

PROPERTY DEVELOPMENT PLC

INTERIM REPORT

FOR THE 09 MONTHS ENDED
30 SEPTEMBER 2018

PROPERTY DEVELOPMENT PLC
STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	30.09.2018	31.12.2017 (Audited)	30.09.2018	31.12.2017 (Audited)
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Investment Property	646,635,510	653,933,017	646,635,510	653,933,017
Property, Plant and Equipment	245,134,551	261,910,485	42,532,604	48,129,262
Premium Paid on Leasehold Land	25,915,177	26,231,216	25,915,177	26,231,216
Intangible Assets	25,746,282	26,133,868	2,024,066	2,411,652
Investments in Subsidiary	-	-	241,973,890	241,973,890
Other Non-Current Financial Assets	1,058,011,822	1,529,357,490	1,058,011,822	1,529,357,490
Other Assets	26,226,196	26,208,196	26,226,196	26,208,196
Deferred Tax Assets	6,330,243	5,577,895	6,232,943	5,540,762
	<u>2,033,999,781</u>	<u>2,529,352,167</u>	<u>2,049,552,208</u>	<u>2,533,785,485</u>
Current Assets				
Inventories	30,922,737	30,783,039	29,287,321	28,935,810
Trade and Other Receivables	68,776,833	50,862,945	48,853,921	21,061,893
Advances and Prepayments	26,059,720	8,050,470	25,334,224	7,762,650
Other Current Financial Assets	1,833,519,117	1,713,921,317	1,599,008,337	1,470,382,668
Cash and Bank Balances	8,582,233	9,746,756	6,475,683	11,590,527
	<u>1,967,860,640</u>	<u>1,813,364,527</u>	<u>1,708,959,486</u>	<u>1,539,733,548</u>
Total Assets	<u>4,001,860,421</u>	<u>4,342,716,694</u>	<u>3,758,511,694</u>	<u>4,073,519,033</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	1,728,010,174	1,606,213,521	1,524,079,649	1,373,402,709
Other Components of Equity	642,002,900	1,109,108,000	642,002,900	1,109,108,000
Total Equity	<u>3,365,013,074</u>	<u>3,710,321,521</u>	<u>3,161,082,549</u>	<u>3,477,510,709</u>
Non-Current Liabilities				
Other Liabilities	349,188,522	349,188,522	349,188,522	349,188,522
Defined Benefit Liabilities	22,747,009	20,159,770	22,260,509	19,788,436
Deferred Tax Liabilities	145,065,473	130,850,655	109,612,173	109,308,055
	<u>517,001,004</u>	<u>500,198,947</u>	<u>481,061,204</u>	<u>478,285,013</u>
Current Liabilities				
Trade and Other Payables	45,072,594	32,384,612	43,100,156	28,950,810
Dividends Payable	15,231,061	13,234,878	15,231,061	13,234,878
Income Tax Payable	59,542,688	86,576,736	58,036,724	75,537,623
	<u>119,846,343</u>	<u>132,196,226</u>	<u>116,367,941</u>	<u>117,723,311</u>
Total Liabilities	<u>636,847,347</u>	<u>632,395,173</u>	<u>597,429,145</u>	<u>596,008,324</u>
Total Equity and Liabilities	<u>4,001,860,421</u>	<u>4,342,716,694</u>	<u>3,758,511,694</u>	<u>4,073,519,033</u>
Net Assets per share	50.99	56.22	47.90	52.69

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) D N L Fernando
Director

22 October 2018
Colombo

PROPERTY DEVELOPMENT PLC
STATEMENT OF COMPREHENSIVE INCOME
QUARTER ENDED 30 SEPTEMBER 2018

Group	QUARTER ENDED 30 SEPTEMBER			NINE MONTHS ENDED 30 SEPTEMBER		
	2018	2017	Variance	2018	2017	Variance
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	210,146,754	212,306,392	(2,159,638)	596,168,671	592,421,260	3,747,411
Other Operating Income	68,644,323	62,662,508	5,981,815	219,445,105	196,849,229	22,595,876
	<u>278,791,077</u>	<u>274,968,900</u>	<u>3,822,177</u>	<u>815,613,776</u>	<u>789,270,489</u>	<u>26,343,287</u>
Less : Expenses						
Direct Expenses	39,031,633	37,921,620	(1,110,013)	115,857,481	113,331,879	(2,525,602)
Staff Costs	41,456,924	33,681,435	(7,775,489)	120,807,983	103,624,277	(17,183,706)
Depreciation and Amortisation Expenses	14,445,314	13,838,456	(606,858)	43,333,343	41,440,076	(1,893,267)
Administrative and Other Operating Expenses	10,827,097	14,807,112	3,980,015	29,560,217	33,804,181	4,243,964
Profit before tax	<u>173,030,109</u>	<u>174,720,277</u>	<u>(1,690,168)</u>	<u>506,054,752</u>	<u>497,070,076</u>	<u>8,984,676</u>
Less : Income Tax Expense	<u>49,737,233</u>	<u>44,114,536</u>	<u>(5,622,697)</u>	<u>152,739,491</u>	<u>130,555,711</u>	<u>(22,183,780)</u>
Profit for the Period	<u>123,292,876</u>	<u>130,605,741</u>	<u>(7,312,865)</u>	<u>353,315,261</u>	<u>366,514,365</u>	<u>(13,199,104)</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	(245,283,500)	(40,525,100)		(467,105,100)	(42,658,000)	
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)						
Actuarial Gain/(Loss) on Defined Benefit Plans	(562,993)	(1,057,000)		(722,227)	(3,168,460)	
Tax on Actuarial Gain/(Loss) on Defined Benefit Plans	158,088	296,500		203,619	888,807	
Other Comprehensive Income/(Loss) for the period, Net of Tax	<u>(245,688,405)</u>	<u>(41,285,600)</u>		<u>(467,623,708)</u>	<u>(44,937,653)</u>	
Total Comprehensive Income/(Loss) for the period, Net of Tax	<u>(122,395,529)</u>	<u>89,320,141</u>		<u>(114,308,447)</u>	<u>321,576,712</u>	
Profit Attributable to :						
Equity Holders of the Parent	123,292,876	130,605,741		353,315,261	366,514,365	
	<u>123,292,876</u>	<u>130,605,741</u>		<u>353,315,261</u>	<u>366,514,365</u>	
Total Comprehensive Income/(Loss) Attributable to :						
Equity Holders of the Parent	(122,395,529)	89,320,141		(114,308,447)	321,576,712	
	<u>(122,395,529)</u>	<u>89,320,141</u>		<u>(114,308,447)</u>	<u>321,576,712</u>	
Earnings Per Share - Basic	1.87	1.98		5.35	5.55	

PROPERTY DEVELOPMENT PLC
STATEMENT OF COMPREHENSIVE INCOME
QUARTER ENDED 30 SEPTEMBER 2018

Company	QUARTER ENDED 30 SEPTEMBER			NINE MONTHS ENDED 30 SEPTEMBER		
	2018	2017	Variance	2018	2017	Variance
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	177,694,399	177,694,399	-	533,083,197	533,083,197	-
Other Operating Income	62,772,722	56,432,771	6,339,951	246,903,660	217,092,318	29,811,342
	<u>240,467,121</u>	<u>234,127,170</u>	<u>6,339,951</u>	<u>779,986,857</u>	<u>750,175,515</u>	<u>29,811,342</u>
Less : Expenses						
Direct Expenses	36,467,354	36,400,865	(66,489)	108,646,365	108,295,898	(350,467)
Staff Costs	38,479,451	31,032,882	(7,446,569)	111,653,461	96,184,874	(15,468,587)
Depreciation and Amortisation Expenses	10,682,311	10,076,959	(605,352)	32,048,369	30,187,521	(1,860,848)
Administrative and Other Operating Expenses	7,096,828	11,793,173	4,696,345	23,596,261	29,445,932	5,849,671
Profit before tax	<u>147,741,177</u>	<u>144,823,291</u>	<u>2,917,886</u>	<u>504,042,401</u>	<u>486,061,290</u>	<u>17,981,111</u>
Less : Income Tax Expense	<u>41,271,487</u>	<u>39,925,789</u>	<u>(1,345,698)</u>	<u>121,839,875</u>	<u>117,983,857</u>	<u>(3,856,018)</u>
Profit for the Period	<u>106,469,690</u>	<u>104,897,502</u>	<u>1,572,188</u>	<u>382,202,526</u>	<u>368,077,433</u>	<u>14,125,093</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	(245,283,500)	(40,525,100)		(467,105,100)	(42,658,000)	
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)						
Actuarial Gain/(Loss) on Defined Benefit Plans	(565,493)	(1,060,000)		(729,980)	(3,177,561)	
Tax on Actuarial Gain/(Loss) on Defined Benefit Plans	158,338	296,800		204,394	889,717	
Other Comprehensive Income/(Loss) for the period, Net of Tax	<u>(245,690,655)</u>	<u>(41,288,300)</u>		<u>(467,630,686)</u>	<u>(44,945,844)</u>	
Total Comprehensive Income/(Loss) for the period, Net of Tax	<u>(139,220,965)</u>	<u>63,609,202</u>		<u>(85,428,160)</u>	<u>323,131,589</u>	
Profit Attributable to :						
Equity Holders of the Parent	106,469,690	104,897,502		382,202,526	368,077,433	
	<u>106,469,690</u>	<u>104,897,502</u>		<u>382,202,526</u>	<u>368,077,433</u>	
Total Comprehensive Income/(Loss) Attributable to :						
Equity Holders of the Parent	(139,220,965)	63,609,202		(85,428,160)	323,131,589	
	<u>(139,220,965)</u>	<u>63,609,202</u>		<u>(85,428,160)</u>	<u>323,131,589</u>	
Earnings Per Share - Basic	1.61	1.59		5.79	5.58	

PROPERTY DEVELOPMENT PLC
STATEMENT OF CHANGES IN EQUITY
QUARTER ENDED 30 SEPTEMBER 2018

Group	2018						2017					
	Reserves						Reserves					
	Stated Capital	Capital Replacement Reserve	General Reserves	Available for sale Reserve	Retained Earnings	Total	Stated Capital	Capital Replacement Reserve	General 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	1,109,108,000	1,606,213,521	3,710,321,521	660,000,000	240,000,000	95,000,000	1,173,095,000	1,115,889,239	3,283,984,239
Other Comprehensive Income	-	-	-	(467,105,100)	(518,608)	(467,623,708)	-	-	-	(42,658,000)	(2,279,653)	(44,937,653)
Profit for the period	-	-	-	-	353,315,261	353,315,261	-	-	-	-	366,514,365	366,514,365
Unclaimed Dividend Reversal - Over Six Years Statutory Retention Period (1995/1996 to 2008)	-	-	-	-	-	-	-	-	-	-	6,742,644	6,742,644
Dividends - First and Final for 2017	-	-	-	-	(231,000,000)	(231,000,000)	-	-	-	-	-	-
Balance as at 30 September	660,000,000	240,000,000	95,000,000	642,002,900	1,728,010,174	3,365,013,074	660,000,000	240,000,000	95,000,000	1,130,437,000	1,486,866,595	3,612,303,595
Company	2018						2017					
	Reserves						Reserves					
	Stated Capital	Capital Replacement Reserve	General Reserves	Available for sale Reserve	Retained Earnings	Total	Stated Capital	Capital Replacement Reserve	General 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	1,109,108,000	1,373,402,709	3,477,510,709	660,000,000	240,000,000	95,000,000	1,173,095,000	897,259,509	3,065,354,509
Other Comprehensive Income	-	-	-	(467,105,100)	(525,586)	(467,630,686)	-	-	-	(42,658,000)	(2,287,844)	(44,945,844)
Profit for the period	-	-	-	-	382,202,526	382,202,526	-	-	-	-	368,077,433	368,077,433
Unclaimed Dividend Reversal - Over Six Years Statutory Retention Period (1995/1996 to 2008)	-	-	-	-	-	-	-	-	-	-	6,742,644	6,742,644
Dividends - First and Final for 2017	-	-	-	-	(231,000,000)	(231,000,000)	-	-	-	-	-	-
Balance as at 30 September	660,000,000	240,000,000	95,000,000	642,002,900	1,524,079,649	3,161,082,549	660,000,000	240,000,000	95,000,000	1,130,437,000	1,269,791,742	3,395,228,742

PROPERTY DEVELOPMENT PLC

STATEMENT CASH FLOW

QUARTER ENDED 30 SEPTEMBER 2018

	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Cash Flows From Operating Activities				
Profit before Income tax Expense	506,054,752	497,070,076	504,042,401	486,061,290
Adjustments for				
Depreciation and Amortization	43,333,343	41,440,076	32,048,369	30,187,521
Income from Investments	(177,245,289)	(165,592,543)	(204,715,668)	(185,846,245)
Provision for Defined Benefit Plans	2,831,509	2,646,364	2,708,590	2,603,975
Inventory write off / (add back)	547,422	2,901	547,422	2,901
(Profit)/ Loss on Sale of Property, Plant and Equipment	(1,715,828)	(28,439)	(1,715,828)	(17,790)
Operating Profit before Working Capital Changes	373,805,909	375,538,435	332,915,286	332,991,652
(Increase)/ Decrease in Inventories	(687,098)	(172,433)	(898,910)	1,331,168
(Increase)/ Decrease in Trade and Other Receivables	(12,819,874)	174,262,711	(22,078,785)	188,202,757
(Increase)/ Decrease in Advances and Prepayments	(18,009,250)	(15,489,111)	(17,571,574)	(15,348,141)
Increase/ (Decrease) in Trade and Other Payables	12,687,982	(10,645,985)	14,149,346	(10,976,596)
Cash Generated from Operations	354,977,669	523,493,617	306,515,363	496,200,840
Defined Benefit Plan Costs paid	(966,497)	(2,565,410)	(966,497)	(2,565,410)
Income Tax Paid	(142,941,690)	(202,367,374)	(133,001,207)	(200,700,339)
Net Cash From/(Used in) Operating Activities	211,069,482	318,560,833	172,547,659	292,935,091
Cash Flows from / (Used in) Investing Activities				
Acquisition of Investment Property	(19,191,240)	(879,288)	(19,191,240)	(879,288)
Acquisition of Property, Plant and Equipment	(490,155)	(2,999,321)	(384,458)	(2,563,468)
Proceeds from sale of Property, Plant and Equipment	2,822,923	124,292	2,822,923	67,792
Proceeds from Fixed Deposits over 3 months	2,342,560,000	704,700,000	2,112,560,000	540,700,000
Investments in Fixed Deposit over 3 months	(1,932,560,000)	(733,560,000)	(1,717,560,000)	(631,560,000)
Interest Received on Repurchase Agreements	7,713,170	5,083,405	5,957,730	4,657,151
Interest Received on Fixed Deposits	144,989,164	120,795,558	126,088,215	103,592,697
Interest Received on Unsecured Subordinated Redeemable Debentures of Bank of Ceylon	19,893,622	23,336,164	19,893,622	23,336,164
Dividends Received	19,197,023	19,196,888	65,852,023	58,256,888
Net Cash Flows from/(Used in) Investing Activities	584,934,507	135,797,698	596,038,815	95,607,936
Cash Flows from/(Used in) Financing Activities				
Dividends Paid	(244,193,819)	(891,957,117)	(229,003,819)	(887,617,117)
Net Cash Flows from/(Used in) Financing Activities	(244,193,819)	(891,957,117)	(229,003,819)	(887,617,117)
Net Increase/(Decrease) in Cash and Cash Equivalents	551,810,170	(437,598,586)	539,582,655	(499,074,090)
Cash and Cash Equivalents at the beginning of the year	405,458,088	1,287,991,453	323,193,128	1,230,640,319
Cash and Cash Equivalents at the end of the period	957,268,258	850,392,867	862,775,783	731,566,229

PROPERTY DEVELOPMENT PLC
NOTES TO THE FINANCIAL STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2018

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 2018 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 2018 have been prepared on the basis the same Accounting Policies and methods of computations as disclosed in the Audited Financial Statements for the year ended 31 December 2017 and are in compliance with Sri Lanka Accounting Standard LKAS 34 Interim Financial Reporting. However, Company has adopted SLFRS 15 - Revenue from Contracts with Customers, which is effective for annual reporting periods beginning on or after 01 January 2018.

SLFRS 9, replaces the existing guidance in LKAS 39 - Financial Instruments: Recognition and Measurement is effective for annual reporting periods beginning on after 01 January 2018. However as per the "Statement of Alternative Treatment (SoAT) on the figures in the Interim Financial Statements", CA Sri Lanka has granted the option to prepare the interim financial statements continuing the application of LKAS 39 - Financial Instruments: Recognition and Measurement. The group has decided to use this option. Accordingly, the accounting polices and method of computations are consistent with the LKAS 39 - Financial Instruments: Recognition and Measurement for the preparation and presentation of these interim financial statements.

3. The prior year financial information has been re-arranged where necessary to conform to the current presentation.

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

5. Share Information

5.1 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.

5.2 Major Shareholders as at 30 September 2018

	Name	No. of Shares	%
1	Bank of Ceylon	63,064,957	95.55
2	Allnatt Investments (Private) Limited	236,776	0.36
3	People's Leasing & Finance PLC / Dr H S D Soysa & Mrs G Soysa	123,293	0.19
4	People's Leasing & Finance PLC / L P Hapangama	104,836	0.16
5	Mrs N Weerasinghe	100,000	0.15
6	Mrs N I Gomes	79,000	0.12
7	Public Trustee of Sri Lanka	60,000	0.09
8	People's Leasing & Finance PLC / L H L M P Haradasa	38,816	0.06
9	People's Leasing & Finance PLC / C D Kohombanwickramage	38,101	0.06
10	Mrs C A D S Woodward	33,500	0.05
11	Mr M S Fernando	28,000	0.04
12	Mr S N Amerasinghe	24,800	0.04
13	Dr B G S De Silva	24,000	0.04
14	Mr K K Vasanthi	23,800	0.04
15	Asha Financial Services Limited / Mr C N Pakianathan	22,818	0.03
16	Mr K S D Senaweera	22,200	0.03
17	Mrs Z T Jafferjee	22,150	0.03
18	Mr D J N Hettiarachchi	20,000	0.03
19	Welgama Investment Limited	20,000	0.03
20	Mrs D D Siriwardena	20,000	0.03

5.3 Issued and fully paid number of Ordinary Shares as at 30 September 2018 stands at 66,000,000.

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

5.5 % of shares held by the Public, other than Bank of Ceylon as at 30 September 2018 - 4.44%.

5.6 Number of Public shareholders as at 30 September 2018 - 3,385.

PROPERTY DEVELOPMENT PLC
NOTES TO THE FINANCIAL STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2018

5.7 Non-Compliance with Listing Rule 7.13.1 as at 30 September 2018.

Float Adjusted Market Capitalisation - (Rs.)	Public Holding %	No of Shareholders	Option
328,497,840	4.44	3,385	Not Complied

5.8 Company has been transferred to the Watch List with effect from 02 July 2018 due to non-compliance with minimum public holding requirement as per Colombo Stock Exchange Listing Rule 7.13.1.

5.9 Market Price recorded during the period

	2018 Rs.	2017 Rs.
Highest Price	125.30	96.00
Lowest Price	104.10	75.30
Last Traded Price	112.10	85.00

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

<u>Shareholding</u>	<u>No. of shares as at 30/09/2018</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 M T L Weeratne - Director	Nil
Mr D N L Fernando - Alternate Director to Mr W P R P H Fonseka	Nil
Mr G C Rajapaksha - Chief Executive Officer	Nil

6. All known expenditure items have been provided for.

7. **Equity Dividends proposed and Paid:**

- (a) First and Final Dividend of Rs 3.50 per Ordinary Share for the year ended 31 December 2017 was paid on 08 June 2018.
(b) All the shares issued are Ordinary Shares and there are no other shares.

8. **Events After the Reporting Period**

Subsequent to 30 September 2018, 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 67.66 million (2017 - Nil) as at the reporting date to purchase plant and machinery and modernization/refurbishment of Bank of Ceylon Headquarters Building. There are no significant capital expenditure commitments in respect of Koladeniya Hydropower (Pvt) Limited as at the reporting date. (2017 - Nil).

Contingencies

- (b) On the basis of the guarantee given by Property Development PLC (PDL), Bank of Ceylon issued a Lease Security (i.e. guarantee) for sum of rupees 5.31 million to Koladeniya Hydropower (Pvt) Limited (KHP), to secure the due performance of KHP in terms of the Indenture of lease entered into between KHP and Mahaweli Authority of Sri Lanka.

PROPERTY DEVELOPMENT PLC

NOTES TO THE FINANCIAL STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2018

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 2017 and 2018.

Company / Bank	Relationship	Nature of Transactions	Terms and Conditions	Security	Group		Company	
					2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Bank of Ceylon (BOC)	Parent	Rent Received/Receivables 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	613,045,976	613,045,976	613,045,676	613,045,676
		Rent Deposit Received/Receivables 30 September	Shall be refunded without interest upon the cessation of the agreement.					
		Fuel Deposit 30 September			907,500	907,500	907,500	907,500
		Reimbursement of Expenses and Overheads - Received / receivable	On the basis of price agreed between parties.	N/A	159,207,599	107,840,260	159,207,599	107,840,260
		Repurchase Agreements as at 30 September			92,100,000	89,500,000	70,100,000	65,000,000
		Fixed Deposits as at 30 September	Transactions on an arm's length basis.	N/A	1,707,560,000	1,469,560,000	1,497,560,000	1,275,560,000
		Interest Income (Repos and FD's)			142,949,178	128,793,828	123,768,133	109,987,566
		Bank Balance held as at 30 September			11,648,817	16,188,707	9,209,370	14,485,269
		Debentures as at 30 September			200,000,000	200,000,000	200,000,000	200,000,000
		Interest Income (Debentures)	At a floating nominal rate of interest equivalent to fifty basis points above the weighted average six months treasury bill interest rate.	N/A	15,072,767	17,602,356	15,072,767	17,602,356
		Dividends Paid First & Final (Gross)	As recommended by the Board and approved by the Shareholders.		N/A	220,727,350	945,974,355	220,727,350
		Koladeniya Hydropower (Pvt) Ltd (KHP)	Subsidiary	Dividends Receivables/Received First & Final (Net)	As recommended by the Board and approved by the Shareholder.	N/A	-	-
Reimbursement of Expenses - Receivable	As per the terms and conditions agreed between PDL and KHP.			N/A	-	86,400	-	86,400

The Company has not recorded any impairment of receivables relating to amounts owed by related parties (2017 - Nil).

Transactions with all related parties are carried out in the ordinary course of the business on an arm's length basis.

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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.

	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Key Management Personnel Compensation				
Directors' Emoluments	875,000	610,000	720,000	530,000

10.3 Transaction with Other Related Parties

There are no significant amount of transactions, which have been Group/Company entered into with other related parties for the relevant financial period.

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 on an arm's length basis, are entered into with the Government of Sri Lanka and its related entities:

Payments of statutory rates, and taxes.

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.

The following table provides the significant amount of transactions and arrangements entered into by the Group/Company with the Government of Sri Lanka and related entities for the relevant financial period.

Institution	Nature of Transactions	Terms and Conditions	Security	Group		Company	
				2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Ceylon Electricity Board (CEB)	Payment of electricity bills	Transactions on an arm's length basis.	N/A	103,087,283	98,158,830	102,875,996	97,968,862
	Revenue received for value of energy delivered	Power purchase Agreement entered into between KHP and CEB.	N/A	63,085,474	58,772,276	-	-
	Security Deposit	As per the Sri Lanka Electricity Act, No. 20 of 2009.	N/A	21,000,000	21,000,000	21,000,000	21,000,000
Municipal Treasurer's Department	Payment of municipal rates	As per the Municipal Council Ordinance.	N/A	49,896,000	49,896,000	49,896,000	49,896,000
Sri Lanka Insurance Corporation (SLIC)	Payment of insurance premiums	Transactions on an arm's length basis.	N/A	20,166,752	18,541,833	20,111,736	18,512,192
Mahaweli Authority of Sri Lanka (MASL)	Payment of Royalty fee	Agreement entered into between KHP and MASL.	N/A	3,785,128	3,519,883	-	-

The Company has not recorded any impairment of receivables relating to amounts owed by related parties (2017 - Nil).

Transactions with all related parties are carried out in the ordinary course of the business on an arm's length basis.

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11. SEGMENT INFORMATION

11.1 With third parties

(a) Quarter Ended 30 September 2018

	Rental Income	Hire of Power Plant	Total Segments	Adjustments and Eliminations	Consolidated
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue					
External Customers	533,083,197	63,085,474	596,168,671	-	596,168,671
Total Revenue	533,083,197	63,085,474	596,168,671	-	596,168,671
Income/(Expenses)					
Other Operating and Finance Income	246,903,660	19,196,445	266,100,105	(46,655,000)	219,445,105
Direct Expenses	(108,646,365)	(7,211,116)	(115,857,481)	-	(115,857,481)
Staff Costs	(111,653,461)	(9,154,522)	(120,807,983)	-	(120,807,983)
Depreciation and Amortisation Expenses	(32,048,369)	(11,393,280)	(43,441,649)	108,306	(43,333,343)
Administrative and Other Operating Expenses	(23,596,261)	(5,963,956)	(29,560,217)	-	(29,560,217)
Income Tax Expense	(121,839,875)	(23,304,616)	(145,144,491)	(7,595,000)	(152,739,491)
Segment Profit	382,202,526	25,254,429	407,456,955	(54,141,694)	353,315,261
Total Assets	3,758,511,694	463,559,909	4,222,071,603	(220,211,182)	4,001,860,421
Total Liabilities	597,429,145	39,418,202	636,847,347	-	636,847,347
Other Disclosures					
Capital Expenditure - Additions	19,575,698	105,697	19,681,395	-	19,681,395

(b) Quarter Ended 30 September 2017

	Rental Income	Hire of Power Plant	Total Segments	Adjustments and Eliminations	Consolidated
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue					
External Customers	533,083,197	59,338,063	592,421,260	-	592,421,260
Total Revenue	533,083,197	59,338,063	592,421,260	-	592,421,260
Income/(Expenses)					
Other Operating and Finance Income	217,092,318	18,816,911	235,909,229	(39,060,000)	196,849,229
Direct Expenses	(108,295,898)	(5,035,981)	(113,331,879)	-	(113,331,879)
Staff Costs	(96,184,874)	(7,439,403)	(103,624,277)	-	(103,624,277)
Depreciation and Amortisation Expenses	(30,187,521)	(11,360,861)	(41,548,382)	108,306	(41,440,076)
Administrative and Other Operating Expenses	(29,445,932)	(4,358,249)	(33,804,181)	-	(33,804,181)
Income Tax Expense	(117,983,857)	(8,231,854)	(126,215,711)	(4,340,000)	(130,555,711)
Segment Profit	368,077,433	41,728,626	409,806,059	(43,291,694)	366,514,365
Total Assets	3,993,745,470	469,849,359	4,463,594,829	(220,355,590)	4,243,239,239
Total Liabilities	598,516,728	32,418,916	630,935,644	-	630,935,644
Other Disclosures					
Capital Expenditure - Additions	3,442,756	435,853	3,878,609	-	3,878,609