



CT Land Development PLC

Annual Report 2015

Majestic City



Financial Calendar

Financial Statements For 2013/14

INTERIM REPORTS

1st Quarter 30th June 2014	-	15th August 2014
2nd Quarter 30th September 2014	-	07th November 2014
3rd Quarter 31st December 2014	-	06th February 2015
4th Quarter 31st March 2015	-	03rd June 2015

Annual Report for the year ended 31st March 2015	-	03rd July 2015
---	---	----------------

MEETINGS

191st Board Meeting	-	30th May 2014
192nd Board Meeting	-	21st August 2014
193rd Board Meeting	-	31st October 2014
194th Board Meeting	-	06th February 2015

31st Annual General Meeting	-	21st August 2015
-----------------------------	---	------------------

DIVIDENDS

Interim Rs. 1.25 per share	-	Paid on 09th February 2015
Final Rs. 1.60 per share subject to Shareholder approval	-	Payable on 30th July 2015

CONTENTS

Corporate Information	2
Directors' Profile	3
Chairman's Report	4
Corporate Governance	5-8
Annual Report of the Board of Directors	9-10
Directors Responsibility for the preparation of Financial Statements	11
Independent Auditors Report	12
Statement of Profit or Loss and Other Comprehensive Income	13
Statement of Financial Position	14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Financial Statements	17-40
Three-Year Summary	41
Information to Shareholders & Investors	42-43
Statement of Value Added	44
Notice of Annual General Meeting	45
Enclosed: Proxy Form	47-48

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 where you can shop, dine and watch a movie all under one roof. The facilities offered include;

- Exclusive International Brands and up-market Fashion Boutiques
- Supermarket
- International Franchise Restaurant
- Fast Food and Drinks
- Amusement Centre for children
- Antiques, Handicrafts, Gift Items, Perfumes & Cosmetics, Gems & Jewellery, Eye Wear, Fashion Accessories, Watches & Clocks, Sports & Fitness goods, Household & Electronic goods, Mobile Phones & accessories and Computer equipment & accessories
- Hair & Beauty Salon, Tea Centre, Money Changer, Graphics & Photographic Studio
- Banks and ATM's
- Food Zone
- Cinema Complex

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

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
info@majesticcity.lk

Web: www.majesticcity.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*)

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*)

Sunil Mendis

R. Selvaskandan

Remuneration Committee

Sunil Mendis (*Chairman*)

A. T. P. Edirisinghe

R. Selvaskandan

Auditors

KPMG

Chartered Accountants

Tax Consultants

PriceWaterhouse Coopers

Chartered Accountants

Bankers

People's Bank

Commercial Bank of Ceylon PLC

Holding Company

C T Holdings PLC

DIRECTORS' PROFILE

Mr. R. Selvaskandan (Chairman)***

Mr. Selvaskandan is an Attorney at Law (SL) and admitted as 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 28 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 32 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 45 years' experience of which 27 years has been in public practice and 18 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 Committee of the Company.

Mr. Anthony A. Page **

Mr. Anthony Page counts over 45 years of management experience in a diverse array of businesses. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Institute of Certified Management Accountants of Sri Lanka. He served on the Boards of the Colombo Stock Exchange and several public listed and non-listed companies. Mr. Page also served 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. Senthilvel ***

Dr. Senthilvel 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***

Desamanya Sunil Mendis was formerly the Chairman of Hayleys Group, and a former Governor of the Central Bank of Sri Lanka. He possesses around 50 years of wide and varied commercial experience, most of which has been in very senior positions. Mr. Mendis serves as a Member of the Company's Audit Committee and Chairman of the Remuneration Committee, and 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 28 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.

Mrs. M. G. Perera

Mrs. Mignon Perera is an Associate Member of the Chartered Institute of Management Accountants, UK and possesses over 32 years of experience in the manufacturing, trading and service sectors. She has held several key positions within the Group companies of CT Holdings PLC, including Directorships, since joining the subsidiary, Millers PLC in 1992.

**Non- Executive Director

***Independent and 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 2015.

Operations

The higher level of consumer spending which was observed towards the latter part of 2013 and continued during the year under review, substantially increased during the last quarter of the financial year. Further, the relief granted through the budget in 2014/15, increased public and private sector wages and incentives increased disposable income and retail spending. The completion of the development work carried out on the main access roads adjacent to the complex also resulted in a smoother traffic flow and increased footfall in to the mall.

As a result, there was a much higher demand for shop space within the mall and at the end of the year under review, the available shop space was fully occupied. Several shop owners also carried out extensive refurbishments of their shops and thus improved their shop facades as well as the general appearance of the mall.

Financial Results

The Company achieved another year of steady growth in revenue and profitability. I am also pleased to inform shareholders that almost all of the tenants renewed their lease agreements for a further four year period when the lease agreements came up for renewal on 01st January 2015. Further, as at the reporting date, there are no pending legal cases against any of the tenants of the Mall.

Rental and rental related revenue increased by 15.8% during the year due to the factors indicated above. However there was a decrease in Other Income of 56.9% due to the comparatively lower increase of Rs. 100.0 Mn (2014-Rs. 185.8 Mn) in the fair value of Investment Property during the year and an impairment charge for long term investment of Rs. 20 Mn.

The profit before taxation of the Company amounted to Rs. 344.0 Mn (2014-Rs. 410 Mn), the decline of which is directly attributable to the decrease in Other Income.

Investee Company-Ceylon Theatres (Pvt) Ltd.

The associate company, Ceylon Theatres (Pvt) Ltd has been involved with the Sri Lankan entertainment industry for over 85 years and was the first to provide cinema-goers with a superior 3D movie experience in Sri Lanka.

Digitalization of movie exhibition afforded an opportunity for substantially improved quality entertainment to be provided to patrons. Ceylon Theatres, as a pioneer in this sector, took the initiative to invest in the latest digital sound and projection technology. Further, during the past two years, Ceylon Theatre invested in the setting up of two new cineplexes in Jaffna and Arcade Independence Square, Colombo, modernized its premier Cinema complex at Majestic City in Bambalapitiya and entirely refurbished and digitalized the Regal Cinema at Colombo 02.

Although the profitability of the company has been negatively impacted in the short term by the investments made, these investments are expected to earn adequate returns in the foreseeable future considering the enthusiasm and interest generated in those looking for high quality entertainment in Sri Lanka.

The Company has a shareholding of 45% in Ceylon Theatres (Pvt) Ltd as at the Balance Sheet date.

Appropriations

The company declared an interim dividend of Rs. 1.25 per share from the profits of the current year and the Directors are pleased to recommend a Final Dividend of Rs 1.60 per share 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 economic upsurge, positive consumer sentiment and increased demand for shopping, office and entertainment space is very encouraging. The Majestic City mall which is centrally located and easily accessible is ideally suited to benefit from this demand. We look forward confidently to benefit from these factors and ensure further growth and profitability in 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
03rd July 2015

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 Edirisighe has served in the Board for more than nine (9) years. Further, Mr. R Selvaskandan, Mr. A T P Edirisighe 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	Not applicable.

CORPORATE GOVERNANCE

Subject	Compliance Status	Remarks
4. Remuneration Committee <p>(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.</p> <p>One non-executive director shall be appointed as Chairman of the Committee by the Board.</p> <p>(b) The Remuneration Committee shall recommend the remuneration payable to the executive directors and Chief Executive Officer, to the Board.</p> <p>(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.</p>	<p>Complied</p> <p>Complied</p>	<p>The Remuneration Committee consists of three independent Directors.</p> <p>The Chairman of the Remuneration Committee is an Independent Non-Executive Director.</p> <p>Disclosed in the Remuneration Committee Report.</p> <p>Disclosed under Corporate Information. Remuneration paid to Directors is disclosed in Notes to the accounts.</p>
5. Audit Committee <p>(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.</p> <p>One non-executive director shall be appointed chairman of the committee by the Board.</p> <p>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.</p> <p>The chairman or one member of the committee should be a Member of a recognised professional accounting body.</p> <p>(b) Functions of the Audit Committee</p> <p>The annual report should set out the names of Directors comprising the Audit Committee.</p> <p>The committee shall make a determination of the independence of the auditors and shall disclose the basis for such determination in the annual report.</p> <p>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.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Compliant</p>	<p>The Audit Committee consists of three Non-Executive Directors, all of whom are Independent.</p> <p>The Chairman of the Audit Committee is an Independent Non-Executive Director.</p> <p>The Deputy Chairman / Managing Director and Finance Director attend all Audit Committee meetings. Other Executive Directors may be invited to attend as required.</p> <p>Chairman is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Chartered Institute of Management Accountants, UK.</p> <p>Disclosed in the Report of the Audit Committee.</p> <p>Disclosed under Corporate Information.</p> <p>Disclosed in the Report of the Audit Committee.</p> <p>Disclosed in the Report of the Audit Committee.</p>

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 is a Fellow Member 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. S. Mendis	Independent
Mr. R. Selveskandan	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.

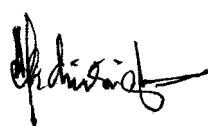
The regular Audit Committee meetings were held twice during the year, in addition to the meeting with the External Auditors referred to above. All members of the Committee were in attendance at these meetings except in the case of inability to attend due to medical reasons. In addition, where required, 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

03rd July 2015

CORPORATE GOVERNANCE

Remuneration Committee Report

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

Mr. Sunil Mendis (*Chairman*)

Mr. A. T. P. Edirisinghe

Mr. R. Selvaskandan

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

The Committee is tasked 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.



Sunil Mendis

Chairman - Remuneration Committee

3rd July 2015

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 2015. 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 2015 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 17 to 28.

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 2015.

Stated Capital

The stated capital of the Company as at 31st March 2015 was Rs. 487.5 Mn comprising 48.75Mn Ordinary Shares.

Directors

The Directors indicated on page 3 have been Directors of the Company throughout the year under review.

Mr.L.R. Page, Mr.S.C. Niles and Mr.A.D.M. De Alwis, retire under Articles 103 and 104 of the Articles of Association of the Company and being eligible, offer themselves for re-election. Pursuant to section 210 and 211 of the Companies Act No. 7 of 2007 Mr. Sunil Mendis who is 71 years of age offers himself for re-election.

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	3	1	1
Mr. A. D. M. De Alwis	4	4	1	1
Ms. M. G. Perera	4	4	1	1
Mr. A. T. P. Edirisinghe	4	3	1	1
Mr. Sunil Mendis	4	4	1	0
Mr. S. C. Niles	4	4	1	1
Mr. Anthony A. Page	4	0	1	0
Mr. L. R. Page	4	1	1	0
Dr. T. Senthilvel	4	2	1	1

Directors' Interests in Contracts

The Directors' interests in Contracts of the Company are included in Note 29 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. 1.25 per share for the year ended 31st March 2015 was paid to the shareholders on 09th February 2015. The Board has recommended a final dividend of Rs. 1.60 per share amounting to Rs. 78Mn.

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 31.3.2015	As at 31.3.2014
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	2,516,238	2,516,238

Donations

During the year the Company made charitable donations amounting to Rs. 132,350/-(2014-Rs. 70,000/).

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.

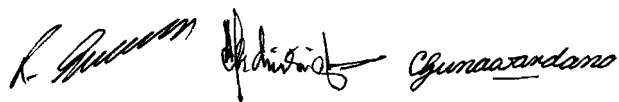
Auditors

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 09 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 behalf of the Board of Directors



R. Selvaskandan Chairman	A. T. P. Edirisinghe Director	Charuni Gunawardana Secretary
------------------------------------	---	---

Colombo
3rd July 2015

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 Statement of Financial Position and Statements of Profit or Loss and other Comprehensive Income, Cash Flows and Changes in Equity along with the accounting policies and notes thereto, which give a true and fair view of the affairs of the Company at the reporting 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 2015. 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 3rd July 2015.

The Directors also confirm that in preparing the Financial Statements for the year ended 31st March 2015 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

3rd July 2015

INDEPENDENT AUDITORS' REPORT



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

Tel : + 94 - 11 542 6426
Fax : + 94 - 11 244 5872
+ 94 - 11 244 6058
+ 94 - 11 254 1249
+ 94 - 11 230 7345
Internet : www.lk.kpmg.com

TO THE SHAREHOLDERS OF C T LAND DEVELOPMENT PLC

Report on the Financial Statements

We have audited the accompanying financial statements of CT Land Development PLC ("the Company") and the company and its equity accounted investee ("the Entity and Investee"), which comprise the statement of financial position as at March 31, 2015, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages xx to xx of this Annual Report.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company separately and also with its equity accounted investee as at March 31, 2015, and of its financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by Section 163(2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion and scope and limitations of the audit are as stated above.
- In our opinion we have obtained all the information and explanations that were required for the audit and, as far appears from our examination, proper accounting records have been kept by the Company and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka.

3rd July 2015

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

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31 st March	Note	Entity and Investee		Company	
		2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
Revenue	6	498,429	430,471	498,429	430,471
Other Income	7	80,827	187,501	80,827	187,501
Personnel Cost	8	(52,274)	(45,498)	(52,274)	(45,498)
Depreciation	14 & 15	(8,905)	(9,101)	(8,905)	(9,101)
Other Operating Cost		(172,974)	(150,790)	(172,974)	(150,790)
Results from Operating Activities	9	345,103	412,584	345,103	412,584
Finance Costs	10	(1,096)	(2,564)	(1,096)	(2,564)
Share of profit/(loss) of Equity Accounted Investee	17	(22,867)	(12,039)	-	-
Profit before Taxation		321,140	397,981	344,007	410,020
Income Tax Expenses	11	(81,710)	(88,586)	(81,710)	(88,586)
Profit for the Year		239,430	309,395	262,297	321,434
Other Comprehensive Income; net of Income Tax					
Defined benefit plan actuarial gains (losses)		(536)	(1,220)	(536)	(1,220)
Share of other Comprehensive Income of Equity Accounted Investee	17	12	39	-	-
Other Comprehensive Income for the year, net of income tax		(524)	(1,181)	(536)	(1,220)
Total Comprehensive Income for the year		238,906	308,214	261,761	320,214
<i>Earnings Per Share Rs.</i>	12	4.91	6.35	5.38	6.59
<i>Dividends Per Share Rs.</i>	13	2.75	2.30	2.75	2.30

Figures in brackets indicate deductions.

The notes on pages 17 to 40 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		Entity and investee		Company	
As at 31 st March		2015	2014	2015	2014
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Non Current Assets					
Property, Plant & Equipment	14	28,051	33,322	28,051	33,322
Intangible assets	15	40	-	40	-
Investment Properties	16	3,140,000	3,040,000	3,140,000	3,040,000
Equity Accounted Investee	17	101,252	71,607	135,000	82,500
Investments	18	95,043	115,000	95,043	115,000
		<u>3,364,386</u>	<u>3,259,929</u>	<u>3,398,134</u>	<u>3,270,822</u>
Current Assets					
Trade and Other Receivables	19	92,157	58,972	92,157	58,972
Short Term Investments	20	30,784	-	30,784	-
Cash and Cash Equivalents	21	27,731	29,400	27,731	29,400
		<u>150,672</u>	<u>88,372</u>	<u>150,672</u>	<u>88,372</u>
Total Assets		<u>3,515,058</u>	<u>3,348,301</u>	<u>3,548,806</u>	<u>3,359,194</u>
EQUITY AND LIABILITIES					
Equity					
Stated Capital	22	487,500	487,500	487,500	487,500
Retained Earnings		2,417,924	2,313,081	2,451,672	2,323,974
		<u>2,905,424</u>	<u>2,800,581</u>	<u>2,939,172</u>	<u>2,811,474</u>
Non Current Liabilities					
Employee Benefits	23	21,105	19,452	21,105	19,452
Deferred Tax Liabilities	24	332,198	319,676	332,198	319,676
Security Deposits	25	142,032	141,827	142,032	141,827
Deferred Interest		55,727	11,792	55,727	11,793
		<u>551,062</u>	<u>492,747</u>	<u>551,062</u>	<u>492,747</u>
Current Liabilities					
Trade and Other Payables	26	26,132	27,712	26,132	27,712
Due to Cargills Ceylon PLC		1,024	3,729	1,024	3,729
Income tax Payable	27	24,189	23,532	24,189	23,532
Bank Overdraft/(Secured)	21	7,227	-	7,227	-
		<u>58,572</u>	<u>54,973</u>	<u>58,572</u>	<u>54,973</u>
Total Equity and Liabilities		<u>3,515,058</u>	<u>3,348,301</u>	<u>3,548,806</u>	<u>3,359,194</u>

The notes on pages 17 to 40 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

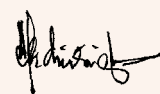
The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

The Financial Statements have been approved by the Board on 3rd July 2015

Signed for and on behalf of the Board.



R. Selvaskandan
Chairman
Colombo



A. T. P. Edirisnghe
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 2013	487,500	2,116,992	2,604,492
<i>Total Comprehensive Income</i>			
- Profit for the Year	—	309,395	309,395
<i>Other Comprehensive Income</i>			
- Defined Benefit Plan Actuarial Gains (Losses)	—	(1,220)	(1,220)
- Share of OCI of Equity Accounted Investee	—	39	39
Dividends Paid	—	(112,125)	(112,125)
Balance as at 31st March 2014	487,500	2,313,081	2,800,581
<i>Total Comprehensive Income</i>			
- Profit for the Year	—	239,430	239,430
<i>Other Comprehensive Income</i>			
- Defined Benefit Plan Actuarial Gains (Losses)	—	(537)	(537)
- Share of OCI of Equity Accounted Investee	—	12	12
Dividends Paid	—	(134,062)	(134,062)
Balance as at 31st March 2015	487,500	2,417,924	2,905,424

	Company		
	Stated Capital Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 1st April 2013	487,500	2,115,885	2,603,385
<i>Total Comprehensive Income</i>			
- Profit for the Year	—	321,434	321,434
<i>Other Comprehensive Income</i>			
- Defined Benefit Plan Actuarial Gains (Losses)	—	(1,220)	(1,220)
Dividends Paid	—	(112,125)	(112,125)
Balance as at 31st March 2014	487,500	2,323,974	2,811,474
<i>Total Comprehensive Income</i>			
- Profit for the Year	—	262,297	262,297
<i>Other Comprehensive Income</i>			
- Defined Benefit Plan Actuarial Gains (Losses)	—	(537)	(537)
Dividends Paid	—	(134,062)	(134,062)
Balance as at 31st March 2015	487,500	2,451,672	2,939,172

The notes on pages 17 to 40 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 st March	Entity and investee		Company	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax	321,140	397,979	344,007	410,019
Adjustments for				
Depreciation & Amortization	8,905	9,101	8,905	9,101
Profit/(Loss) on sale of PPE	-	(1,059)	-	(1,059)
Change in Fair Value of Investment Properties	(100,000)	(185,798)	(100,000)	(185,798)
Change in Fair Value of Financial Instruments	(784)	-	(784)	-
Impairment-Equity Investment	19,957	-	19,957	-
Provision for Bad Debts	-	1,346	-	1,346
Provision for Defined Benefit Obligation	2,778	2,486	2,778	2,486
Share of Profit-Equity Accounted Investee	22,867	12,040	-	-
Finance Cost	1,096	2,564	1,096	2,564
Operating Profit before Working Capital changes	275,959	238,660	275,959	238,659
Adjustment for Working Capital Changes				
(Increase)/Decrease in Trade & Other Receivables	(33,185)	22,244	(33,185)	22,244
Increase/(Decrease) in Trade & Other Payables	(4,285)	3,054	(4,285)	3,054
Increase in Security Deposits	44,140	4,398	44,140	4,398
Cash Generated from / (Used in) Operating Activities	282,629	268,356	282,629	268,356
Interest Paid	(1,096)	(2,564)	(1,096)	(2,564)
Retirement Benefits Paid	(1,870)	(269)	(1,870)	(269)
Income Tax Paid	(68,322)	(56,711)	(68,322)	(56,711)
Net Cash Generated from / (Used in) Operating Activities	211,341	208,810	211,341	208,811
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(3,624)	(7,417)	(3,624)	(7,418)
Purchase of Intangible Assets	(50)	-	(50)	-
Improvements to Investment Properties	-	(2,232)	-	(2,232)
Proceeds on disposal of Property, Plant & Equipment	-	1,500	-	1,500
Investments on Financial Instruments	(30,000)	-	(30,000)	-
Purchase of Investments	(52,500)	(45,000)	(52,500)	(45,000)
Net Cash Generated from / (Used in) Investing Activities	(86,174)	(53,149)	(86,174)	(53,149)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends Paid	(134,063)	(108,741)	(134,063)	(108,741)
Repayment of Interest Bearing Loans & Borrowings	-	(15,625)	-	(15,625)
Net Cash Generated from / (Used in) Financing Activities	(134,063)	(124,366)	(134,063)	(124,365)
Net Increase/(Decrease) In Cash & Cash Equivalents during The Year	(8,896)	31,296	(8,896)	31,296
Cash & Cash Equivalents at the Beginning of the Year	29,400	(1,896)	29,400	(1,896)
Cash & Cash Equivalents at the End of the Year (Note 21)	20,504	29,400	20,504	29,400

The notes on pages 17 to 40 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 of property, administration & maintenance.

The company is a subsidiary of CT Holdings PLC.

The staff strength of the company as at 31st March 2015 is 26 (2014-22).

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 Profit or Loss and Other 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 (LKASs and SLFRSs) 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 3rd July 2015.

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 Profit or Loss and Other 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.

NOTES TO THE FINANCIAL STATEMENTS

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

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

- Note 16-Investment Property
- Note 23-Defined Benefit Obligations
- Note 24-Deferred Taxation

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 Profit or Loss 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
- Fair value through profit or loss

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 recognized in profit or loss using the effective interest method. Dividend income is recognized 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 recognized in profit or loss.

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

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such

NOTES TO THE FINANCIAL STATEMENTS

investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognized in profit or loss.

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 Measurement

SLFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A Fair value measurement requires an entity to determine all the following:

1. The particular asset or liability that is the subject of the measurement
2. For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use)
3. The principal (or most advantageous) market for the asset or liability
4. The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorized.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same, to estimate the price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

When an asset is acquired or a liability is assumed in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). In contrast, the fair value of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price).

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 recognized 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.

NOTES TO THE FINANCIAL STATEMENTS

3.1.4 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).

3.1.5 Amortized Cost Measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

3.1.6 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 amortized cost in the Statement of Financial Position.

3.1.7 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.

NOTES TO THE FINANCIAL STATEMENTS

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 loss arising 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.

NOTES TO THE FINANCIAL STATEMENTS

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 recognized in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognized 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 recognized by transferring the cumulative loss that has been recognized 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 recognized 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 recognized in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized 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 recognized 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 recognized.

3.4 Equity Accounted Investee

Equity accounted investees 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 investees is set out in Note 17 to the Financial Statements.

NOTES 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.

NOTES TO THE FINANCIAL STATEMENTS

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 recognized 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 23 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 profit or loss.

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 recognized 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 Employees' 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 recognized 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.

3.11 Trade and other Payables

Trade and other payables are stated at their cost.

NOTES TO THE FINANCIAL STATEMENTS

3.12 Commitments and Contingencies

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 recognized 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 using the balance sheet method, providing for 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; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary arising on the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS

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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

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.

Deferred tax asset 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. NEWACCOUNTING 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 after 31 March 2015. Accordingly, these Standards have not been applied in preparing these financial statements.

SLFRS 9 - Financial Instruments

The objective of this SLFRS is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

This standard will be effective for financial periods beginning on or after 01 January 2018.

NOTES TO THE FINANCIAL STATEMENTS

SLFRS 14-Regulatory Deferral Accounts

The Objective of this standard is to specify the financial reporting requirements of regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2016.

The extent of the impact of the above standards to the Financial Statements has not been determined as at 31st March 2015. Based on the preliminary assessment carried out by the Board, none of these is expected to have a significant effect on the Financial Statements of the Company.

SLFRS 15 - Revenue from Contracts with Customers

Establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. This standard will be effective for financial periods beginning on or after 01 January 2018.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 st March	Entity and Investee / Company	
	2015 Rs. '000	2014 Rs. '000
6. Revenue		
Rental Income	377,087	337,464
Service Charges	68,002	67,717
Car Park Income	18,210	16,755
Promotional Income	16,935	6,904
Sundry Income	18,195	1,631
	<u>498,429</u>	<u>430,471</u>
7. Other Income		
Change in Fair Value of Investment Property	100,000	185,798
Change in Fair Value of Investment in Financial Assets	784	644
Impairment allowance for Long Term Investment	(19,957)	-
Profit/(Loss) on Disposal of Property, Plant & Equipment	-	1,059
	<u>80,827</u>	<u>187,501</u>
8. Personnel Cost		
Salaries and Wages	39,896	34,543
Contribution to Employees Provident Fund	3,519	3,065
Contribution to Employees Trust Fund	1,033	766
Provision for Staff Retirement Benefits	2,778	2,486
Other	5,049	4,638
	<u>52,274</u>	<u>45,498</u>
9. Results from Operating Activities		
Results from operating activities are stated after deducting all operating expenses including the following:		
Audit Fees	341	310
Depreciation	8,895	9,101
Amortization	10	-
Legal Fees	13	83
Professional Fees	735	1,499
10. Finance Cost		
Interest on Bank Overdraft	1,096	1,975
Interest on Bank Loan	-	589
	<u>1,096</u>	<u>2,564</u>
11. Income Tax Expense		
11.1 Tax recognised in the Statement of Comprehensive Income		
a) Current Tax (Note 11.2)		
Current Year	68,979	61,407
	<u>68,979</u>	<u>61,407</u>
b) Deferred Tax Expense (Note 24)		
Origination and Reversal of Taxable Temporary Differences	12,986	27,800
Change in Recognized Deductible Temporary Differences	(255)	(621)
	<u>12,731</u>	<u>27,179</u>
Total Tax Expense	<u>81,710</u>	<u>88,586</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 st March	Entity and Investee		Company	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
11.2 Reconciliation of Accounting Profit and Taxable Income				
Profit Before Tax	321,140	397,980	344,007	410,020
Add: Disallowable Expenses	15,422	33,174	15,422	33,174
Less: Allowable Expenses	(32,187)	(38,076)	(32,187)	(38,076)
Less: Exempt Income	22,867	12,040	-	-
Less: Income from other sources				
Interest Income - Treasury Bill / Financial Instruments	-	(220)	-	(220)
Change in Fair Value of Investment in Financial Assets	(784)	-	(784)	-
Impairment-Investment in Equity	19,957	-	19,957	-
Change in Fair Value of Investment Property	(100,000)	(185,798)	(100,000)	(185,798)
Business Income	246,414	219,100	246,414	219,100
Income from Other Sources	-	244	-	244
Statutory Income	246,414	219,344	246,414	219,344
Assessable Income	246,414	219,344	246,414	219,344
Less: Deductions	(60)	(35)	(60)	(35)
Total Taxable Income	246,354	219,309	246,354	219,309
Tax Liability				
Taxable Income at 28% (2014-28%)	68,979	61,407	68,979	61,407
Total Taxable Liability	68,979	61,407	68,979	61,407
11.3 Reconciliation of Effective Tax Rate				
Profit before Income Tax	321,140	397,981	344,007	410,020
Less: Income from Other Sources	-	(220)	-	(220)
Profit from Business	321,140	397,761	344,007	409,800
Income Tax Using the Domestic Tax Rate	28%	96,322	114,744	96,322
Disallowable Expenses	4%	4,318	9,289	4,318
Change in Fair Value of Investment Property	-29%	(28,000)	(52,024)	(28,000)
Change in Fair Value of Investment in Financial Assets		(220)	-	(220)
Impairment-Investment in Equity		5,588	-	5,588
Allowable Expenses	-9%	(9,012)	(10,660)	(9,012)
Income from Other Sources	0.00%	-	58	-
Deductions		(17)	-	(17)
Other Temporary Differences		12,731	27,179	12,731
(Over) / Under Provided in Prior Years		-	-	-
Total Income Tax Expenses (Note 11.1)	22%	81,710	88,586	81,710

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.

Profit/(Loss) attributable to ordinary shareholders of the company (Rs. '000)	239,430	309,395	262,297	321,434
Weighted Average no. of Ordinary Shares ('000)	48,750	48,750	48,750	48,750
Earnings/(Loss) per share (Rs.)	4.91	6.35	5.38	6.59
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

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 st March	Entity and Investee		Company	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000

13. Dividends per Share

Dividends per share is based on the dividends paid during the year covered by the financial statements.

Final 2013/14 Rs.1.50 per share (2012/13 - Rs. 1.20 per share)

Interim 2014/15 Rs. 1.25 per share (2013/14 - Rs. 1.10 per share)

Dividends per share (Rs.)

73,125	58,500	73,125	58,500
60,937	53,625	60,937	53,625
134,062	112,125	134,062	112,125
2.75	2.30	2.75	2.30

14. Property, Plant & Equipment

	Entity and Investee / Company					Total 2015 Rs. '000	Total 2014 Rs. '000
	Buildings Rs. '000	Plant & Machinery Rs. '000	Furniture & Equipment Rs. '000	Motor Vehicles Rs. '000	IT Equipment Rs. '000		
Cost/ Valuation							
As at 01st April	11,222	9,922	25,741	28,504	2,561	77,950	100,342
Additions	-	3,587	-	-	37	3,624	7,418
Reclassification-Inv.Prop	-	-	-	-	-	-	(4,359)
Reclassification-PPE	-	-	-	-	-	-	(2,453)
Write-off	-	-	-	-	-	-	(20,291)
Disposals	-	-	-	-	-	-	(2,704)
As at 31st March	11,222	13,509	25,741	28,504	2,598	81,574	77,951
Accumulated Depreciation							
As at 01st April	4,286	6,664	11,641	20,403	1,635	44,629	62,926
Charge for the year	224	643	2,488	5,078	461	8,894	9,101
Reclassification-Inv.Prop	-	-	-	-	-	-	(4,843)
Reclassification-PPE	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	(19,850)
Disposals	-	-	-	-	-	-	(2,704)
As at 31st March	4,510	7,307	14,129	25,481	2,096	53,523	44,629
Carrying Value							
As at 31st March 2015	6,712	6,202	11,612	3,023	502	28,051	-
As at 31st March 2014	6,936	3,258	14,100	8,101	-	-	33,322

Property, Plant and Equipment includes fully depreciated assets having a gross amount of Rs. 24,525,666 (2014 - Rs. 9,394,277).

15. Intangible Assets

	Entity and Investee / Company	
	2015 Rs. '000	2014 Rs. '000
Cost		
Balance as at 01st April	-	-
Additions	50	-
Balance as at 31st March	50	-
Accumulated Amortization		
Balance as at 01st April	-	-
Amortization	10	-
Balance as at 31st March	10	-
Carrying amounts		
As at 31 March	40	-

NOTES TO THE FINANCIAL STATEMENTS

16. Investment Properties

	Land		Entity and Investee / Company Buildings		Total	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
As at 01 April	1,692,500	1,570,500	1,347,500	1,279,500	3,040,000	2,850,000
Additions	-	-	-	2,232	-	2,232
Adjustments	-	-	-	1,970	-	1,970
Fair value gain	38,268	122,000	61,732	63,798	100,000	185,798
As at 31 March	1,730,768	1,692,500	1,409,232	1,347,500	3,140,000	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.

Address	Extent	Name of the Valuer	Date of Valuation	Market Value Rs.
No 10, Station Road, Colombo 04	1A-2R-17.25P	Mr.T Weeratne (Incorporated Valuer)	10th April 2015	3,140,000,000

16.1 Investment Properties (Cont..)	As at 31 March 2015	Fair value measurements at the end of the reporting period using			Total Gain / Losses
		Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<i>Recurring Fair Value Measurements</i>	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Investment Property					
Land	1,730,768	-	-	1,730,768	38,268
Building	1,409,232	-	-	1,409,232	61,732
Total Recurring Fair Value Measurement	3,140,000	-	-	3,140,000	100,000

16.2 Fair value measurements using significant unobservable inputs (Level 3)

	Investment Property Rs. '000
Opening Balance	3,040,000
Total gains or loss for the period	
Included in profit or loss	100,000
Closing Balance	3,140,000

16.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair Value at March 2015 Rs. '000	Valuation Technique(s)	Square Feet or Perch		Unobservable input	Sensitivity
			Area	Sq.ft		
Investment Property	3,140,000,000	Income Approach based on market rental values	Ground Floor	12,905	Price per square feet	A slight increase in the price per square feet used would result in a significant decrease in fair value and vice versa
			First Floor	29,090		
			Second Floor	26,041		
			Third Floor	27,893		
			Fourth Floor	25,140		
			Fifth Floor	5,715		

NOTES TO THE FINANCIAL STATEMENTS

17. Equity accounted Investee - Entity and Investee

The Entity and Investees' share of Profit/(Loss) in its equity accounted investee for the year was Rs. (22.9) Mn (2014 - Rs. (12Mn)). In 2015 and 2014, 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.

	2015	2014
CEYLON THEATRES (PVT) LTD		
Ownership	45.00%	49.25%
Current Assets	26,172	21,676
Non current Assets	308,695	173,313
Total Assets	334,867	194,989
Current Liabilities	109,826	51,075
Non current Liabilities	2,959	3,544
Total Liabilities	112,785	54,619
Net Assets	222,082	140,370
Income	257,133	198,303
Expenses	(307,921)	(222,668)
Total Comprehensive Income	(50,788)	(24,365)
Entity and Investee Share of Profit/(Loss)	(22,855)	(12,000)

	Entity & Investee		Company	
	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1st April	71,607	38,607	82,500	37,500
Shares Purchased during the year	52,500	45,000	52,500	45,000
Share of Profit / (Loss)	(22,855)	(12,000)	-	-
As at 31st March	101,252	71,607	135,000	82,500

18. Investments

	Entity & Investee / Company			
			2015	2014
	No. of Shares	% Share	Rs.'000	Rs.'000
C T Properties Ltd.	11,500,000	8.36%		
As at 01st April			115,000	115,000
Additions / Disposals			-	-
Fair Value Gain / (Loss)			(19,957)	-
As at 31st March			95,043	115,000

Unquoted shares of C T Properties Ltd. are classified as available-for-sale financial assets.

Based on the valuation of the investment carried out at the reporting date, it is observed that there is objective evidence of a decrease in property prices which resulted in an impairment loss during the period.

19. Trade and Other Receivables

Trade Receivables	22,055	13,530
Other Receivables	72,584	47,924
	94,639	61,454
Less: Provision for impairment	(2,482)	(2,482)
	92,157	58,972

20. Short-term Investments

Investment in Unit Trust	30,784	-
--------------------------	--------	---

21. Cash and Cash Equivalents

Cash and Bank Balances	27,731	29,400
Bank Overdrafts	(7,227)	-
Cash and Cash Equivalents in the Statement of Cash Flows	20,504	29,400

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March	Entity and Investee / Company	
	2015 Rs. '000	2014 Rs. '000
22. 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.		
23. Retirement Benefit Obligations		
23.1 Movement in the Present Value of Defined Benefit Obligations		
Liability for Defined Benefit Obligations as at 1st April	19,452	15,541
Current Service Cost	1,004	954
Interest Cost	1,774	1,532
Actuarial (Gain) / Loss immediately recognised	745	1,694
Payments made	(1,870)	(270)
Liability for Defined Benefit Obligations as at 31st March	21,105	19,451
23.1 (a) Amount Recognized in the Statement of Comprehensive Income		
Current Service Cost	1,004	954
Interest Cost	1,774	1,532
Provision for Staff Retirement Benefit (Note 8)	2,778	2,486
23.1 (b) Amount Recognized in Other Comprehensive Income		
Actuarial (Gain) / Loss Immediately Recognized in OCI	745	1,694
	745	1,694
23.1 (c) 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 2015 was calculated by the Company using formula method as actuarial valuation will be carried out once in three years only.

Sensitivity 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 Profit or loss and other 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 2015	Effect on charge to the Statement of Profit or Loss and other Comprehensive Income		Effect on Employee Benefit Obligation	
	Increase Rs.'000s	Decrease Rs.'000s	Increase Rs.'000s	Decrease Rs.'000s
Discount rate (Change by 1%)	(443)	460	(443)	460
Salary Increment Rate (Change by 1%)	501	(455)	501	(455)

NOTES TO THE FINANCIAL STATEMENTS

24. Deferred Tax Liabilities

As at 31 st March	Entity and Investee / Company					
	Assets		Liabilities		Net	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
Property, Plant and Equipment	-	-	338,109	325,123	338,109	325,123
Defined Benefit Obligations	(5,910)	(5,447)	-	-	(5,910)	(5,447)
Intangible Assets	(1)	-	-	-	(1)	-
Net Deferred Tax (Assets) / Liabilities	<u>(5,911)</u>	<u>(5,447)</u>	<u>338,109</u>	<u>325,123</u>	<u>332,198</u>	<u>319,676</u>

24.1 Movement in Deferred Tax balances during year

	2015				2014		
	PPE and Investment Property	Defined Benefit Obligations	Intangible Assets	Net Deferred Tax (Assets) / Liabilities	PPE and Investment Property	Deferred Benefit Obligations	Net Deferred Tax (Assets) / Liabilities
As at 1st April	325,123	(5,447)	-	319,676	297,323	(4,352)	292,971
Recognized in Profit or Loss	12,986	(254)	(1)	12,731	27,800	(621)	27,179
Recognized in OCI	-	(209)	-	(209)	-	(474)	(474)
As at 31st March	<u>338,109</u>	<u>(5,910)</u>	<u>(1)</u>	<u>332,198</u>	<u>325,123</u>	<u>(5,447)</u>	<u>319,676</u>

For the year ended 31 st March	Entity and Investee / Company	
	2015 Rs. '000	2014 Rs. '000
25. Security Deposits		
Related Companies	2,915	2,993
Others	139,117	138,834
	<u>142,032</u>	<u>141,827</u>
26. Trade & Other Payable		
Trade Creditors	21,544	17,415
Other Payables	146	821
Dividends Payable	626	4,629
Accrued Expenses	3,816	4,847
	<u>26,132</u>	<u>27,712</u>
27. Income Tax Payable		
As at 1 st April	23,532	18,837
Less: Payments made during the year	(68,322)	(56,712)
Provision made during the year	68,979	61,407
Balance as at 31 st March	<u>24,189</u>	<u>23,532</u>

NOTES TO THE FINANCIAL STATEMENTS

28. 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	
	2015 Rs.'000s	2014 Rs.'000s
Trade & Other Receivables	92,157	58,972
Cash & Cash Equivalents	27,731	29,400

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 outstanding 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	
	2015	2014
Below 31 days	18,769	12,481
31 - 62 days	2,540	742
63 - 93 days	486	60
94 - 124 days	193	-
Over 125	67	247
	<u>22,055</u>	<u>13,530</u>

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

	Entity and Investee / Company	
	2015	2014
As at 1st April	1,136	1,136
Impairment loss recognised	2,350	-
Amounts written off	(1,004)	-
As at 31st March	<u>2,482</u>	<u>1,136</u>

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. 27.7Mn at 31 March 2015 (2014-Rs.29.4Mn), which represents its maximum credit exposure on these assets.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial Risk Management (Contd.)

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:

	Carrying Value	Current	Non Current		
		Upto 1 year	Upto 2 years	Upto 5 years	Above 5 years
Bank Overdrafts	7,227	7,227	-	-	-
Trade and Other Payables	26,132	26,132	-	-	-
Dues to Related Companies	1,024	1,024	-	-	-

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	
	2015	2014	2015	2014
Total liabilities	609,634	547,720	609,634	547,721
Less: cash and cash equivalents	27,731	29,400	27,731	29,400
Net debt	581,903	518,320	581,903	518,321
Total equity	2,905,424	2,800,581	2,939,172	2,811,474
Net debt to equity ratio at 31 March	0.20	0.19	0.20	0.18

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

Financial Assets

2015	Note	Fair value through profit or loss Rs.'000	Loans and receivables (a) Rs.'000	Available for sale (a) Rs.'000	Total Rs.'000
Investments	18	-	-	95,043	95,043
Trade and Other Receivables	19	-	92,157	-	92,157
Short Term Investments	20	30,784	-	-	30,784
Cash and cash equivalents	21	-	27,731	-	27,731
Total Financial Assets		<u>30,784</u>	<u>92,157</u>	<u>95,043</u>	<u>217,984</u>

2014	Note	Fair value through profit or loss Rs.'000	Loans and receivables (a) Rs.'000	Available for sale (a) Rs.'000	Total Rs.'000
Investments	18	-	-	115,000	115,000
Trade and Other Receivables	19	-	58,972	-	58,972
Short Term Investments	20	-	-	-	-
Cash and cash equivalents	21	-	29,400	-	29,400
Total Financial Assets		<u>-</u>	<u>88,372</u>	<u>115,000</u>	<u>203,372</u>

(a) These financial instruments are carried at amortised cost in the financial statements. The company does not anticipate fair value of these instruments to be significantly different to their carrying values due to the short term nature of those assets and consider the impact as not material for a disclosure.

Financial Liabilities

2015	Note	Fair value through profit or loss Rs.'000	Other Liabilities Rs.'000	Total Rs.'000
Security Deposits	25	142,032	-	142,032
Trade and Other Payables	26	-	26,132	26,132
Dues to Cargills (Ceylon) PLC	-	-	1,024	1,024
Bank Overdraft (Secured)	21	-	7,227	7,227
Total Financial Liabilities		<u>142,032</u>	<u>34,383</u>	<u>176,415</u>

2014	Note	Fair value through profit or loss Rs.'000	Other Liabilities Rs.'000	Total Rs.'000
Security Deposits	25	141,827	-	141,827
Trade and Other Payables	26	-	27,712	27,712
Dues to Cargills (Ceylon) PLC	-	-	3,729	3,729
Total Financial Liabilities		<u>141,827</u>	<u>31,441</u>	<u>173,268</u>

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level of the fair value hierarchy.

	Note	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
2015					
Investments	18	-	-	95,043	95,043
Short Term Investments	20	-	30,784	-	30,784
Security Deposits	25	-	-	142,032	142,032
		<u>-</u>	<u>30,784</u>	<u>237,075</u>	<u>267,859</u>
2014					
Investments	18	-	-	115,000	115,000
Security Deposits	25	-	-	141,827	141,827
		<u>-</u>	<u>-</u>	<u>256,827</u>	<u>256,827</u>
Movement in Investments					
				2015	2014
				Rs. '000	Rs. '000
As at 1st April				115,000	115,000
Impairment Allowance				(19,957)	-
As at 31st March				<u>95,043</u>	<u>115,000</u>

NOTES TO THE FINANCIAL STATEMENTS

29. 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.

29.1 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 have been classified as Key Management Personnel of the Company.

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.

	2015	2014
Short term employee benefits	28,718	25,181
Post employment benefits	2,018	1,950
	<u>30,736</u>	<u>27,131</u>

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 be 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. 29.1(b).

NOTES TO THE FINANCIAL STATEMENTS

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

Parties Accommodated	Director / Key Management Personnel (Relationship)	Transaction	Transaction Value for the year ended 31st March		Balance outstanding as at 31st March Due From / (Due To)	
			2015	2014	2015	2014
			Rs. 000	Rs. 000	Rs. 000	Rs. 000
Cargills (Ceylon) PLC	Mr J C Page (Director) Mr Anthony A Page (Director) Mr L R Page (Chairman)	Management Fees Purchases	4,196 504	3,291 -	(1,024) -	(3,291) -
Ceylon Theatres (Pvt) Ltd	Mr R Selvaskandan (Protem Chairman) Mr J C Page (Managing Director) Mrs M G Perera (Finance Director) Mr Anthony A Page (Director) Mr S C Niles (Director) Mr A D M De Alwis (Director)	Rental & Service Charges Security Deposit	23,049	22,879	3,266 (600)	- (600)
CT CLSA Securities (Pvt) Ltd	Mr A T P Edirisinghe (Director)	Rental & Service Charges Security Deposit	7,476	7,084	- (328)	- (328)
CT CLSA Capital (Pvt) Ltd	Mr S C Niles (Director)	Rental & Service Charges	2,556	2,422	-	-
Comtrust Asset Management (Pvt) Ltd	Mr J C Page (Director)	Rental & Service Charges Security Deposit	3,055	3,055	- (138)	- (138)
CT CLSA Holdings Ltd	Mr L R Page (Director) Mr A T P Edirisinghe (Director)	Rental & Service Charges	1,867	1,768	-	-
Millers Ltd	Mrs M G Perera (Director)	Services Provided	624	1,123	(47)	(175)

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

30. Litigation and Claims

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

31. Events after the reporting date

The Board of Directors of the Company recommends a final ordinary dividend of Rs. 1.60 per share for the year 2015 to be approved at the Annual General Meeting.

The interim budget proposal presented by the Minister of Finance on 29th January 2015 and the pursuant bill presented to the Parliament on 30th March 2015, impose a one off tax of 25% on taxable profits for the year of assessment 2013/14 on any company or each company in a group of companies, if the company's / Group's profit before income tax exceeds Rs. 2,000 Mn. The consolidated profit before tax of the ultimate parent of the Company exceeds the said threshold of Rs. 2,000 Mn.

however, the liability will be recognized in the Financial Statements when the bill is enacted.

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

32. Commitments and Contingencies

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

THREE YEAR SUMMARY

Year ended 31 st March	Entity and investee				2013
	2015		2014		
	Rs. '000	% Change	Rs. '000	% Change	
OPERATING RESULTS					
Revenue	498,429	15.8%	430,471	7.8%	399,256
Results from Operating Activities	345,103	-16.4%	412,584	15.1%	358,601
Finance Cost	(1,096)	-57.3%	(2,564)	-81.6%	(13,946)
Share of Profit-Equity Accounted Investee	(22,867)	89.9%	(12,039)	-2842.4%	439
Profit before Taxation	321,140	-19.3%	397,981	15.3%	345,184
Profit after Taxation	239,430	-22.6%	309,395	18.6%	260,908
Total Comprehensive Income for the year	238,906	-22.5%	308,214	18.1%	260,968
ASSETS					
Non Current Assets	3,364,386	3.2%	3,259,929	7.2%	3,041,023
Current Assets	150,672	70.5%	88,372	-0.9%	89,169
EQUITY AND LIABILITIES					
Stated Capital	487,500	0.0%	487,500	0.0%	487,500
Reserves	2,417,924	4.5%	2,313,081	9.3%	2,116,993
Borrowings	-	-	-	-100.0%	15,625
Deferred Liabilities	353,303	4.2%	339,128	9.9%	308,512
Security Deposits	197,759	0.0%	197,759	28.7%	153,618
Current Liabilities	58,572	6.5%	54,974	5.0%	52,342
KEY INDICATORS					
Earnings per Share (Rs.)	4.91	-8.3%	5.35	0.0%	5.35
Net Assets per Share (Rs.)	59.60	3.7%	57.45	7.5%	53.43
Market Price per Share (Rs.)	35.00	20.3%	29.10	20.7%	24.10
OTHERS					
Market Capitalization (Rs. '000)	1,706,250	20.3%	1,418,625	20.7%	1,174,875
Price Earnings Ratio (times)	7.13	31.1%	5.44	20.7%	4.50
Dividends per Share (Rs.)	2.75	19.6%	2.30	43.8%	1.60
Interest Cover (times)	314.91	95.7%	160.90	525.7%	25.71
Current Ratio (times)	2.57	60.0%	1.61	22.5%	1.31
Dividend Yield (%)	7.86	-0.6%	7.90	19.1%	6.64
Equity to Total Assets (%)	82.66	-1.2%	83.64	0.5%	83.21
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	31 st March 2015				31 st March 2014			
	Shareholders		Holdings		Shareholders		Holdings	
	Number	%	Number	%	Number	%	Number	%
1 - 1,000	2,163	68.86	508,083	1.04	2,459	73.18	729,627	1.50
1,001 - 5,000	697	22.19	1,349,151	2.77	629	18.72	1,522,701	3.12
5,001 - 10,000	115	3.66	759,798	1.56	125	3.72	969,966	1.99
10,001 - 50,000	127	4.04	2,143,090	4.40	110	3.27	2,148,797	4.41
50,001 - 100,000	16	0.51	1,151,353	2.36	17	0.51	1,237,863	2.54
100,001 - 500,000	13	0.41	3,478,532	7.14	11	0.33	3,426,976	7.03
500,001 - 1,000,000	7	0.22	4,531,056	9.29	6	0.18	3,873,751	7.95
1,000,001 - Over	3	0.10	34,828,937	71.44	3	0.09	34,840,319	71.47
	3,141	100.00	48,750,000	100.00	3,360	100.00	48,750,000	100.00

3. Analysis of Shareholders

Categories of Shareholders	31 st March 2015				31 st March 2014			
	Non-Residents	Residents	Total	%	Non-Residents	Residents	Total	%
Individuals	806,609	9,190,056	9,996,665	20.51	1,118,557	8,495,686	9,614,243	19.72
Institutions and Corporate Holdings	74,976	38,678,359	38,753,335	79.49	200,085	38,935,672	39,135,757	80.28
	881,585	47,868,415	48,750,000	100.00	1,318,642	47,431,358	48,750,000	100.00

4. Top 20 Shareholders

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

	31 st March 2015		31 st March 2014	
	No of Shares	%	No. of Shares	%
C T Holdings PLC	31,298,407	64.20	31,298,407	64.20
Seylan Bank PLC/Thirugnanasambandar Senthilverl	2,516,238	5.16	2,516,238	5.16
Bank Of Ceylon No. 1 Account	-	-	1,025,674	2.10
Mr. A.M. Weerasinghe	1,014,292	2.08	-	-
Bank Of Ceylon A/C Ceybank Unit Trust	884,593	1.81	777,196	1.59
Mrs. C.K. Muttukumaru	730,000	1.50	582,674	1.20
Mr. A.A. Page	654,264	1.34	654,264	1.34
Bank Of Ceylon A/C Ceybank Century Growth Fund	627,222	1.29	747,708	1.53
Mr. J.C. Page	610,804	1.25	610,804	1.25
Capital Alliance Finance Plc/A.H.Udeshi	523,068	1.07	-	-
Tudawe Brothers Limited	501,105	1.03	501,105	1.03
Mr. V.R. Page	453,062	0.93	453,062	0.93
Dr. A.C. Visvalingam	449,814	0.92	449,814	0.92
E.W. Balasuriya & Co. (Pvt) Ltd	410,417	0.84	395,417	0.81
Merrill J Fernando & Sons (Pvt) Limited	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
J.B. Cocoshell (Pvt) Ltd	340,957	0.70	-	-
Mrs. J.N. Mather	270,618	0.56	270,618	0.56
David Pieris Motor Company Ltd	-	-	268,775	0.55
Mr. L.R. Page	268,487	0.55	268,487	0.55
Mr. S. Srikanthan	107,882	0.22	104,007	0.21
Mr. P.G.K. Fernando	106,266	0.22	106,266	0.22
	42,535,844	87.25	42,141,046	86.44
Other 3,141 Shareholders (as at 31st March 2015)	6,214,156	12.75	6,608,954	13.56
Total	48,750,000	100.00	48,750,000	100.00

INFORMATION TO SHAREHOLDERS AND INVESTORS

5. Share Valuation

The market value of each Ordinary share on 31st March 2015 was Rs. 35.00 (2014-Rs. 29.10). The highest and lowest values recorded during the twelve months ended 31st March 2015 were Rs. 44.00 and Rs. 29.10 respectively. The highest value was recorded on 09th January 2015 and the lowest value was recorded on 02nd April 2014.

6. Share Trading

For the year ended 31 st March	2015	2014
No. of Transactions	330	325
No. of Shares Traded	219,430	196,340
Value of Shares Traded (Rs.)	8,221,278	6,056,877

7. Dividends

An Interim Dividend of Rs. 1.25 per share was paid on 09th February 2015.

The Directors have recommended a Final Dividend of Rs. 1.60 per share 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 2015 was 24.71% (2014-24.99%).

STATEMENT OF VALUE ADDED

For the year ended 31st March

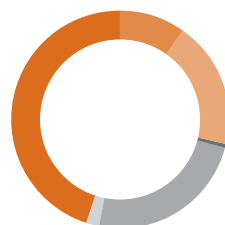
	2015		2014	
	% of Total	Rs. '000	% of Total	Rs. '000
Creation of Value Added				
Revenue		498,429		430,471
Operating Expenses		(172,974)		(150,789)
Value Added from Operations		325,455		279,682
Other Income		784		1,703
Change in Fair Value of Investment Property		100,000		185,798
Impairment-Investment in Equity		(19,957)		-
Total Value Added		406,282		467,183
Distribution of Value Added				
To Associates				
Salaries, Wages and related costs	12.87	52,274	9.74	45,498
To Government				
as Income Taxes	16.98	68,979	13.14	61,407
as Deferred Taxes	3.13	12,731	5.82	27,179
		81,710		88,586
To Lenders of Capital				
as Interest	0.27	1,096	0.55	2,564
To Shareholders				
as Dividends	33.00	134,062	24.00	112,125
Retained for Growth				
Depreciation	2.19	8,905	1.95	9,101
Retained Earnings	31.56	128,235	44.80	209,309
		137,140		218,410
	100.00	406,282	100.00	467,183

Value Added For 2015



Remuneration	12.87
Taxes	20.1
Interest	0.27
Dividends	33.00
Depreciation	2.19
Retained Earnings	31.56

Value Added For 2014



Remuneration	9.74
Taxes	18.96
Interest	0.55
Dividends	24.00
Depreciation	1.95
Retained Earnings	44.80

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Second Annual General Meeting of the Company will be held at the Sri Lanka Foundation Institute, No. 100, Independence Square, Colombo 7 on 30th July 2015 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 2015 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. L.R. Page
 - (b) Mr. S. C. Niles
 - (c) Mr. A.D.M. de Alwis
4. Re-elect Mr. Sunil Mendis who is over 70 years of age 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,



Charuni Gunawardana
Secretary

Colombo
3rd July 2015

NOTES

FORM OF PROXY

For use at the Thirty Second Annual General Meeting

I/We.....

of

being a member/members of CT Land Development PLC hereby appoint

of

whom failingof

..... or failing him/her, the
Chairman of the Meeting as my/our proxy to represent me/us and to vote on my/our behalf at the Thirty Second Annual
General Meeting of the company to be held on 30th July 2015 and at any adjournment thereof and at every Poll which
may be taken in consequence thereof in the manner indicated below.

Ordinary Resolutions

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

.....
Signature of Member (s)

.....
Date

NOTES:

- (a) Strike out whichever is not desired
- (b) Instructions as to completion of the Form of Proxy are set out on the reverse hereof
- (c) A Proxy holder need not be a member of the company
- (d) Please indicate with an "X" in the cage provided how your Proxy holder should vote. If no indication is given, or if there is, in the view of the proxy holder, any doubt (by reason of the manner in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder in his/her discretion may vote as he/she thinks fit

PROXY FORM

Instructions as to completion of the Proxy Form

1. To be valid, the completed Form of Proxy should be deposited at the Registered Office of the company at No. 10, Station Road, Colombo 04 not less than 48 hours before the time appointed for holding the meeting.
2. In perfecting the form, please ensure that all details are legible. If you wish to appoint a person other than the Chairman as your Proxy, please fill in your full name and address and the name and address of the Proxy holder and sign in the space provided and fill in the date of the signature.
3. The instrument appointing a Proxy shall, in the case of an individual, be signed by the appointer or by his Attorney and in the case of a limited liability company must be executed under its Common Seal or in such other manner prescribed by its Articles of Association or other constitutional documents.
4. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy, if it has not already been registered with the Company.
5. In the case of joint holders, only one needs to sign. The votes of the senior holder who tenders a vote will alone be counted.



CT Land Development PLC

10, Station Road, Colombo 4.

Tel. 2 508673-4, Fax. 2 592427