

PROPERTY DEVELOPMENT PLC

INTERIM REPORT

FOR THE 09 MONTHS ENDED
30 SEPTEMBER 2016

PROPERTY DEVELOPMENT PLC
STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	30.09.2016	31.12.2015 (Audited)	30.09.2016	31.12.2015 (Audited)
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Investment Property	688,642,091	657,829,203	688,642,091	657,829,203
Property, Plant and Equipment	279,651,471	294,313,870	47,533,774	51,006,333
Premium Paid on Leasehold Land	26,757,947	27,073,986	26,757,947	27,073,986
Intangible Assets	23,722,216	23,722,216	-	-
Investments in Subsidiary	-	-	241,973,890	241,973,890
Other Non-Current Financial Assets	1,705,868,214	1,492,737,476	1,705,868,214	1,492,737,476
Other Assets	26,208,196	26,208,196	26,208,196	26,208,196
Deferred Tax Assets	5,759,189	5,815,542	4,904,189	4,687,542
	<u>2,756,609,324</u>	<u>2,527,700,489</u>	<u>2,741,888,301</u>	<u>2,501,516,626</u>
Current Assets				
Inventories	29,037,491	30,982,461	29,037,491	30,982,461
Trade and Other Receivables	49,426,632	39,897,623	31,393,329	19,915,349
Advances and Prepayments	16,430,404	6,144,332	15,792,064	5,900,942
Other Current Financial Assets	1,857,656,402	1,788,597,413	1,660,004,125	1,641,848,715
Cash and Bank Balances	7,299,039	5,906,212	5,653,128	4,905,492
	<u>1,959,849,968</u>	<u>1,871,528,041</u>	<u>1,741,880,137</u>	<u>1,703,552,959</u>
Total Assets	<u>4,716,459,292</u>	<u>4,399,228,530</u>	<u>4,483,768,438</u>	<u>4,205,069,585</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	660,000,000	660,000,000	660,000,000	660,000,000
Reserves	335,000,000	335,000,000	335,000,000	335,000,000
Retained Earnings	1,921,349,639	1,835,226,827	1,715,793,690	1,668,793,893
Other Components of Equity	1,290,404,500	1,072,854,768	1,290,404,500	1,072,854,768
Total Equity	<u>4,206,754,139</u>	<u>3,903,081,595</u>	<u>4,001,198,190</u>	<u>3,736,648,661</u>
Non-Current Liabilities				
Other Liabilities	259,425,372	259,425,372	259,425,372	259,425,372
Defined Benefit Liabilities	17,902,961	16,927,660	17,514,961	16,741,221
Deferred Tax Liabilities	127,622,140	131,404,871	104,225,890	106,894,871
	<u>404,950,473</u>	<u>407,757,903</u>	<u>381,166,223</u>	<u>383,061,464</u>
Current Liabilities				
Trade and Other Payables	37,820,319	27,442,222	35,468,340	24,826,134
Dividends Payable	14,651,268	13,003,861	14,651,268	13,003,861
Income Tax Payable	52,283,093	47,942,949	51,284,417	47,529,465
	<u>104,754,680</u>	<u>88,389,032</u>	<u>101,404,025</u>	<u>85,359,460</u>
Total Equity and Liabilities	<u>4,716,459,292</u>	<u>4,399,228,530</u>	<u>4,483,768,438</u>	<u>4,205,069,585</u>
Net Assets per share	63.74	59.14	60.62	56.62

We the undersigned, being the Chief Executive Officer and the Head of Finance of Property Development PLC certify jointly that the above Financial Statements are in compliance with the requirements of the Companies Act, No. 07 of 2007.

(Sgd) Manoji Dissanayake
Manager Finance

(Sgd) G C Rajapaksha
Chief Executive Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by,

(Sgd) K A K Jayatilake
Chairman

(Sgd) W P R P H Fonseka
Director

04 November 2016
Colombo

PROPERTY DEVELOPMENT PLC
STATEMENT OF COMPREHENSIVE INCOME
QUARTER ENDED 30 SEPTEMBER 2016

Group	QUARTER ENDED 30 SEPTEMBER			NINE MONTHS ENDED 30 SEPTEMBER		
	2016	2015	Variance	2016	2015	Variance
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	157,894,242	164,435,228	(6,540,986)	452,842,322	460,601,130	(7,758,808)
Other Operating Income	53,007,068	34,766,395	18,240,673	155,008,421	131,772,701	23,235,720
	<u>210,901,310</u>	<u>199,201,623</u>	<u>11,699,687</u>	<u>607,850,743</u>	<u>592,373,831</u>	<u>15,476,912</u>
Less : Expenses						
Direct Expenses	31,518,352	36,192,875	4,674,523	91,407,567	88,185,848	(3,221,719)
Staff Costs	29,867,101	23,955,734	(5,911,367)	84,051,431	72,050,820	(12,000,611)
Depreciation and Amortisation Expenses	13,116,852	12,647,861	(468,991)	39,165,163	37,430,675	(1,734,488)
Administrative and Other Operating Expenses	6,181,038	5,471,099	(709,939)	19,861,603	16,645,885	(3,215,718)
Profit before tax	<u>130,217,967</u>	<u>120,934,054</u>	<u>9,283,913</u>	<u>373,364,979</u>	<u>378,060,603</u>	<u>(4,695,624)</u>
Less : Income Tax Expense	31,310,692	26,432,537	(4,878,155)	88,379,394	89,465,863	1,086,469
Profit for the Period	<u>98,907,275</u>	<u>94,501,517</u>	<u>4,405,758</u>	<u>284,985,585</u>	<u>288,594,740</u>	<u>(3,609,155)</u>
Other Comprehensive Income						
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods (net of tax)						
Net Gain/(Loss) on Available-For-Sale Financial Assets	142,904,300	110,747,155		217,549,732	46,353,398	
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)						
Actuarial Gain/(Loss) on Defined Benefit Plans	(385,000)	(550,000)		(1,162,430)	(1,642,104)	
Tax on Actuarial Gain/(Loss) on Defined Benefit Plans	99,700	154,000		299,657	461,210	
Other Comprehensive Income/(Loss) for the quarter, Net of Tax	<u>142,619,000</u>	<u>110,351,155</u>		<u>216,686,959</u>	<u>45,172,504</u>	
Total Comprehensive Income/(Loss) for the quarter, Net of Tax	<u>241,526,275</u>	<u>204,852,672</u>		<u>501,672,544</u>	<u>333,767,244</u>	
Profit Attributable to :						
Equity Holders of the Parent	98,907,275	94,501,517		284,985,585	288,594,740	
	<u>98,907,275</u>	<u>94,501,517</u>		<u>284,985,585</u>	<u>288,594,740</u>	
Total Comprehensive Income/(Loss) Attributable to :						
Equity Holders of the Parent	241,526,275	204,852,672		501,672,544	333,767,244	
	<u>241,526,275</u>	<u>204,852,672</u>		<u>501,672,544</u>	<u>333,767,244</u>	
Earnings Per Share - Basic	1.50	1.43		4.32	4.37	

PROPERTY DEVELOPMENT PLC
STATEMENT OF COMPREHENSIVE INCOME
QUARTER ENDED 30 SEPTEMBER 2016

Company	QUARTER ENDED 30 SEPTEMBER			NINE MONTHS ENDED 30 SEPTEMBER		
	2016	2015	Variance	2016	2015	Variance
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	131,896,873	131,896,873	-	395,690,620	395,690,620	-
Other Operating Income	48,350,027	33,033,158	15,316,869	144,054,972	127,522,537	16,532,435
	<u>180,246,900</u>	<u>164,930,031</u>	<u>15,316,869</u>	<u>539,745,592</u>	<u>523,213,157</u>	<u>16,532,435</u>
Less : Expenses						
Direct Expenses	29,046,444	33,549,728	4,503,284	84,693,981	82,055,732	(2,638,249)
Staff Costs	27,094,664	21,719,108	(5,375,556)	76,914,285	66,108,163	(10,806,122)
Depreciation and Amortisation Expenses	9,374,650	8,906,780	(467,870)	27,939,882	26,230,468	(1,709,414)
Administrative and Other Operating Expenses	4,634,876	4,477,965	(156,911)	17,252,208	13,963,001	(3,289,207)
Profit before tax	<u>110,096,266</u>	<u>96,276,450</u>	<u>13,819,816</u>	<u>332,945,236</u>	<u>334,855,793</u>	<u>(1,910,557)</u>
Less : Income Tax Expense	<u>30,659,942</u>	<u>26,748,837</u>	<u>(3,911,105)</u>	<u>87,211,794</u>	<u>90,455,653</u>	<u>3,243,859</u>
Profit for the Period	<u>79,436,324</u>	<u>69,527,613</u>	<u>9,908,711</u>	<u>245,733,442</u>	<u>244,400,140</u>	<u>1,333,302</u>
Other Comprehensive Income						
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods (net of tax)						
Net Gain/(Loss) on Available-For-Sale Financial Assets	142,904,300	110,737,852		217,549,732	46,329,705	
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)						
Actuarial Gain/(Loss) on Defined Benefit Plans	(340,000)	(550,000)		(1,018,952)	(1,650,000)	
Tax on Actuarial Gain/(Loss) on Defined Benefit Plans	95,200	154,000		285,307	462,000	
Other Comprehensive Income/(Loss) for the quarter, Net of Tax	<u>142,659,500</u>	<u>110,341,852</u>		<u>216,816,087</u>	<u>45,141,705</u>	
Total Comprehensive Income/(Loss) for the quarter, Net of Tax	<u>222,095,824</u>	<u>179,869,465</u>		<u>462,549,529</u>	<u>289,541,845</u>	
Profit Attributable to :						
Equity Holders of the Parent	79,436,324	69,527,613		245,733,442	244,400,140	
	<u>79,436,324</u>	<u>69,527,613</u>		<u>245,733,442</u>	<u>244,400,140</u>	
Total Comprehensive Income/(Loss) Attributable to :						
Equity Holders of the Parent	222,095,824	179,869,465		462,549,529	289,541,845	
	<u>222,095,824</u>	<u>179,869,465</u>		<u>462,549,529</u>	<u>289,541,845</u>	
Earnings Per Share - Basic	1.20	1.05		3.72	3.70	

PROPERTY DEVELOPMENT PLC
STATEMENT OF CHANGES IN EQUITY
QUARTER ENDED 30 SEPTEMBER 2016

Group	2016						2015					
	Reserves						Reserves					
	Stated Capital	Capital Replacement Reserve	Other Reserves	Available for sale Reserve	Retained Earnings	Total	Stated Capital	Capital Replacement Reserve	Other Reserves	Available for sale Reserve	Retained Earnings	Total
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Balance as at 01 January	660,000,000	240,000,000	95,000,000	1,072,854,768	1,835,226,827	3,903,081,595	660,000,000	240,000,000	95,000,000	810,803,022	1,732,471,000	3,538,274,022
Other Comprehensive Income	-	-	-	217,549,732	(862,773)	216,686,959	-	-	-	46,353,398	(1,180,894)	45,172,504
Profit for the quarter	-	-	-	-	284,985,585	284,985,585	-	-	-	-	288,594,740	288,594,740
Dividends - First and Final	-	-	-	-	(198,000,000)	(198,000,000)	-	-	-	-	(198,000,000)	(198,000,000)
Balance as at 30 September	660,000,000	240,000,000	95,000,000	1,290,404,500	1,921,349,639	4,206,754,139	660,000,000	240,000,000	95,000,000	857,156,420	1,821,884,846	3,674,041,266
Company	2016						2015					
	Reserves						Reserves					
	Stated Capital	Capital Replacement Reserve	Other Reserves	Available for sale Reserve	Retained Earnings	Total	Stated Capital	Capital Replacement Reserve	Other Reserves	Available for sale Reserve	Retained Earnings	Total
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Balance as at 01 January	660,000,000	240,000,000	95,000,000	1,072,854,768	1,668,793,893	3,736,648,661	660,000,000	240,000,000	95,000,000	810,834,987	1,632,777,958	3,438,612,945
Other Comprehensive Income	-	-	-	217,549,732	(733,645)	216,816,087	-	-	-	46,329,705	(1,188,000)	45,141,705
Profit for the quarter	-	-	-	-	245,733,442	245,733,442	-	-	-	-	244,400,140	244,400,140
Dividends - First and Final	-	-	-	-	(198,000,000)	(198,000,000)	-	-	-	-	(198,000,000)	(198,000,000)
Balance as at 30 September	660,000,000	240,000,000	95,000,000	1,290,404,500	1,715,793,690	4,001,198,190	660,000,000	240,000,000	95,000,000	857,164,692	1,677,990,098	3,530,154,790

PROPERTY DEVELOPMENT PLC
STATEMENT CASH FLOW
 QUARTER ENDED 30 SEPTEMBER 2016

	Group		Company	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Cash Flows From Operating Activities				
Profit before Income tax Expense	373,364,979	378,060,603	332,945,236	334,855,793
Adjustments for				
Depreciation and Amortization	39,165,163	37,430,675	27,939,882	26,230,468
Income from Investments	(149,441,538)	(110,069,811)	(138,488,743)	(105,817,745)
Provision for Defined Benefit Plans	2,392,566	2,376,647	2,334,483	2,250,000
Inventory write off / (add back)	1,299,519	534	1,299,519	534
Accounts Payable (write off) / add back	(30,110)	-	(30,110)	-
(Profit)/ Loss on Sale of Property, Plant and Equipment	442,063	(1,809)	442,063	(1,809)
Operating Profit before Working Capital Changes	267,192,642	307,796,839	226,442,330	257,517,241
(Increase)/ Decrease in Inventories	645,451	3,729,147	645,451	3,729,147
(Increase)/ Decrease in Trade and Other Receivables	355,292	23,544,705	(2,431,867)	25,744,204
(Increase)/ Decrease in Advances and Prepayments	(10,286,073)	(7,763,500)	(9,891,122)	(7,671,190)
Increase/ (Decrease) in Trade and Other Payables	10,408,208	4,275,288	10,672,316	4,616,596
Cash Generated from Operations	268,315,520	331,582,479	225,437,108	283,935,998
Defined Benefit Plan Costs paid	(2,579,695)	(927,183)	(2,579,695)	(927,183)
Income Tax Paid	(93,045,546)	(107,224,080)	(92,470,197)	(107,224,080)
Net Cash From/(Used in) Operating Activities	172,690,279	223,431,216	130,387,216	175,784,735
Cash Flows from / (Used in) Investing Activities				
Acquisition of Investment Property	(54,761,674)	(2,242,100)	(54,761,674)	(2,242,100)
Acquisition of Property, Plant and Equipment	(958,379)	(8,595,587)	(922,938)	(8,094,791)
Proceeds from sale of Property, Plant and Equipment	278,378	1,104	278,378	1,104
Proceeds from Fixed Deposits over 3 months	1,454,000,000	809,000,000	1,374,000,000	809,000,000
Proceeds from Treasury Bills over 3 months	-	186,000,000	-	186,000,000
Proceeds from Repurchase Agreements over 3 months	246,600,000	150,800,000	199,600,000	150,800,000
Investments in Treasury Bills over 3 months	-	(199,999,999)	-	(199,999,999)
Investments in Fixed Deposit over 3 months	(1,466,700,000)	-	(1,386,700,000)	-
Investments in Repurchase Agreements over 3 months	(177,800,000)	-	(130,000,000)	-
Interest Received on Repurchase Agreements and Treasury Bills	27,570,870	43,626,259	24,494,332	40,199,866
Interest Received on Fixed Deposits	57,657,353	61,223,178	53,517,480	61,223,178
Interest Received on Unsecured Subordinated Redeemable Debentures of Bank of Ceylon	18,298,579	15,555,836	18,298,579	15,555,836
Dividends Received	19,196,771	9,598,677	19,196,771	9,598,677
Net Cash Flows from/(Used in) Investing Activities	123,381,898	1,064,967,368	117,000,928	1,062,041,771
Cash Flows from/(Used in) Financing Activities				
Dividends Paid	(179,432,070)	(180,365,832)	(179,432,070)	(180,365,832)
Net Cash Flows from/(Used in) Financing Activities	(179,432,070)	(180,365,832)	(179,432,070)	(180,365,832)
Net Increase/(Decrease) in Cash and Cash Equivalents	116,640,107	1,108,032,752	67,956,074	1,057,460,674
Cash and Cash Equivalents at the beginning of the year	963,264,740	241,574,191	887,856,826	173,795,511
Cash and Cash Equivalents at the end of the quarter	1,079,904,847	1,349,606,943	955,812,900	1,231,256,185

PROPERTY DEVELOPMENT PLC
NOTES TO THE FINANCIAL STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2016

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate Information

Property Development PLC is a public quoted Company incorporated on 15 October 1980 with limited liability and domiciled in Sri Lanka. The registered office of the Company is located at Floor 19 of Bank of Ceylon Headquarters, BOC Square, No.1, Bank of Ceylon Mawatha, Colombo 1, and the principal place of business is situated at the same location.

The Condensed Consolidated Interim Financial Statements of the Company for the quarter ended 30 September 2016 comprises of the parent Company and it's Subsidiary.

2. Basis of Preparation

The Condensed Consolidated Interim Financial Statements for the nine months ended 30 September 2016 have been prepared on the basis the same Accounting Policies and methods of computations as disclosed in the Audited Financial Statements for the quarter ended 30 September 2016 and are in compliance with Sri Lanka Accounting Standard LKAS 34 Interim Financial Reporting.

3. The Financial Statements are provisional and subject to audit.

4. Share Information

4.1 During the past 10 years, no funds were raised through an IPO/Rights or Debenture issue. Hence, during the quarter any material changes in the use of such funds does not arise.

4.2 Major Shareholders as at 30 September 2016

	Name	No. of Shares	%
1	Bank of Ceylon	63,064,957	95.55
2	Allnatt Investments (Private) Limited	236,776	0.36
3	Mrs N Weerasinghe	100,000	0.15
4	Mrs N I Gomes	79,000	0.12
5	Mr W R H Perera	77,560	0.12
6	Mrs K S Cooray	75,000	0.11
7	Public Trustee of Sri Lanka	60,000	0.09
8	Waldock Mackenzie Limited / Dr H S D Soysa	57,986	0.09
9	People's Leasing & Finance PLC / L P Hapangama	42,208	0.06
10	Mr M T Kamardeen	36,000	0.05
11	Mr H W M Woodward	33,500	0.05
12	Est. of Late M D H Fernando	28,000	0.04
13	Mr S N Amerasinghe	24,800	0.04
14	Dr B G S De Silva	24,000	0.04
15	Mr K K Vasanji	23,800	0.04
16	Mr D J N Hettiarachchi	22,273	0.03
17	Mrs Z T Jafferjee	22,150	0.03
18	Moors Islamic Cultural Home	20,600	0.03
19	Welgama Investments Limited	20,000	0.03
20	Mrs M M Sellamuttu	20,000	0.03

4.3 Issued and fully paid number of Ordinary Shares as at 30 September 2016 stands at 66,000,000.

4.4 All the shares issued are voting shares and there are no Non voting shares.

4.5 % of shares held by the Public, other than Bank of Ceylon as at 30 September 2016 - 4.44%.

4.6 Number of Public shareholders as at 30 September 2016 - 3,408.

4.7	Market Price recorded during the period	2016	2015
		Rs.	Rs.
	Highest Price	98.40	97.00
	Lowest Price	83.00	80.10
	Last Traded Price	88.50	86.00

PROPERTY DEVELOPMENT PLC

NOTES TO THE FINANCIAL STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2016

4.8 Directors' Holding and Chief Executive Officer's Holding in shares of Property Development PLC

<u>Shareholding</u>		<u>No. of shares as at</u> <u>30/09/2016</u>
Mr K A K Jayatilake	- Chairman	Nil
Mr W P R P H Fonseka	- Director	Nil
Mr K K U Wijeyesekera	- Director	Nil
Mr R P Halwala	- Director	Nil
Mr W T L Weeratne	- Director	Nil
Mr S M De Zoysa *	- Director	1,500
Mr G C Rajapaksha	- Chief Executive Officer	Nil

* Including Shares held by close family members.

5. All known expenditure items have been provided for.

6. Equity Dividends recommended for approval at Annual General Meeting :

- (a) First and Final Dividend of Rs 3.00 per Ordinary Share for the year ended 31 December 2015 was paid on 08 June 2016.
(b) All the shares issued are Ordinary Shares and there are no other shares.

7. The Company has entered into a Management Agreement to manage and maintain the Bank of Ceylon Merchant Tower Building at Kollupitiya and Ceybank House at Kandy in terms of its agreement with BOC Property Development and Management (Pvt) Limited (BOCPDML) since 2003. The Agreement between the company and BOC Property Development and Management (Pvt) Ltd. was terminated with effect from 16 March 2015 with the appointment of an Executive Director to BOCPDML.

8. Events After the Reporting Period

Subsequent to 30 September 2016, no circumstances have arisen which would require adjustments to or disclosure in the Financial Statements.

9. Commitments and Contingencies

Capital Expenditure Commitments

- (a) The Company has commitments amounting to approximately Rs 6.75 million (2015 - 1.90 million) as at the reporting date to purchase plant and machinery and modernization/refurbishment of Bank of Ceylon Headquarters Building.
(b) There are no significant capital expenditure commitments in respect of Koladeniya Hydropower (Pvt) Limited as at the reporting date. (2015 - Nil)

Contingencies

- (c) On the basis of the guarantee given by Property Development PLC, Bank of Ceylon issued a Lease Security (i.e. guarantee) for sum of rupees 4.83 million to Koladeniya Hydropower (Pvt) Limited.

PROPERTY DEVELOPMENT PLC
 NOTES TO THE FINANCIAL STATEMENTS
 QUARTER ENDED 30 SEPTEMBER 2016

10. RELATED PARTY DISCLOSURES

Details of significant Related Party disclosures are as follows :

10.1 Transactions with Related Parties

Related Parties include entities that are affiliated to the entity.

Transaction with Parent, Subsidiary and Other Affiliates

The following table provides the significant amount of transactions, which have been entered into with related party for the relevant financial period and outstanding balances as at 30 September 2015 and 2016.

Company / Bank	Relationship	Nature of Transactions	Terms and Conditions	Security	Property Development PLC (PDL)		Koladeniya Hydropower (Pvt) Limited (KHP)					
					2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.				
Bank of Ceylon (BOC)	Parent	Rent Received with taxes	Rental calculated as agreed between parties per sq.ft. per month. Rent shall be reviewed at the end of every three years.	N/A	444,492,464	439,216,589	-	-				
		Rent Deposit 30 September	Shall be refunded without interest upon the cessation of the agreement.						258,517,872	258,517,872	-	-
		Fuel Deposit 30 September	On the basis of price agreed between parties.	N/A	907,500	907,500	-	-				
		Reimbursement of Expenses and Overheads - Received / receivable							129,604,536	132,137,648	-	-
		Treasury Bills / Repurchase Agreements as at 30 September	Transactions in the ordinary course of business.	N/A	177,700,000	1,366,184,643	27,800,000	116,018,766				
		Fixed Deposits as at 30 September							1,448,700,000	280,000,000	166,000,000	-
		Interest Income (Treasury Bills, Repos and FD's)							105,074,890	84,344,323	10,953,449	4,250,164
		Bank Balance held as at 30 September			11,035,033	5,901,735	1,695,177	1,883,446				
		Telegraphic Transfer			1,178,179	-	235,416	734,934				
		Letters of Credits	Transactions in the ordinary course of business. Limit Rs 5 Mn.	Fixed Deposit Ref. No.78574886 and 1020848 for sum of Rs. 80,000,000 and Rs. 82,800,000 respectively	40,481,620	313,259	-	-				
		Debentures as at 30 September			200,000,000	200,000,000	-	-				
			At a floating nominal rate of interest equivalent to fifty basis points above the weighted average six months treasury bill interest rate.	N/A	14,228,716	11,861,699	-	-				
		Interest Income (Debentures)										
Dividends Paid	As recommended by the Board and approved by the Shareholders	N/A	189,194,871	189,194,871	-	-						
Koladeniya Hydropower (Pvt) Ltd	Subsidiary	Reimbursement of Expenses - Received	As per the terms and conditions agreed between PDL and KHP	N/A	68,750	-	-	-				

The Company has not recorded any impairment of receivables relating to amounts owed by related parties (2015 - Nil).

PROPERTY DEVELOPMENT PLC
NOTES TO THE FINANCIAL STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2016

10. RELATED PARTY DISCLOSURES (Contd....)

10.2 Transactions with Key Management Personnel of the Company or Parent

The key management personnel of the Company are the members of its Board of Directors and that of its Parent.

(a) Key Management Personnel Compensation

Property Development PLC (PDL)		Koladeniya Hydropower (Pvt) Limited (KHP)	
2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
1,400,000	1,605,000	295,000	130,000

Directors' Emoluments

10.3 Transaction with Other Related Parties

(a) The following table provides the significant amount of transactions, which have been Company entered into with other related parties for the relevant period.

Company	Relationship	Nature of Transactions	Terms and Conditions	Security	2016 Rs.	2015 Rs.
BOC Property Development and Management (Pvt) Ltd (BOCPDML)	Other Related Company	Management fees received with taxes	On the basis of price agreed between parties.	N/A	-	17,736,134
		Reimbursement of Expenses - Received			-	1,278,727
MBSL Insurance Co. Ltd (MBSLI)	Other Related Company	Vehicle Insurance - Paid	Transactions in the ordinary course of business.	N/A	92,696	118,635

(b) The following table provides the significant amount of transactions, which have been Group entered into with other related parties for the relevant period.

Group	Relationship	Nature of Transactions	Terms and Conditions	Security	2016 Rs.	2015 Rs.
BOC Property Development and Management (Pvt) Ltd (BOCPDML)	Other Related Company	Management fees received with taxes	On the basis of price agreed between parties.	N/A	-	17,736,134
		Reimbursement of Expenses - Received			-	1,278,727
MBSL Insurance Co. Ltd (MBSLI)	Other Related Company	Vehicle Insurance - Paid	Transactions in the ordinary course of business.	N/A	101,505	126,836

The Company has not recorded any impairment of receivables relating to amounts owed by related parties (2015 - Nil).

10.4 Transactions with the Government of Sri Lanka and its Related Entities

Since the Government of Sri Lanka directly controls the Group's ultimate parent, the Group has considered the Government of Sri Lanka and other entities which are controlled, jointly controlled or significantly influenced by the Government of Sri Lanka as Related Parties according to LKAS 24, "Related Party Disclosures".

The Group enters into transactions, arrangements and agreements with the Government of Sri Lanka and its related entities and significant transactions have been reported where applicable.

Further, transaction as detailed below, relating to the ordinary course of business, are entered into with the Government of Sri Lanka and its related entities:

Payments of statutory rates and taxes and registration levy.

Payment for utilities mainly comprising of telephone, electricity and water.

Payment for employment retirement benefit – EPF and ETF.

Payment for insurance premiums to Sri Lanka Insurance Corporation.

PROPERTY DEVELOPMENT PLC
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11. SEGMENT INFORMATION

11.1 With third parties

(a) Quarter Ended 30 September 2016

	Rental Income	Hire of Power Plant	Total Segments	Adjustments and Eliminations	Consolidated
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue					
External Customers	395,690,620	57,151,702	452,842,322	-	452,842,322
Total Revenue	<u>395,690,620</u>	<u>57,151,702</u>	<u>452,842,322</u>	<u>-</u>	<u>452,842,322</u>
Income/(Expenses)					
Depreciation and Amortisation Expenses	(27,939,882)	(11,333,587)	(39,273,469)	108,306	(39,165,163)
Maintenance Expenses	(17,755,417)	(1,731,089)	(19,486,506)	-	(19,486,506)
Income Tax Expense	(87,211,794)	(1,167,600)	(88,379,394)	-	(88,379,394)
Segment Profit	<u>245,733,442</u>	<u>39,143,837</u>	<u>284,877,279</u>	<u>108,306</u>	<u>284,985,585</u>
Total Assets	<u>4,483,768,438</u>	<u>453,190,852</u>	<u>4,936,959,290</u>	<u>(220,499,998)</u>	<u>4,716,459,292</u>
Total Liabilities	<u>482,570,248</u>	<u>27,134,905</u>	<u>509,705,153</u>	<u>-</u>	<u>509,705,153</u>
Other Disclosures					
Capital Expenditure - Additions	(55,684,611)	(35,441)	(55,720,052)	-	(55,720,052)

(b) Quarter Ended 30 September 2015

	Rental Income	Hire of Power Plant	Total Segments	Adjustments and Eliminations	Consolidated
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue					
External Customers	395,690,620	64,910,510	460,601,130	-	460,601,130
Total Revenue	<u>395,690,620</u>	<u>64,910,510</u>	<u>460,601,130</u>	<u>-</u>	<u>460,601,130</u>
Income/(Expenses)					
Depreciation and Amortisation Expenses	(26,230,468)	(11,308,513)	(37,538,981)	108,306	(37,430,675)
Maintenance Expenses	(21,008,922)	(659,005)	(21,667,927)	-	(21,667,927)
Income Tax Expense	(90,455,653)	989,790	(89,465,863)	-	(89,465,863)
Segment Profit	<u>244,400,140</u>	<u>44,086,294</u>	<u>288,486,434</u>	<u>108,306</u>	<u>288,594,740</u>
Total Assets	<u>4,011,166,278</u>	<u>392,196,944</u>	<u>4,403,363,222</u>	<u>(220,644,406)</u>	<u>4,182,718,816</u>
Total Liabilities	<u>481,011,488</u>	<u>27,666,062</u>	<u>508,677,550</u>	<u>-</u>	<u>508,677,550</u>
Other Disclosures					
Capital Expenditure - Additions	10,349,577	500,796	10,850,373	-	10,850,373

PROPERTY DEVELOPMENT PLC
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12. COMPARATIVE INFORMATION

The following comparative figures have been reclassified in the Statement of Financial Position - 2015 to improve the comparability of financial statements in order to provide a better presentation.

12.1 Statement of Financial Position

As at 30 September 2015

Group / Company

	Previously Reported	Reclassified	Adjustment
	Rs.	Rs.	Rs.
Other Non-Current Financial Liabilities	259,425,372	-	(259,425,372)
Other Liabilities	-	259,425,372	259,425,372

Rental and Fuel Deposits included under Other Non-Current Financial Liabilities were reclassified under Other Liabilities for better presentation.