

VALLIBEL ONE PLC
INTERIM FINANCIAL STATEMENTS

Vallibel | ONE

FOR THE YEAR ENDED 31ST MARCH 2017

VALLIBEL ONE PLC
STATEMENT OF FINANCIAL POSITION

As at	Company		Group	
	31.03.2017 Rs.'000	31.03.2016 Rs.'000	31.03.2017 Rs.'000	31.03.2016 Rs.'000
ASSETS				
Cash and Bank	399,210	41,298	5,378,756	8,578,411
Financial Assets - Fair Value Through Profit or Loss	110,560	236,350	161,264	169,892
Short Term Investments	1,400,762	2,021,783	1,400,762	1,375,604
Loans and Receivable	150,000	375,000	33,638,779	26,824,169
Lease Rentals receivables and Stock out on hire	-	-	55,659,388	45,102,039
Financial Assets - Available for Sales	7,883,555	640,082	7,951,947	722,993
Other Financial Assets	-	-	6,853,423	4,360,565
Trade and Other Receivables	230,981	87,260	6,584,067	5,389,839
Other Non Financial Assets	-	1,205	1,296,826	1,687,060
Investments in Subsidiaries	18,802,890	16,501,651	-	-
Investment in Associate	405,891	7,392,901	587,838	9,700,149
Amounts Due From Related Parties	26,074	251,709	-	-
Deferred Tax Assets	-	-	340,549	469,734
Income Tax Recoverable	5,270	6,412	115,943	73,012
Inventories	-	-	10,031,785	8,670,794
Intangible Assets	-	-	13,046,742	13,130,583
Property, Plant and Equipment	37,132	43,625	29,566,426	22,013,783
Biological Assets	-	-	2,575,552	2,356,319
Investment Property	-	-	238,024	238,714
Leasehold rights over Mining Lands	-	-	16,080	8,081
Assets Classified as Held for Sale	-	-	137,815	-
Total Assets	29,452,325	27,599,276	175,581,967	150,871,742
LIABILITIES				
Due to Banks	2	-	26,636,388	17,039,812
Due to Customers	-	-	60,401,955	52,733,622
Interest Bearing Loans and Borrowings	400,000	-	16,155,167	14,984,760
Trade and Other Payables	8,855	1,500	4,954,353	5,364,778
Other Non Financial Liabilities	-	-	2,842,747	1,967,061
Dividend Payable	7,648	6,784	113,083	170,126
Employee Benefit Liabilities	3,809	3,417	1,211,122	1,192,535
Income Tax Liabilities	6,062	9,407	1,220,264	1,392,212
Deferred Tax Liabilities	2,461	3,007	1,711,056	1,222,008
Capital Grants	-	-	153,189	134,299
Liabilities Directly Associated with the Assets Classified as Held for Sale	-	-	137,944	-
Total Liabilities	428,837	24,115	115,537,269	96,201,213
Shareholders' Funds				
Equity Attributable to Equity Holders of the Parent				
Stated Capital	27,163,984	27,163,984	27,163,984	27,163,984
Reserves	1,859,504	411,178	14,187,517	10,927,178
	29,023,488	27,575,162	41,351,501	38,091,162
Non Controlling Interest	-	-	18,693,198	16,579,367
Total Equity	29,023,488	27,575,162	60,044,699	54,670,528
Total Equity and Liabilities	29,452,325	27,599,276	175,581,967	150,871,742

Net Asset Per Share (Rs.) 26.71 25.38 38.06 35.06

These Financial Statements are in Compliance with the requirements of Companies Act No. 07 of 2007.

Sgd.
Chief Financial 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.
Director
28-May-17

Sgd.
Director

VALLIBEL ONE PLC
STATEMENT OF INCOME

For the year ended 31st March	Company					Group				
	2017 Quarter Rs.'000	2016 Quarter Rs.'000	2017 Cumulative Rs.'000	2016 Cumulative Rs.'000	Variance %	2017 Quarter Rs.'000	2016 Quarter Rs.'000	2017 Cumulative Rs.'000	2016 Cumulative Rs.'000	Variance %
Revenue	-	-	-	-	-	14,302,553	12,871,176	52,936,402	47,667,846	11
Cost of Sales	-	-	-	-	-	(7,967,382)	(7,082,268)	(29,205,629)	(26,513,405)	(10)
Gross Profit	-	-	-	-	-	6,335,171	5,788,908	23,730,773	21,154,441	12
Dividend Income	1,150,127	113,005	2,020,305	808,134	150	451,239	(3,889)	473,326	24,510	1831
Other Operating Income	40,267	-	48,216	-	100	227,296	114,662	542,486	301,147	80
Administrative Expenses	(47,374)	(28,741)	(162,506)	(109,531)	(48)	(1,371,953)	(1,029,877)	(5,031,122)	(4,404,992)	(14)
Distribution Expenses	-	-	-	-	-	(1,037,920)	(1,228,288)	(4,196,336)	(3,950,801)	(6)
Other Operating Expenses	-	-	-	(138,434)	100	(367,285)	(522,737)	(1,863,688)	(2,119,721)	12
Loss on Reclassifying the Investment to Available for Sale Financial Asset from Investment in Associate. Note 12	-	-	(828,882)	-	(100)	-	-	(3,297,525)	-	(100)
Gold Loan Auction Losses	-	-	-	-	-	(48)	(3,762)	(2,201)	(29,358)	93
Results from Operating activities	1,143,020	84,264	1,077,133	560,168	92	4,236,499	3,115,016	10,355,713	10,975,227	(6)
Finance Cost	(14,187)	(27,528)	(14,187)	(45,504)	69	(395,810)	(308,515)	(1,611,279)	(1,214,179)	(33)
Finance Income	32,381	54,594	242,759	206,195	18	114,489	90,365	455,607	269,403	69
Net Finance (Cost)/Income	18,194	27,066	228,573	160,691	42	(281,320)	(218,150)	(1,155,672)	(944,776)	(22)
Share of results of equity accounted Investees	-	-	-	-	-	20,210	392,982	687,150	1,532,687	(55)
Reclassification of the Gain/(Loss) Recognized in OCI Through Retained Earnings	-	-	-	-	-	-	-	(648,594)	-	(100)
Profit/(Loss) Before Tax on Financial Services	1,161,214	111,330	1,305,705	720,859	81	3,975,389	3,289,848	9,238,597	11,563,138	(20)
Tax on Financial Services	-	-	-	-	-	(348,895)	(180,665)	(1,027,101)	(593,452)	(73)
Profit/(Loss) Before Tax	1,161,214	111,330	1,305,705	720,859	81	3,626,494	3,109,183	8,211,496	10,969,687	(25)
Income Tax Expense	(19,894)	(14,212)	(65,932)	(56,660)	(16)	(908,513)	(1,027,423)	(3,761,722)	(3,512,967)	(7)
Profit/(Loss) for the year from Continuing Operation	1,141,320	97,118	1,239,773	664,199	87	2,717,980	2,081,761	4,449,775	7,456,720	(40)
Discontinued Operation (Loss) after tax for the year from Discontinued Operations	-	-	-	-	-	(151,646)	-	(195,550)	-	(100)
Net Profit/(Loss) for the year	1,141,320	97,118	1,239,773	664,199	87	2,566,334	2,081,761	4,254,225	7,456,720	(43)
Attributable to :										
Equity holders of the Parent	1,141,320	97,118	1,239,773	664,199	87	1,415,544	1,300,272	539,789	4,227,980	(87)
Non - Controlling Interests	-	-	-	-	-	1,150,791	781,489	3,714,436	3,228,740	15
	1,141,320	97,118	1,239,773	664,199	87	2,566,334	2,081,761	4,254,225	7,456,720	(43)
Earnings Per Share (Rs.)	1.05	0.09	1.14	0.61		1.30	1.20	0.50	3.89	

As more fully explained in note 12 to accounts, the group earned a net profit of Rs 7,914 Mn for the year. This was adjusted to give effect to the change in dealing with the investment in Sampath Bank PLC as "equity accounted investee". It resulted in net profit of Rs 4,254 Mn for the year.

VALLIBEL ONE PLC
STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31st March	2017	2016	2017	2016	Variance %	2017	2016	2017	2016	Variance %
	Quarter Rs.'000	Quarter Rs.'000	Cumulative Rs.'000	Cumulative Rs.'000		Quarter Rs.'000	Quarter Rs.'000	Cumulative Rs.'000	Cumulative Rs.'000	
Net Profit/(Loss) for the Year	1,141,320	97,118	1,239,773	664,199	87	2,566,334	2,081,761	4,254,225	7,456,720	(43)
Other comprehensive Income										
To be Reclassified to Profit or Loss in Subsequent Period										
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	(32,812)	23,432	(28,440)	182
Reclassification of the Gain/(Loss) Recognized in OCI Through Retained Earnings	-	-	-	-	-	-	-	648,594	-	100
Net Gain/(Loss) on Available for sale Financial Assets	(69,355)	(210,172)	751,336	(194,021)	(487)	(87,493)	(234,342)	724,209	(182,460)	497
Exchange difference on translation of foreign operations	-	-	-	-	-	6,320	3,778	3,031	4,470	(32)
Not to be Reclassified to Profit or Loss in Subsequent Period										
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	17,141	-	17,141	-
Income tax effect	-	-	-	-	-	-	(4,778)	-	(4,778)	-
Realization of Revaluation Reserve - Transfer out	-	-	-	-	-	-	-	(202,635)	-	(100)
Realization of Actuarial loss - Transfer out	-	-	-	-	-	-	-	39,734	-	100
Revaluation of Land & Building	-	-	-	-	-	2,387,696	1,779,778	2,387,696	1,779,778	(34)
Income tax effect	-	-	-	-	-	-	(210,966)	-	(210,966)	100
Actuarial Gain/(Loss) on Retirement Benefit Obligation	690	(35)	690	(35)	2079	50,381	67,714	50,381	51,621	(2)
Income Tax Effect	(193)	10	(193)	10	(2079)	(193)	(8,167)	(193)	(8,167)	(98)
Other Comprehensive Income for the Year, net of tax	(68,858)	(210,197)	751,833	(194,046)	(487)	2,356,710	1,377,346	3,674,248	1,418,199	159
Total Comprehensive Income for the Year, net of tax	1,072,462	(113,079)	1,991,606	470,153	324	4,923,045	3,459,107	7,928,473	8,874,919	(11)
Total Comprehensive income attributable to :										
Equity holders of the Parent	1,072,462	(113,079)	1,991,606	470,153	324	2,598,957	1,459,731	3,045,492	4,428,848	(31)
Non - Controlling Interests	-	-	-	-	-	2,324,088	1,999,376	4,882,981	4,446,071	10
	1,072,462	(113,079)	1,991,606	470,153	324	4,923,045	3,459,107	7,928,473	8,874,919	(11)

VALLIBEL ONE PLC
STATEMENT OF CHANGES IN EQUITY- COMPANY

For the Year ended 31st March	Stated Capital Rs.'000	Available for Sale Reserve Rs.'000	Retained Earnings/ (Losses) Rs.'000	Total Rs.'000
Balance as at 01st April 2015	27,163,984	(157,097)	706,445	27,713,332
Supergain Tax 2013/2014	-	-	(65,043)	(65,043)
Profit for the Year	-	-	664,199	664,199
Other Comprehensive Income	-	(194,021)	(25)	(194,046)
Dividend Paid	-	-	(543,280)	(543,280)
Balance as at 31st March 2016	<u>27,163,984</u>	<u>(351,118)</u>	<u>762,296</u>	<u>27,575,162</u>
Balance as at 01st April 2016	27,163,984	(351,118)	762,296	27,575,162
Profit for the Year	-	-	1,239,773	1,239,773
Other Comprehensive Income	-	751,336	497	751,833
Dividend Paid	-	-	(543,280)	(543,280)
Balance as at 31st March 2017	<u>27,163,984</u>	<u>400,218</u>	<u>1,459,286</u>	<u>29,023,488</u>

VALLIBEL ONE PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

For the Year ended 31st March Rs.'000	Stated Capital	Treasury Shares	Capital Reserves	Other Component of Equity			Revenue Reserve		Hedge Reserve	Actuarial Gain/ (Loss) Reserve	Shareholder's Fund	Non Controlling Interest	Total Equity
			Reserve	Available for Sale Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	General Reserve	Retained Earnings					
			Fund										
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.					
Balance as at 01st April 2015	27,163,984	(44,112)	908,853	(777,036)	(1,351)	752,873	50,179	6,738,821	(55,378)	(126)	34,736,706	13,231,085	47,967,791
Super gain Tax 2013/2014	-	-	-	-	-	-	-	(534,677)	-	-	(534,677)	(275,624)	(810,301)
Profit for the Year	-	-	-	-	-	-	-	4,227,980	-	-	4,227,980	3,228,740	7,456,720
Other Comprehensive Income													
Share of other comprehensive income of equity accounted investees	-	-	-	(33,469)	5,030	-	-	-	12,368	-	(16,072)	(5)	(16,077)
Exchange difference on translation of foreign operations	-	-	-	-	2,379	-	-	-	-	-	2,379	2,091	4,470
Net Gain/(Loss) on Available for sale Financial Assets	-	-	-	(186,466)	-	-	-	-	-	-	(186,466)	4,005	(182,460)
Revaluation of Land & Buildings	-	-	-	-	-	391,000	-	-	-	-	391,000	1,177,812	1,568,812
Actuarial Gain/(Loss) on Retirement benefit obligations	-	-	-	-	-	-	-	-	10,026	-	10,026	33,428	43,454
Total other Comprehensive Income	-	-	-	(219,935)	7,409	391,000	-	-	22,394	-	200,868	1,217,332	1,418,199
Adjustment due to Change in Holding	-	-	-	-	-	-	-	(982)	-	-	(982)	(968)	(1,950)
Transfers	-	-	524,453	-	-	-	523,263	(1,047,717)	-	-	-	-	-
Write Back of Unclaimed Dividends	-	-	-	-	-	-	5,007	-	-	-	5,007	913	5,920
Dividend Paid	-	-	-	-	-	-	-	(543,740)	-	-	(543,740)	(822,109)	(1,365,850)
Balance as at 31st March 2016	27,163,984	(44,112)	1,433,306	(996,972)	6,057	1,143,873	578,449	8,839,685	(32,984)	(126)	38,091,162	16,579,367	54,670,528
Balance as at 01st April 2016	27,163,984	(44,112)	1,433,306	(996,972)	6,057	1,143,873	578,449	8,839,685	(32,984)	(126)	38,091,162	16,579,367	54,670,528
Profit/(Loss) for the Year	-	-	-	-	-	-	-	539,789	-	-	539,789	3,714,436	4,254,225
Realization of revaluation reserve - Transfer in	-	-	-	-	-	-	-	202,635	-	-	202,635	-	202,635
Realization of actuarial loss - Transfer in	-	-	-	-	-	-	-	(39,734)	-	-	(39,734)	-	(39,734)
Other Comprehensive Income													
Share of other comprehensive income of equity accounted investees	-	-	-	23,693	(261)	-	-	-	-	-	23,432	-	23,432
Reclassification of the Gain/Loss Recognized in OCI by the investment in associate to Retained Earnings	-	-	-	654,012	(5,544)	-	-	-	-	126	648,594	-	648,594
Realization of revaluation reserve - Transfer out	-	-	-	-	-	(202,635)	-	-	-	-	(202,635)	-	(202,635)
Realization of actuarial loss - Transfer out	-	-	-	-	-	-	-	-	39,734	-	39,734	-	39,734
Exchange difference on translation of foreign operations	-	-	-	-	1,546	-	-	-	-	-	1,546	1,485	3,031
Net Gain/(Loss) on Available for sale Financial Assets	-	-	-	733,756	-	-	-	-	-	-	733,756	(9,547)	724,209
Revaluation of Land & Buildings	-	-	-	-	-	1,255,449	-	-	-	-	1,255,449	1,132,247	2,387,696
Actuarial Gain/(Loss) on Retirement benefit obligations	-	-	-	-	-	-	-	-	5,827	-	5,827	44,360	50,188
Total other Comprehensive Income	-	-	-	1,411,462	(4,259)	1,052,814	-	-	45,562	126	2,505,703	1,168,545	3,674,248
Transfers	-	-	783,641	-	-	-	-	(783,641)	-	-	-	-	-
Effect on changes in holding	-	-	-	-	-	-	-	580,216	-	-	580,216	(1,530,340)	(950,124)
Written back on unclaimed Dividend	-	-	-	-	-	-	-	15,010	-	-	15,010	-	15,010
Dividend Paid	-	-	-	-	-	-	-	(543,280)	-	-	(543,280)	(1,239,214)	(1,782,494)
Balance as at 31st March 2017	27,163,984	(44,112)	2,216,947	414,490	1,798	2,196,687	578,449	8,810,680	12,578	-	41,351,501	18,692,794	60,044,295

VALLIBEL ONE PLC
CASH FLOW STATEMENT

For the year ended

CASH FLOWS FROM OPERATING ACTIVITIES

	Company		Group	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net Profit/ (Loss) before Taxation	1,305,705	720,859	8,211,496	10,969,687
Profit/ (Loss) Before Tax from Discontinued Operations	-	-	(195,550)	-
ADJUSTMENTS FOR				
(Profit) /Loss on sale of Property, Plant & equipment	(2,857)	-	(20,861)	20,293
Depreciation	10,567	8,647	1,602,439	1,613,036
Provision For Fall in Value of Investments	(3,414)	45,504	(17,323)	74,342
Amortization	-	-	83,876	87,801
Share of results of equity accounted investees	-	-	(687,150)	(1,532,687)
Loss on deemed disposal of equity accounted investees	-	138,434	-	39,468
Net (Gain) / loss on foreign exchange	-	-	-	(13,704)
Impairment of Assets held for sale	-	-	131,480	-
Impairment of Goodwill	-	-	71,867	-
Provision for Impairment of Assets	-	-	8,739	456,409
Provision For Defined Benefit Plan Costs	1,390	1,013	234,769	216,999
Amortization of Capital Grants	-	-	(3,522)	(4,953)
Fair Value Change of Biological assets	-	-	-	40,768
Provision for Inventory	-	-	36,938	75,316
Reclassification of the Gain/ loss recognized in OCI by the Investment in associate	-	-	648,594	-
Net adjustment in Investment in associates due to the reclassification	828,882	-	3,297,524	-
(Profit) / Loss from sale of Financial Assets Fair Value through Profit or Loss	-	-	59,886	-
Dividend Received	-	-	(468,688)	-
Script Dividend Received	(334,010)	-	(334,010)	-
Finance Cost	14,187	-	1,610,701	1,214,179
Finance Income	(238,111)	(206,195)	(437,664)	(269,403)
Operating Profit/ (Loss) before Working Capital Changes	1,582,341	708,263	13,833,543	12,987,551
(Increase)/Decrease in Loans and Advances	225,000	-	(6,814,610)	(4,186,408)
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments	(152,795)	20,996	(1,202,967)	(358,932)
(Increase)/Decrease in Other Financial Assets	-	-	(2,536,839)	(2,094,728)
(Increase)/Decrease in Lease Rental Receivable	-	-	(10,557,349)	(11,758,852)
(Increase)/Decrease in Other Non Financial Assets	-	-	395,611	188,363
Increase/(Decrease) in Due to Banks	-	-	8,864,917	7,157,602
Increase/(Decrease) in Due to Customers	-	-	7,668,332	8,068,007
Increase/(Decrease) in Trade & Other Payables	5,682	(1,110)	(463,142)	(101,945)
Increase/(Decrease) in Other Non Financial Liabilities	-	-	875,687	349,322
(Increase)/Decrease in Inventories	-	-	(1,397,929)	46,646
Increase/(Decrease) in Asset held for sale	-	-	(131,352)	-
(Increase)/Decrease in Amounts Due from Related Companies	225,636	(68,343)	-	11,736
Cash Generated from Operations	1,885,863	659,805	8,533,902	10,308,362
Retirement Benefits Liabilities Paid	(308)	-	(165,995)	(100,228)
Interest Received	248,389	191,798	437,664	283,107
Finance Cost Paid	(12,513)	-	(1,610,701)	(1,214,179)
Super Gain Tax Paid	-	(65,043)	-	(810,301)
Taxes Paid - Continuing Operations	(68,875)	(56,858)	(3,126,581)	(1,624,288)
Net Cash from/(Used in) Operating Activities	2,052,556	729,701	4,068,290	6,842,472
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(4,317)	(23,407)	(6,788,788)	(2,561,378)
Acquisition of Intangible Assets	-	-	(36,958)	(41,296)
Proceeds from Sale of Property, Plant & Equipment	3,100	-	72,528	695,568
Cost on Bearer Biological Assets	-	-	(219,233)	-
Net Proceeds of Fair Value through Profit and Loss Financial Assets	129,204	(17,053)	(2,562)	51,094
Increase the Stake of Subsidiaries	(1,473,500)	-	-	-
Acquisition of Subsidiary Note 9	-	-	(59,999)	-
Acquisition of non controlling interest	(827,739)	-	(950,124)	(1,950)
Net Proceeds /(Purchase) of Available for sale Financial Assets	-	-	-	4,548
Net Proceed From Short Term Investment	621,021	(126,315)	(25,158)	(234,105)
Dividend Received	-	-	608,364	133,526
Proceeds from Leasehold Right on Mining	-	-	(8,000)	(8,080)
Net Cash from/(Used in) Investing Activities	(1,552,231)	(166,775)	(7,409,930)	(1,962,074)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Interest Bearing Loans & Borrowings	400,000	-	7,995,943	5,707,856
Repayment of Interest Bearing Loans & Borrowings	-	-	(6,825,535)	(8,015,186)
Capital Grant Received	-	-	22,412	17,639
Dividend Write Back	-	-	-	5,920
Dividend Paid	(542,416)	(541,513)	(1,782,494)	(1,303,508)
Net Cash from/(Used in) Financing Activities	(142,416)	(541,513)	(589,674)	(3,587,280)
Net Increase / (Decrease) in Cash & Cash Equivalents	357,910	21,413	(3,931,314)	1,293,118
Cash and Cash Equivalents at the beginning of the Year	41,298	19,886	5,416,561	4,123,443
Cash and Cash Equivalents at the end of the Year	399,208	41,298	1,485,247	5,416,561

VALLIBEL ONE PLC
NOTES TO THE FINANCIAL STATEMENTS

- 1 Financial year of the company ends on 31st March.
- 2 The above figures are provisional & subject to audit.
- 3 Number of fully paid ordinary shares as at 31st March 2017 is 1,086,559,353 (31st March 2016- 1,086,559,353).
- 4 There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2016.
- 5 The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual report for the year ended 31st March 2016 and comply with the Sri Lanka Accounting Standards (SLFRS/LKAS). These interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31st March 2016. They also provide the information required by the Colombo stock Exchange and LKAS 34.
- 6 Where necessary , Comparative figures have been re-stated to confirm with SLFRS/LKAS.
- 7 The Consolidated Financial Statements of the Company for the Year ended 31st March 2017 comprise of the Company , its Subsidiaries and Associates. The details of Subsidiaries and Associates are as follows:

Subsidiary Companies

Royal Ceramics Lanka PLC
L B Finance PLC
Greener Water Ltd
Delmege Limited

Associate Companies

Sampath Bank PLC (Till 31st July)
The Fortress Resorts PLC

8 Related Party Transactions

For the Year ended 31st March	2017	2016
	Rs.'000	Rs.'000
Subsidiaries		
Loan Interest Received	-	621
Fixed Deposits - (Investments) / Withdrawals	646,179	125,939
Interest Received	17,943	46,598
Fund Transfers	(1,247,864)	(95,079)
Net Settlement through Investment in Equity Shares	1,473,500	-
Dividend Received	1,411,965	659,406
Technical Fee Received	45,359	-
Sale of Equity Shares	129,204	-
Associates		
Dividend Received	139,677	133,526
Key management personnel (KMP)		
Directors Remuneration	13,335	8,262
Companies controlled / jointly controlled / significantly influenced by KMP and their close family members		
Fixed Deposits - (Investments) / Withdrawals	(25,158)	(823,810)
Debentures -(Investments) / Withdrawals	225,000	-
Interest Received / (Paid)	220,168	163,346
Dividend Received	15,634	33,678

VALLIBEL ONE PLC
NOTES TO THE FINANCIAL STATEMENTS

9 Business Combinations

On 1st August 2016, Royal Ceramic Lanka PLC has acquired 100% of the voting shares of Nilano Garments (Pvt) Ltd incorporated and domiciled in Sri Lanka currently engages in the business of manufacturing of value added tiles & retail and wholesale trading of ceramic tiles and allied products.

Assets Acquired and Liabilities Assumed

The fair value of the identifiable assets and liabilities of Nilano Garments (Pvt) Ltd as at the date of acquisition were;

	Fair Value as at 01.08.2016 Rs.000'
Assets	
Property, Plant & Equipment	26,544
Other Non Financial Assets	5,377
Cash and Cash Equivalents	1
	31,922
Liabilities	
Trade and Other Payables	5,202
Deferred Tax Liability	4,892
	10,094
Total identifiable net assets acquired	21,827
Goodwill arising on acquisition	38,173
Purchase consideration paid	60,000
Cash and cash equivalents of subsidiary acquired	1
Net Cash Out flow on Acquisition of subsidiary	59,999

10 Discontinued Operations

On 25th July 2016, the Board of Directors of Royal Ceramics Lanka PLC took a decision to cease the operations of Ever Paint and Chemical Industries (Private) Limited ("EPCI") and to dispose of the assets thereof. EPCI is a fully owned subsidiary of Royal Ceramics Lanka PLC and it was engaged in the business of manufacturing and marketing of paints and allied products. The results of EPCI for the year is presented below:

	2017 Rs.000'	2016 Rs.000'
Net Revenue	24,815	122,661
Cost of Sales	(35,159)	(109,743)
Gross Profit	(10,345)	12,918
Other Operating Income	12,480	1,363
Distribution Expenses	(29,200)	(44,707)
Administrative Expenses	(12,379)	(14,830)
Finance Expenses	(24,627)	(18,258)
Other Expenses	(131,480)	
Loss for the period from discontinued operations	(195,550)	(63,514)

The major classes of assets and liabilities of EPCI is classified as held for sale as at the end of the year:

	2017 Rs.000'
Assets	
Property, Plant & Equipment	75,143
Inventories	37,001
Trade and Other Receivables	25,016
Cash and Cash Equivalents	655
Assets held for sale	137,815
Liabilities	
Trade and Other Payables	(14,442)
Interest Bearing Loans & Borrowings	(121,502)
Retirement Benefit Liability	(1,999)
Liabilities directly associated with the assets held for sale	(137,944)
Net Assets directly associated with disposal group	(128)

The net cash flows incurred by EPCI is as follows:

	2017 Rs.000'	2016 Rs.000'
Operating	108,427	31,786
Investing	2,461	(2,701)
Financing	(27,651)	(33,885)
Net cash (outflow)/inflow	83,238	(4,800)

Earnings Per Share

	2017	2016
Basic, profit/(loss) for the year from discontinued operations	(1.77)	(0.57)

Interest-bearing liabilities comprise a floating rate bank loan of Rs. 25,750,000/- having an EIR of AWPLR plus 1% that is repayable in full on 30 June 2018.

Write-down of Assets held for sale

Following the classification, a write-down of Rs. 131,480,477/- was recognised at the end of reporting period to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the statement of profit or loss.

VALLIBEL ONE PLC

NOTES TO THE FINANCIAL STATEMENTS

11 Greener Water Hotel Project

Presently, Civil Structural and MEP (Mechanical, Electrical and Plumbing) works of superstructure construction are in progress and are in line with the project completion plan. Interior and landscape works are planned to be commenced at the end of year 2017.

"Greener Water Ltd allotted and issued 147,350,000 shares to the Company on 30th March 2017 at an issue price of Rs.10/- per share in consideration of Rs. 1,473,500,000/- of the funds invested by the Company in the said Greener Water Ltd."

12 Change in Equity Accounted Investee : Sampath Bank PLC

The Investment in Sampath Bank PLC was accounted as equity accounted investee as per the provisions of LKAS 28 on the following grounds where it demonstrated significant influence over the investee:

- Vallibel One PLC is the single largest shareholder of Sampath Bank PLC owning 26,463,803 shares representing 14.95% of the issued shares of the Bank.
- Mr. Dhammika Perera who is the Chairman and Managing Director and the major shareholder of Vallibel One PLC, was the Chairman of Sampath Bank PLC.
- Mr. Dhammika Perera, also served as the Chairman of the Strategic Planning Committee of Sampath Bank PLC and as a member of the Nominations Committee of the Bank.
- The second largest shareholder of Sampath Bank PLC holds less than 10% of the issued shares of the Bank.

Mr. Dhammika Perera relinquished his role as the Chairman of Sampath Bank PLC with effect from 31st July 2016 on completion of his term of nine years as a Director of the Bank. Consequently, the Board of Directors of Vallibel One PLC decided that the existence of significant influence over Sampath Bank PLC by Vallibel One PLC was no longer applicable as per the provisions of LKAS 28. Hence, the Company discontinued the use of equity method of accounting from 31st July 2016 and in terms of LKAS 39 decided to exercise the option to treat the investment as being available for sale. Accordingly, the effect of mark to market loss of Rs.828 Mn as at 31st July 2016, reversal of share of profits of Rs.2,469 Mn of previous years and that up to 31st July 2016 and a loss of Rs.648 Mn of previous years and that up to 31st July 2016 which was recognized through other comprehensive income, are now accounted under group Statement of Income.

The Net Profit of Vallibel One PLC after taking into account the previously used 'equity method'; being changed to 'available for sale financial assets' and consequent reversal mentioned above is Rs. 4,254 Mn. However, if the current period's results of Sampath Bank PLC and the consequent adjustments referred to in the preceding paragraph are not considered, Vallibel One PLC would have earned a net profit of Rs.7,914Mn.(2015/16: Rs.6,603Mn)

13 Events Occurring After the Balance Sheet Date

There have been no material events occurring after the reporting date, which would require adjustment to or disclosure in the Financial Statements.

VALLIBEL ONE PLC

14 Operating Segment information
For the year ended 31st March
Rs'000

	Investment 2017	2016	Tiles 2017	2016	Sanitary wear 2017	2016	Packaging Material 2017	2016	Aluminum Products 2017	2016	Plantation 2017	2016	Bank & Finance 2017	2016
Sales to external customers	-	-	17,477,413	16,985,149	1,974,942	1,578,466	2,175,431	2,258,569	2,825,102	2,160,187	1,945,861	1,798,734	19,119,853	15,597,411
Intra Group Revenue	-	-	-	1,000	1,249	-	218,928	188,155	(693)	28,695	1,417	1,096	-	-
Total Revenue	-	-	17,477,413	16,986,149	1,976,191	1,578,466	2,394,359	2,446,724	2,824,409	2,188,882	1,947,278	1,799,830	19,119,853	15,597,411
Results														
Gross Profit/ (Loss)	-	-	8,456,990	7,769,964	838,475	630,433	350,764	363,004	942,078	690,035	115,650	1,615	11,002,258	9,824,156
Dividend Income	2,020,305	808,134	435	2,773	-	-	-	-	-	-	-	-	3,666	8,075
Other Operating Income	48,216	-	262,526	155,224	6,247	14,722	71,027	65,054	4,388	(1,083)	43,940	45,815	246,159	75,541
Administrative Expenses	(162,506)	(109,531)	(1,212,387)	(1,073,929)	(49,248)	(26,491)	(125,072)	(68,541)	(155,290)	(157,671)	(94,436)	(88,386)	(2,659,027)	(2,155,849)
Distribution Expenses	-	-	(2,768,672)	(2,656,669)	(354,825)	(306,477)	(90,515)	(80,761)	(338,526)	(232,110)	-	-	-	-
Other Operating Expenses	-	(138,434)	(58,258)	(9,580)	-	-	-	-	-	-	-	-	(1,687,920)	(1,805,080)
Loss on Reclassifying the Investment to Available for Sale Financial Asset from Investment in Associate.	(828,882)	-	-	-	-	-	-	-	-	-	-	-	(2,468,642)	-
Gold Loan Auction Losses	-	-	-	-	-	-	-	-	-	-	-	-	(2,201)	(29,358)
Results from Operating activities	1,077,133	560,168	4,680,635	4,187,782	440,648	312,186	206,204	278,756	452,650	299,171	65,154	(40,956)	4,434,292	5,917,485
Finance Cost	(14,187)	(45,504)	(768,952)	(579,577)	(63,484)	(37,682)	(77,903)	(61,093)	(88,008)	(49,724)	(96,868)	(48,539)	(578)	-
Finance Income	242,759	206,195	168,873	69,413	235	82	-	-	-	-	129	488	-	582
Net Finance (Cost)/Income	228,573	160,691	(600,079)	(510,165)	(63,248)	(37,601)	(77,903)	(61,093)	(88,008)	(49,724)	(96,739)	(48,051)	(578)	582
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	651,346	1,516,547
Reclassification of the Gain/(Loss) Recognized in OCI Through Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	(648,594)	-
Profit / (Loss) Before Value Added Tax	1,305,705	720,859	4,080,555	3,677,618	377,400	274,586	128,302	217,663	364,642	249,447	(31,585)	(89,007)	4,436,466	7,434,615
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	(1,027,101)	(593,452)
Profit / (loss) Before Tax	1,305,705	720,859	4,080,555	3,677,618	377,400	274,586	128,302	217,663	364,642	249,447	(31,585)	(89,007)	3,409,365	6,841,163
Income Tax Expense	(65,932)	(56,660)	(1,071,692)	(1,079,857)	(76,399)	(16,169)	(28,106)	(44,858)	(38,981)	1,181	(2,063)	2,906	(2,166,931)	(2,156,657)
Profit/(loss) after tax for the year from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the Year	1,239,773	664,199	3,008,864	2,597,761	301,001	258,416	100,196	172,806	325,661	250,628	(33,648)	(86,101)	1,242,434	4,684,506
As at 31st March														
15 Segment Assets and Liabilities														
Total Assets	29,452,325	27,599,276	37,944,446	34,612,389	4,072,544	3,265,299	2,658,108	2,129,133	2,712,829	1,619,174	3,966,100	3,719,218	102,763,035	84,516,637
Total Liabilities	428,837	24,115	14,684,211	13,690,709	1,139,251	600,641	1,357,263	898,651	1,569,242	714,154	2,258,207	2,093,094	90,253,356	74,037,318
16 Other Segment Information														
Total cost incurred during the period to acquire Property, Plant & Equipment	4,317	23,407	2,218,066	1,399,635	527,569	118,103	413,944	86,821	289,484	106,827	206,381	205,803	1,809,158	499,456
Depreciation & Amortization	10,567	8,647	902,457	915,719	104,041	100,417	65,117	54,416	64,187	57,483	132,615	131,956	343,218	352,496
provision for retirement benefit Liability	1,390	1,013	87,228	75,114	4,572	3,454	7,953	7,178	3,523	4,067	73,291	76,633	41,550	33,040

VALLIBEL ONE PLC														
14 Operating Segment information														
For the year ended 31st March														
Rs '000														
	Leisure		Consumer		Life style		Heath care		Other		Eliminations/ Adjustments		Group	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales to external customers	-	-	2,535,875	2,549,974	2,001,410	1,824,084	2,280,084	2,277,781	603,196	637,492	(2,764)	-	52,936,402	47,667,846
Intra Group Revenue	-	-	-	-	11,104	15,663	-	-	265,967	236,548	(497,973)	(471,158)	-	-
Total Revenue	-	-	2,535,875	2,549,974	2,012,513	1,839,747	2,280,084	2,277,781	869,163	874,040	(500,737)	(471,158)	52,936,402	47,667,846
Results														
Gross Profit/ (Loss)	-	-	527,480	492,499	523,046	452,216	454,396	421,025	537,579	478,559	(17,943)	30,935	23,730,773	21,154,441
Dividend Income	-	-	-	-	-	-	-	-	537	422	(1,551,617)	(794,893)	473,326	24,510
Other Operating Income	-	-	479	724	22,467	6,317	22,713	410	71,842	60,663	(257,518)	(122,239)	542,486	301,147
Administrative Expenses	(46,512)	(21,018)	(72,970)	(172,252)	(103,888)	(123,139)	(67,791)	(62,666)	(445,936)	(428,682)	163,939	83,164	(5,031,122)	(4,404,992)
Distribution Expenses	-	-	(288,203)	(320,638)	(199,726)	(160,257)	(185,468)	(193,547)	(74,227)	(85,418)	103,827	85,076	(4,196,336)	(3,950,801)
Other Operating Expenses	-	-	-	-	-	(112,000)	-	-	-	(117,929)	(117,510)	63,302	(1,863,688)	(2,119,721)
Loss on Reclassifying the Investment to Available for Sale Financial Asset from Investment in Associate.	-	-	-	-	-	-	-	-	-	-	-	-	(3,297,525)	-
Gold Loan Auction Losses	-	-	-	-	-	-	-	-	-	-	-	-	(2,201)	(29,358)
Results from Operating activities	(46,512)	(21,018)	166,786	333	241,899	63,137	223,850	165,222	89,795	(92,385)	(1,676,821)	(654,655)	10,355,713	10,975,227
Finance Cost	(155)	(65)	(314,278)	(174,603)	(45,869)	(32,465)	(37,376)	(34,937)	(132,589)	(131,154)	28,969	(18,834)	(1,611,279)	(1,214,179)
Finance Income	1,261	213	5,408	7,386	3,549	8,873	3,071	399	34,595	23,473	(4,274)	(47,701)	455,607	269,403
Net Finance (Cost)/Income	1,106	148	(308,870)	(167,217)	(42,321)	(23,592)	(34,305)	(34,538)	(97,994)	(107,681)	24,695	(66,535)	(1,155,672)	(944,776)
Share of results of equity accounted investees	35,804	16,139	-	-	-	-	-	-	-	-	-	-	687,150	1,532,687
Reclassification of the Gain/(Loss) Recognized in OCI Through Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	(648,594)	-
Profit / (Loss) Before Value Added Tax	(9,601)	(4,731)	(142,084)	(166,884)	199,578	39,545	189,545	130,684	(8,199)	(200,066)	(1,652,127)	(721,190)	9,238,597	11,563,138
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	(1,027,101)	(593,452)
Profit / (loss) Before Tax	(9,601)	(4,731)	(142,084)	(166,884)	199,578	39,545	189,545	130,684	(8,199)	(200,066)	(1,652,127)	(721,190)	8,211,496	10,969,687
Income Tax Expense	(6,401)	(12,965)	(4,814)	(1,372)	(10,746)	(1,775)	(7,254)	(770)	(42,882)	(56,604)	(239,520)	(89,368)	(3,761,722)	(3,512,967)
Profit/(loss) after tax for the year from discontinued operations	-	-	-	-	-	-	-	-	(195,550)	-	-	-	(195,550)	-
Profit / (Loss) for the Year	(16,002)	(17,696)	(146,898)	(168,255)	188,832	37,770	182,292	129,914	(246,631)	(256,671)	(1,891,647)	(810,558)	4,254,225	7,456,720
As at 31st March														
15 Segment Assets and Liabilities														
Total Assets	3,890,992	534,995	1,254,265	1,259,121	1,231,501	1,133,932	1,799,559	1,795,872	6,498,734	4,826,377	(22,662,472)	(16,139,682)	175,581,967	150,871,742
Total Liabilities	61,736	26,720	3,313,638	2,735,949	617,911	722,501	1,068,945	1,365,310	1,446,749	2,203,510	(2,662,077)	(2,911,458)	115,537,269	96,201,213
16 Other Segment Information														
Total cost incurred during the period to acquire Property, Plant & Equipment	1,215,593	66,042	3,537	3,085	16,239	22,926	5,396	663	77,634	28,609	1,470	-	6,788,788	2,561,378
Depreciation & Amortization	4,882	182	4,477	9,463	12,755	16,191	3,113	3,185	31,079	50,682	7,808	-	1,686,315	1,700,837
provision for retirement benefit Liability	668	848	655	1,743	4,200	4,303	2,749	1,844	6,331	7,762	659	-	234,769	216,999

VALLIBEL ONE PLC
SHARE INFORMATION

1 Market prices of the shares for Quarter ended 31st March

	<u>2017</u> Rs.	<u>2016</u> Rs.
Highest	19.00	21.80
Lowest	16.20	15.30
Closing	17.50	17.80

2 Directors Shareholding

Name	No of shares as at 31st March 2017	No of shares as at 31st March 2016
Mr. Dhammika Perera	689,726,471	689,726,471
Mr. J A S S Adhietty	100,000	100,000
Mr. S H Amarasekera -Shares held in the following manner Pan Asia Banking Corporation PLC / Mr. S H Amarasekera	1,000,000	1,000,000
Ms. K Fernando	800,000	800,000
Mr. R N Asirwatham	800	800

3 Twenty Major Shareholders as at 31st March 2017.

	No of Shares	(%)
1 Mr. Dhammika Perera	689,726,471	63.478
2 Employees Provident Fund	101,549,200	9.346
3 Vallibel Investments (Private) Limited	91,966,451	8.464
4 Vallibel Leisure (Private) Limited	91,929,063	8.461
5 Bank of Ceylon A/c Ceybank Unit Trust	10,211,380	0.940
6 Mercantile Investments and Finance PLC	5,176,000	0.476
7 National Savings Bank	3,143,693	0.289
8 Mellon Bank N. A. -UPS Group Trust	2,800,000	0.258
9 Bank of Ceylon No. 1 Account	2,427,704	0.223
10 Merrill J Fernando & Sons (Pvt) Limited	2,299,000	0.212
11 Mr. K D A Perera	2,079,039	0.191
12 Mr. H R S Wijeratne	2,069,000	0.190
13 Mr. A M Weerasinghe	2,000,000	0.184
14 Wickramaratnes (Pvt) Limited	1,865,000	0.172
15 Employees Trust Fund Board	1,722,140	0.158
16 Prof M.T.A Furkhan	1,672,000	0.154
17 Hatton National Bank PLC/Sanka Ramoorthy Nadaraj Kumar	1,661,632	0.153
18 Mr. A Sithampalam	1,567,000	0.144
19 Bartleet Asset Management (Pvt) Ltd	1,314,000	0.121
20 People's Leasing & Finance PLC/ L.P.Hapangama	1,203,700	0.111
	1,018,382,473	93.725
Others	68,176,880	6.275
Total	1,086,559,353	100.000

4 Public Shareholding

The percentage of shares held by the public as at 31st March 2017 was 19.252% comprising of 11,915 Share holders.

VALLIBEL ONE PLC
CORPORATE INFORMATION

Name of Company

Vallibel One PLC

Legal Form

A Public Quoted Company with limited liability

Incorporated under the provisions of the Companies Act, No. 07 of 2007.

Date of Incorporation

09th June 2010

Company Registration Number

PB 3831 PQ

Nature of the Business

Diversified holding company with strategic investments.

Board of Directors

Mr. Dhammika Perera – Chairman / Managing Director

Mr. S H Amarasekera

Mr. J A S S Adhihetty

Ms. K Fernando

Mr. R N Asirwatham

Head Office and Registered Office

29, West Tower, World Trade Center

Echelon Square, Colombo 01

Telephone: 011 2445577

Fax: 011 2441444

Subsidiary Companies

Royal Ceramics Lanka PLC

L B Finance PLC

Greener Water Limited

Delmege Limited

Associate Companies

The Fortress Resorts PLC

Company Secretaries

P W Corporate Secretarial (Pvt) Ltd

No.3/17, Kynsey Road,

Colombo 08.

Telephone: 011 4640360

Fax: 011 4740588

E-mail: pwcs@pwcs.lk

Auditors

Ernst & Young

Chartered Accountants

No.201, De Saram Place

Colombo 10.

Bankers

Hatton National Bank PLC

Pan Asia Banking Corporation PLC

Sampath Bank PLC