair Value of Investment Property		**185,798**		132,825
Total Value Added		**467,182**		406,382
Distribution of Value Added				
To Associates				
Salaries, Wages and related costs	9.74	**45,498**	9.80	39,826
To Government				
as Income Taxes	13.14	**61,406**	12.74	51,788
as Deferred Taxes	5.82	**27,179**	7.97	32,398
		88,585		84,186
To Lenders of Capital				
as Interest	0.55	**2,564**	3.43	13,946
To Shareholders				
as Dividends	24.00	**112,125**	19.20	78,000
Retained for Growth				
Depreciation	1.95	**9,101**	1.96	7,955
Retained Earnings	44.80	**209,309**	44.90	182,469
		218,410		190,424
	100.00	**467,182**	100.00	406,382





Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty First Annual General Meeting of the Company will be held at the Sri Lanka Foundation Institute, No. 100, Independence Square, Colombo 07 on 21th August 2014 at 9.30 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 2014 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. R. Selvaskandan

   (b) Dr. T. Senthilverl

   (c) Mr. A. T. P. Edirisinghe

4. elect Ms. M. G. Perera as a Director.

5. authorise the Directors to determine contributions to Charities.

6. 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,

Cgunaawardano

Charuni Gunawardana
Secretary

Colombo
21st July 2014

PROXY OF FORM

For the use at the Thirty first Annual General Meeting

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

I/We..

....

of ....

....

being 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 Thirty first Annual General Meeting of the Company to be held on 21st August 2014 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

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