

**VALLIBEL ONE PLC**  
**INTERIM FINANCIAL STATEMENTS**

**Vallibel | ONE**

**For the three months ended 30th June 2013**

**VALLIBEL ONE PLC**  
STATEMENT OF FINANCIAL POSITION

As at	Company				Group			
	30.06.2013 Rs.'000	31.03.2013 Rs.'000	31.03.2012 Rs.'000	01.04.2011 Rs.'000	30.06.2013 Rs.'000	31.03.2013 Rs.'000	31.03.2012 Rs.'000	01.04.2011 Rs.'000
<b>ASSETS</b>								
Cash and Bank	13,549	5,212	16,838	19,038	2,950,986	4,970,491	3,120,837	1,715,149
Fair Value Through P&L - Financial Assets	351,852	210,329	88,495	-	468,828	580,632	1,072,355	2,346,691
Short Term Investments	1,700,901	1,728,000	2,298,000	4,417,811	587,901	615,000	513,000	1,417,811
Loans and Receivables	-	-	-	-	17,350,294	16,520,092	12,771,108	7,509,622
Lease Rentals receivables and Stock out on hire	-	-	-	-	28,513,745	28,260,005	23,671,834	16,087,910
Available for Sales - Financial Assets	1,266,450	1,232,083	877,530	-	1,807,193	1,899,176	1,195,657	511,012
Other Financial Assets	-	-	-	-	4,536,389	1,487,399	1,019,834	767,842
Trade and Other Receivables	191,596	123,331	75,301	73,622	6,396,023	4,061,330	3,338,709	399,250
Other Non Financial Assets	-	-	-	-	1,989,190	1,759,796	1,497,505	1,470,541
Investments in Subsidiaries	17,118,514	17,118,514	17,316,095	14,822,125	-	-	-	-
Investment in Associates	7,304,772	7,304,772	7,243,518	7,190,395	7,758,403	7,738,469	7,133,662	6,898,982
Amounts Due From Related Parties	164,133	146,635	88,023	25,434	18,645	21,007	-	-
Deferred Tax Assets	-	-	-	23,264	244,512	221,214	117,779	23,264
Income Tax Recoverable	7,809	8,155	7,175	1,247	67,606	49,102	41,393	2,185
Inventories	-	-	-	-	9,174,636	4,939,039	4,446,540	1,380,703
Investment property	-	-	-	-	324,294	-	-	-
Intangible Assets	-	-	-	-	12,476,193	12,181,908	12,174,740	11,297,232
Property, Plant and Equipment	39,779	40,860	43,805	28,883	20,996,161	11,814,448	10,542,533	5,233,280
<b>Total Assets</b>	<b>28,159,355</b>	<b>27,917,891</b>	<b>28,054,780</b>	<b>26,601,820</b>	<b>115,660,998</b>	<b>97,119,106</b>	<b>82,657,487</b>	<b>57,061,474</b>
<b>LIABILITIES</b>								
Due to Banks	408	5,609	-	-	6,928,882	8,295,497	10,993,151	4,325,253
Due to Customers	-	-	-	-	40,124,367	37,591,184	25,339,595	17,262,041
Interest Bearing Loans and Borrowings	-	-	-	-	18,508,651	9,394,045	7,623,701	2,412,603
Trade and Other Payables	244,422	236,854	488,277	8,646	5,446,887	3,921,286	2,948,683	574,578
Other Financial Liabilities	-	-	-	-	542,496	-	-	-
Other Non Financial Liabilities	-	-	-	-	791,079	895,580	887,400	701,141
Amounts Due To Related Parties	25	25	47	22,114	1,398	1,039	25	21,447
Dividend Payable	-	1,607	-	-	26,937	32,790	26,675	15,826
Capital Grants	-	-	-	-	118,858	-	-	-
Employee Benefit Liabilities	1,763	1,763	1,720	-	964,059	376,222	333,115	134,658
Income Tax Liabilities	33,160	25,233	8,404	-	154,245	192,809	270,579	335,545
Deferred Tax Liabilities	2,633	2,829	2,162	-	520,908	71,852	98,695	81,233
<b>Total Liabilities</b>	<b>282,411</b>	<b>273,920</b>	<b>500,610</b>	<b>30,760</b>	<b>74,128,768</b>	<b>60,772,306</b>	<b>48,521,620</b>	<b>25,864,326</b>
<b>Shareholders' Funds</b>								
<b>Equity Attributable to Equity Holders of the Parent</b>								
Stated Capital	27,163,984	27,163,984	27,163,984	26,631,187	27,163,984	27,163,984	27,163,984	26,631,187
Reserves	712,961	479,988	390,187	(60,127)	3,816,145	3,498,715	1,814,624	600,884
	27,876,944	27,643,972	27,554,171	26,571,060	30,980,129	30,662,699	28,978,607	27,232,071
<b>Non Controlling Interest</b>	-	-	-	-	10,552,102	5,684,101	5,157,259	3,965,077
<b>Total Equity</b>	<b>27,876,944</b>	<b>27,643,972</b>	<b>27,554,171</b>	<b>26,571,060</b>	<b>41,532,230</b>	<b>36,346,800</b>	<b>34,135,867</b>	<b>31,197,149</b>
<b>Total Equity and Liabilities</b>	<b>28,159,355</b>	<b>27,917,891</b>	<b>28,054,780</b>	<b>26,601,820</b>	<b>115,660,998</b>	<b>97,119,106</b>	<b>82,657,487</b>	<b>57,061,474</b>

Net Asset Per Share (Rs.)                                  **25.66**                  **25.44**                  **25.36**                  **24.94**                  **28.51**                  **28.22**                  **26.67**                  **25.56**

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

(Sgd.)

Director

August 15, 2013

**VALLIBEL ONE PLC**  
STATEMENT OF INCOME

For the period ended 30th June

	Company			Group		
	Quarter		Variance %	Quarter		Variance %
	2013 Rs.'000	2012 Rs.'000		2013 Rs.'000	2012 Rs.'000	
Revenue	-	-	-	9,256,520	7,265,109	27
Cost of Sales	-	-	-	(6,923,270)	(4,991,448)	39
<b>Gross Profit</b>	-	-	-	2,333,251	2,273,661	3
Dividend Income	133,419	95,616	40	1,188	-	100
Other Operating Income	-	-	-	182,146	73,294	149
Administrative Expenses	(17,479)	(16,990)	3	(760,689)	(640,981)	19
Distribution Expenses	-	-	-	(492,014)	(375,899)	31
Other Operating Expenses	-	-	-	(745,228)	(486,923)	53
<b>Results from Operating activities</b>	<b>115,940</b>	<b>78,625</b>	47	<b>518,655</b>	<b>843,153</b>	(38)
Finance Cost	(6,633)	(22,161)	(70)	(489,245)	(402,535)	22
Finance Income	88,069	69,274	27	80,570	128,403	(37)
<b>Net Finance Income / (cost)</b>	<b>81,435</b>	<b>47,113</b>	73	<b>(408,675)</b>	<b>(274,132)</b>	49
Provision for fall in value of Investments	21,523	(10,524)	(305)	20,788	(10,524)	(298)
Share of results of equity accounted Investees	-	-	-	97,207	185,381	(48)
<b>Profit Before Value Added Tax</b>	<b>218,898</b>	<b>115,214</b>	90	<b>227,976</b>	<b>743,878</b>	(69)
Value Added Tax on Financial Services	-	-	-	(25,064)	(41,291)	(39)
<b>Profit Before Tax</b>	<b>218,898</b>	<b>115,214</b>	90	<b>202,911</b>	<b>702,587</b>	(71)
Income Tax Expense	(19,558)	(14,760)	33	(127,256)	(219,205)	(42)
<b>Profit for the Period</b>	<b>199,340</b>	<b>100,454</b>	98	<b>75,655</b>	<b>483,382</b>	(84)
<b>Attributable to :</b>						
Equity holders of the Parent	199,340	100,454	98	146,283	368,431	(60)
Non - Controlling Interests	-	-	-	(70,627)	114,950	(161)
	<b>199,340</b>	<b>100,454</b>	98	<b>75,656</b>	<b>483,382</b>	(84)

Earnings Per Share (Rs.)

0.18

0.09

0.07

0.44

**VALLIBEL ONE PLC**  
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30th June

**Other Comprehensive Income**

**Profit for the Period**

Share of other comprehensive income of equity accounted investees

Income tax effect

Net Gain/(Loss) on Available for sale Financial Assets

Income tax effect

Revaluation of Land & Building

Income tax effect

Exchange difference on translation of foreign operations

**Other Comprehensive Income for the period, net of tax**

**Total Comprehensive Income for the period, net of tax**

**Total Comprehensive income attributable to :**

Equity holders of the Parent

Non - Controlling Interests

	Company			Group		
	Quarter		Variance %	Quarter		Variance %
	2013 Rs.'000	2012 Rs.'000		2013 Rs.'000	2012 Rs.'000	
<b>Profit for the Period</b>	199,340	100,454	98	75,655	483,382	(84)
Share of other comprehensive income of equity accounted investees	-	-	-	64,122	95,664	(33)
Income tax effect	-	-	-	-	-	-
Net Gain/(Loss) on Available for sale Financial Assets	33,632	(98,642)	(134)	53,598	(93,097)	(158)
Income tax effect	-	-	-	(5,442)	(1,308)	316
Revaluation of Land & Building	-	-	-	-	242,422	(100)
Income tax effect	-	-	-	-	(25,534)	(100)
Exchange difference on translation of foreign operations	-	-	-	37,113	43,603	(15)
<b>Other Comprehensive Income for the period, net of tax</b>	33,632	(98,642)	(134)	149,391	261,750	(43)
<b>Total Comprehensive Income for the period, net of tax</b>	232,972	1,812	12758	225,046	745,131	(70)
<b>Total Comprehensive income attributable to :</b>						
Equity holders of the Parent	232,972	1,812	12758	272,179	500,771	(46)
Non - Controlling Interests	-	-	-	(47,131)	244,520	(119)
	<b>232,972</b>	<b>1,812</b>	12758	225,048	745,291	(70)

**VALLIBEL ONE PLC**  
STATEMENT OF CHANGES IN EQUITY- COMPANY

For the Period ended 30th June	Stated Capital Rs.'000	Available for Sale Reserve Rs.'000	Retained Earnings/ (Losses) Rs.'000	Total Rs.'000
<b>Balance as at 01 April 2012</b>	27,163,984	(21,604)	411,791	27,554,171
Profit for the period	-	-	100,454	100,454
<b>Other Comprehensive Income</b>				
Net gain or loss on available for sale financial assets	-	(98,642)	-	(98,642)
<b>Total Other Comprehensive income</b>	-	(98,642)	-	(98,642)
<b>Balance as at 30 June 2012</b>	<u>27,163,984</u>	<u>(120,246)</u>	<u>512,245</u>	<u>27,555,983</u>
<b>Balance as at 01 April 2013</b>	27,163,984	(202,472)	682,460	27,643,972
Profit for the period	-	-	199,340	199,340
<b>Other Comprehensive Income</b>				
Net gain or loss on available for sale financial assets	-	33,632	-	33,632
<b>Total Other Comprehensive income</b>	-	33,632	-	33,632
<b>Balance as at 30 June 2013</b>	<u>27,163,984</u>	<u>(168,840)</u>	<u>881,800</u>	<u>27,876,944</u>

**VALLIBEL ONE PLC**  
STATEMENT OF CHANGES IN EQUITY- GROUP

For the Period ended 30th June Rs.'000	Stated Capital	Treasury Shares	Capital Reserves		Other Component of Equity			Revenue Reserve		Shareholder's Fund	Non Controlling Interest	Total Equity
			Reserve	Investment	Available for Sale Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	General Reserve	Retained Earnings			
			Fund	Fund Reserve								
<b>Balance as at 01st April 2012</b>	27,163,984	(66,372)	237,111	109,614	(35,853)	166,411	-	50,665	1,353,047	28,978,607	5,157,259	34,135,867
Profit for the period	-	-	-	-	-	-	-	-	368,431	368,431	114,950	483,382
<b>Other Comprehensive Income</b>												
Share of other comprehensive income of equity accounted investees	-	-	-	-	95,664	-	-	-	-	95,664	-	95,664
Exchange difference on translation of foreign operations	-	-	-	-	-	21,801	-	-	-	21,801	21,801	43,603
Net Gain/(Loss) on Available for sale financial Assets	-	-	-	-	(95,920)	-	-	-	-	(95,920)	1,515	(94,405)
Revaluation of Land & Buildings	-	-	-	-	-	-	110,635	-	-	110,635	106,254	216,888
<b>Total other Comprehensive Income</b>	-	-	-	-	(256)	21,801	110,635	-	-	132,180	129,570	261,750
Non controlling interest arising on business combinations	-	-	-	-	-	-	-	-	-	-	240,700	240,700
Transfers	-	-	48,137	32,343	-	-	-	-	(80,479)	-	-	-
<b>Balance as at 30th June 2012</b>	27,163,984	(66,372)	285,248	141,957	(36,109)	188,212	110,635	50,665	1,640,999	29,479,218	5,642,479	35,121,698
<b>Balance as at 01st April 2013</b>	27,163,984	(66,372)	455,904	263,175	(213,680)	155,398	81,962	50,179	2,772,148	30,662,699	5,684,101	36,346,800
Profit for the Period	-	-	-	-	-	-	-	-	146,283	146,283	(70,627)	75,656
<b>Other Comprehensive Income</b>												
Share of other comprehensive income of equity accounted investees	-	-	-	-	64,122	-	-	-	-	64,122	-	64,122
Exchange difference on translation of foreign operations	-	-	-	-	-	18,556	-	-	-	18,556	18,556	37,113
Net Gain/(Loss) on Available for sale financial Assets	-	-	-	-	43,217	-	-	-	-	43,217	4,939	48,156
<b>Total other Comprehensive Income</b>	-	-	-	-	107,339	18,556	-	-	-	125,896	23,496	149,391
Transfers	-	-	45,603	73,264	-	-	-	-	(118,868)	-	-	-
Non Controlling Interest arising on business combination	-	-	-	-	-	-	-	-	-	-	5,152,540	5,152,540
Effect on changes in holding	-	-	-	-	-	-	-	-	45,251	45,251	(224,266)	(179,015)
Dividend Paid	-	-	-	-	-	-	-	-	-	-	(13,143)	(13,143)
<b>Balance as at 30th June 2013</b>	27,163,984	(66,372)	501,507	336,440	(106,341)	173,955	81,962	50,179	2,844,815	30,980,129	10,552,102	41,532,230

**VALLIBEL ONE PLC**  
CASH FLOW STATEMENT

For the Period ended

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Profit/ (Loss) before Taxation

**ADJUSTMENTS FOR**

Profit / Loss on sale of Property, Plant & equipment

Depreciation

Provision For Fall in Value of Investments

Amortization

Share of results of equity accounted investees

Net gain / (loss) on foreign exchange

Provision for impairment of assets

Provision For Defined Benefit Plan Costs

Profit/ (Loss) from sale of Available for Sale Financial Assets

Dividend Received

Finance Cost

Finance Income

**Operating Profit/ (Loss) before Working Capital Changes**

(Increase)/Decrease in Loans and Advances

(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments

(Increase)/Decrease in Other Financial Assets

(Increase)/Decrease in Lease Rental Receivable

(Increase)/Decrease in Other Financial Liabilities

(Increase)/Decrease in Other Non Financial Assets

Increase/(Decrease) in Due to Banks

Increase/(Decrease) in Due to Customers

Increase/(Decrease) in Trade & Other Payables

(Increase)/Decrease in Other Non Financial Liabilities

(Increase)/Decrease in Inventories

Increase/(Decrease) in Amounts Due to Related Companies

Increase/(Decrease) in Amounts Due from Related Companies

**Cash Generated from Operations**

Retirement Benefits Liabilities paid

Interest Received

Finance Cost Paid

Taxes Paid

**Net Cash from/(Used in) Operating Activities**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Property, Plant & Equipment

Proceeds from Sale of Property, Plant & Equipment

Acquisition of Intangible Assets

Purchase of Other Investment

Purchase of Fair Value through Profit and Loss Financial Assets

Sale of Investment Property

Investment on Associate

Acquisition of Subsidiaries - Note 10

Interest Received

Purchase of AFS

Proceed From Short Term Investment

Dividend Received

**Net Cash used in Investing Activities**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal Payment under Finance Lease Liability

Proceeds from Interest Bearing Loans & Borrowings

Increase / (Decrease) in Interest of Subsidiary

Repayment of Interest Bearing Loans & Borrowings

Capital Grant Received

Dividend Paid

**Net Cash from Financing Activities**

**Net Increase / (Decrease) in Cash & Cash Equivalents**

**Cash and Cash Equivalents at the beginning of the Period**

**Cash and Cash Equivalents at the end of the Period**

	Company		Group	
	30.06.2013 Rs.'000	30.06.2012 Rs.'000	30.06.2013 Rs.'000	30.06.2012 Rs.'000
Net Profit/ (Loss) before Taxation	218,898	115,214	202,911	702,587
<b>ADJUSTMENTS FOR</b>				
Profit / Loss on sale of Property, Plant & equipment	-	-	(2,308)	(11,370)
Depreciation	2,113	1,846	344,191	244,455
Provision For Fall in Value of Investments	(21,523)	10,524	(20,788)	10,524
Amortization	-	-	13,072	12,656
Share of results of equity accounted investees	-	-	(97,207)	(185,381)
Net gain / (loss) on foreign exchange	-	-	37,113	43,603
Provision for impairment of assets	-	-	761,685	173,456
Provision For Defined Benefit Plan Costs	-	430	66,360	68,261
Profit/ (Loss) from sale of Available for Sale Financial Assets	-	-	537	-
Dividend Received	-	-	(2,278)	-
Finance Cost	6,633	22,161	489,246	402,535
Finance Income	(88,021)	(69,274)	(80,570)	(128,403)
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>118,100</b>	<b>80,901</b>	<b>1,711,961</b>	<b>1,332,922</b>
(Increase)/Decrease in Loans and Advances	-	-	(1,216,715)	(1,901,057)
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments	(86)	(6,934)	(81,151)	(453,036)
(Increase)/Decrease in Other Financial Assets	-	-	(3,048,990)	(782,716)
(Increase)/Decrease in Lease Rental Receivable	-	-	(628,912)	(528,206)
(Increase)/Decrease in Other Financial Liabilities	-	-	542,496	40,213
(Increase)/Decrease in Other Non Financial Assets	-	-	(390,802)	791,247
Increase/(Decrease) in Due to Banks	-	-	583,206	(4,230,591)
Increase/(Decrease) in Due to Customers	-	-	2,533,183	4,639,043
Increase/(Decrease) in Trade & Other Payables	-	-	(264,408)	(62,965)
(Increase)/Decrease in Other Non Financial Liabilities	-	-	(104,501)	474,202
(Increase)/Decrease in Inventories	-	-	(389,192)	(392,073)
Increase/(Decrease) in Amounts Due to Related Companies	(13,310)	(64,220)	359	(128,309)
Increase/(Decrease) in Amounts Due from Related Companies	-	-	12,942	-
<b>Cash Generated from Operations</b>	<b>104,704</b>	<b>9,747</b>	<b>(740,524)</b>	<b>(1,201,326)</b>
Retirement Benefits Liabilities paid	-	-	(20,048)	(5,534)
Interest Received	16,001	96,162	-	-
Finance Cost Paid	-	-	(322,784)	(237,648)
Taxes Paid	(11,827)	(2,442)	(200,022)	(597,705)
<b>Net Cash from/(Used in) Operating Activities</b>	<b>108,878</b>	<b>103,466</b>	<b>(1,283,378)</b>	<b>(2,042,212)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment	(1,032)	(4,083)	(367,166)	(1,489,592)
Proceeds from Sale of Property, Plant & Equipment	-	-	4,006	653,872
Acquisition of Intangible Assets	-	-	(12,417)	(96,253)
Purchase of Other Investment	(120,735)	(497,015)	-	-
Purchase of Fair Value through Profit and Loss Financial Assets	-	-	351,804	691,729
Sale of Investment Property	-	-	15,306	-
Investment on Associate	-	(285)	-	(285)
Acquisition of Subsidiaries - Note 10	-	-	(3,612,220)	-
Interest Received	-	-	16,016	-
Purchase of AFS	-	-	(58,886)	(354,833)
Proceed From Short Term Investment	27,099	382,541	-	-
Dividend Received	-	-	2,278	-
<b>Net Cash used in Investing Activities</b>	<b>(94,668)</b>	<b>(118,843)</b>	<b>(3,661,279)</b>	<b>(595,363)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal Payment under Finance Lease Liability	-	-	(4,806)	(6,809)
Proceeds from Interest Bearing Loans & Borrowings	-	-	7,226,871	6,709,293
Increase / (Decrease) in Interest of Subsidiary	-	-	(179,015)	240,700
Repayment of Interest Bearing Loans & Borrowings	-	-	(2,140,984)	(604,333)
Capital Grant Received	-	-	6,313	-
Dividend Paid	(672)	-	(18,995)	(2,315)
<b>Net Cash from Financing Activities</b>	<b>(672)</b>	<b>-</b>	<b>4,889,384</b>	<b>6,336,536</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>13,538</b>	<b>(15,377)</b>	<b>(55,273)</b>	<b>3,698,960</b>
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>(397)</b>	<b>16,838</b>	<b>2,139,975</b>	<b>(480,997)</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>13,141</b>	<b>1,461</b>	<b>2,084,702</b>	<b>3,217,964</b>

# VALLIBEL ONE PLC

Figures in Rs.'000

## Reconciliation of equity - Statement of Financial Position

Equity as at 1st April 2011

	Notes	Company			Group				
		As per SLAS	Re measurements	Re classification	As per SLFRS/LKAS	As per SLAS	Re measurements	Re classification	As per SLFRS/LKAS
<b>Assets</b>									
Cash and Cash at Bank	A	19,038	-	-	19,038	427,845	-	1,287,304	1,715,149
Short Term Investments		4,417,811	-	-	4,417,811	1,417,811	-	-	1,417,811
Treasury Bills and Other bills eligible for re-discounting with Central Bank	A	-	-	-	-	1,622,158	-	(1,622,158)	-
Fair value through P&L - Financial Assets	B	-	-	-	-	-	724,407	1,622,284	2,346,691
Placements with Other banks	C	-	-	-	-	302,584	-	(302,584)	-
Loans and Receivables - Financial Assets	D	-	-	-	-	1,876,254	(33,609)	5,666,977	7,509,622
Gold Loans	D	-	-	-	-	5,666,977	-	(5,666,977)	-
Lease Rentals Receivable & Stock out on Hire	E	-	-	-	-	16,329,573	(241,663)	-	16,087,910
Available for Sale - Financial Assets	B	-	-	-	-	-	4,914	506,098	511,012
Advance for Vehicle Stock	F	-	-	-	-	519,706	-	(519,706)	-
Real Estate Stock	F	-	-	-	-	237,520	-	(237,520)	-
Trade and Other Debtors, Deposits and Prepayments	F	73,622	-	-	73,622	1,169,692	142,651	(913,094)	399,250
Investments in Securities	F	6,910,395	-	(6,910,395)	-	8,772,248	-	(8,772,248)	-
Investments in Subsidiaries		14,822,125	-	-	14,822,125	-	-	-	-
Investment in Associates	G	280,000	-	6,910,395	7,190,395	280,000	(291,413)	6,910,395	6,898,982
Amount Due From Related Parties	B	25,434	-	-	25,434	183,962	-	(183,962)	-
Other Financial Assets	H	-	-	-	-	-	7,981	759,861	767,842
Other Non Financial Assets	F	-	-	-	-	-	6,506	1,464,035	1,470,541
Deferred Tax Assets	I	23,264	-	-	23,264	23,264	-	-	23,264
Income Tax Recoverable		1,247	-	-	1,247	2,185	-	-	2,185
Inventories		-	-	-	-	1,380,703	-	-	1,380,703
Intangible Assets	J	-	-	-	-	11,246,030	-	51,202	11,297,232
Property, Plant and Equipment	J	28,883	-	-	28,883	5,284,482	-	(51,202)	5,233,280
<b>Total Assets</b>		<b>26,601,820</b>	<b>-</b>	<b>-</b>	<b>26,601,820</b>	<b>56,742,994</b>	<b>319,773</b>	<b>(1,294)</b>	<b>57,061,474</b>
<b>LIABILITIES</b>									
Due to Bank	K	-	-	-	-	-	-	4,325,253	4,325,253
Due to Customers	K	-	-	-	-	16,619,681	-	642,361	17,262,041
Interest Bearing Loans and Borrowings	K	-	-	-	-	5,989,876	-	(3,577,274)	2,412,603
Trade and Other Payables	K	8,646	-	-	8,646	2,216,058	-	(1,641,481)	574,578
Other Non financial Liabilities	K	-	-	-	-	-	-	701,141	701,141
Amount Due To Related Parties		22,114	-	-	22,114	21,447	-	-	21,447
Dividend Payable		-	-	-	-	15,826	-	-	15,826
Debentures	K	-	-	-	-	450,000	-	(450,000)	-
Employee Benefit Liabilities		-	-	-	-	134,658	-	-	134,658
Income Tax Liabilities	I	-	-	-	-	266,646	68,899	-	335,545
Deferred Tax Liabilities	I	-	-	-	-	154,805	(73,572)	-	81,233
<b>Total Liabilities</b>		<b>30,760</b>	<b>-</b>	<b>-</b>	<b>30,760</b>	<b>25,868,999</b>	<b>(4,673)</b>	<b>-</b>	<b>25,864,326</b>
<b>Shareholders' Funds</b>									
Equity Attributable to Equity Holders of the Parent									
Stated Capital		26,631,187	-	-	26,631,187	26,631,187	-	-	26,631,187
Reserves		(60,127)	-	-	(60,127)	580,868	20,016	-	600,884
<b>Non Controlling Interest</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,661,941</b>	<b>303,136</b>	<b>-</b>	<b>3,965,077</b>
<b>Total Equity</b>		<b>26,571,060</b>	<b>-</b>	<b>-</b>	<b>26,571,060</b>	<b>30,873,996</b>	<b>323,153</b>	<b>-</b>	<b>31,197,149</b>
<b>Total Equity and Liabilities</b>		<b>26,601,820</b>	<b>-</b>	<b>-</b>	<b>26,601,820</b>	<b>56,742,994</b>	<b>318,480</b>	<b>-</b>	<b>57,061,474</b>



# VALLIBEL ONE PLC

## Reconciliation of equity - Statement of Financial Position

### Effect of transition to SLFRSs/LKASs

Figures in Rs.'000

Equity as at 31st March 2012

	Notes	Company			Group				
		As per SLAS	Re measurements	Re classification	As per SLFRS/LKAS	As per SLAS	Re measurements	Re classification	As per SLFRS/LKAS
<b>Assets</b>									
Cash and Cash at Bank	A	16,838	-	-	16,838	1,836,107	-	1,284,730	3,120,837
Short Term Investments		2,298,000	-	-	2,298,000	513,000	-	-	513,000
Treasury Bills and Other bills eligible for re-discounting with Central Bank	A	-	-	-	-	1,266,964	-	(1,266,964)	-
Fair value through P&L - Financial Assets	B	-	1,682	86,813	88,495	-	6,740	1,065,615	1,072,355
Placements with Other banks	C	-	-	-	-	963,593	-	(963,593)	-
Loans and Receivables - Financial Assets	D	-	-	-	-	4,401,175	(121,018)	8,490,950	12,771,108
Gold Loans	D	-	-	-	-	8,490,950	-	(8,490,950)	-
Lease Rentals Receivable & Stock out on Hire	E	-	-	-	-	23,820,179	(148,345)	-	23,671,834
Available for Sale - Financial Assets	B	-	-	877,530	877,530	-	12,251	1,183,406	1,195,657
Advance for Vehicle Stock	F	-	-	-	-	127,213	-	(127,213)	-
Real Estate Stock	F	-	-	-	-	143,212	-	(143,212)	-
Trade and Other Debtors, Deposits and Prepayments	F	75,442	(141)	-	75,301	4,627,984	(26,929)	(1,262,346)	3,338,709
Investments in Securities	F	7,890,385	-	(7,890,385)	-	8,990,607	-	(8,990,607)	-
Investments in Subsidiaries		17,316,095	-	-	17,316,095	-	-	-	-
Investment in Associates	G	317,477	-	6,926,041	7,243,518	323,935	(116,315)	6,926,041	7,133,662
Amount Due From Related Parties	B	88,023	-	-	88,023	192,395	-	(192,395)	-
Other Financial Assets	H	-	-	-	-	-	48,873	970,960	1,019,834
Other Non Financial Assets	F	-	-	-	-	-	(27,900)	1,525,404	1,497,505
Deferred Tax Assets	I	-	-	-	-	35,213	82,566	-	117,779
Income Tax Recoverable		7,175	-	-	7,175	41,393	-	-	41,393
Inventories		-	-	-	-	4,446,540	-	-	4,446,540
Intangible Assets	J	-	-	-	-	12,743,221	(645,303)	76,822	12,174,740
Property, Plant and Equipment	J	43,805	-	-	43,805	10,619,355	-	(76,822)	10,542,533
<b>Total Assets</b>		<b>28,053,240</b>	<b>1,541</b>	<b>-</b>	<b>28,054,780</b>	<b>83,583,038</b>	<b>(935,378)</b>	<b>9,827</b>	<b>82,657,487</b>
<b>LIABILITIES</b>									
Due to Bank	K	-	-	-	-	-	-	10,993,151	10,993,151
Due to Customers	K	-	-	-	-	24,425,133	-	914,462	25,339,595
Interest Bearing Loans and Borrowings	K	-	-	-	-	17,140,759	-	(9,517,058)	7,623,701
Trade and Other Payables	K	488,277	-	-	488,277	5,231,639	-	(2,282,955)	2,948,683
Other non Financial Liabilities	K	-	-	-	-	-	-	887,400	887,400
Amount Due To Related Parties		47	-	-	47	25	-	-	25
Dividend Payable		-	-	-	-	26,675	-	-	26,675
Debentures	K	-	-	-	-	995,000	-	(995,000)	-
Employee Benefit Liabilities		1,720	-	-	1,720	333,115	-	-	333,115
Income Tax Liabilities	I	8,404	-	-	8,404	367,775	(97,196)	-	270,579
Deferred Tax Liabilities	I	2,162	-	-	2,162	98,673	22	-	98,695
<b>Total Liabilities</b>		<b>500,610</b>	<b>-</b>	<b>-</b>	<b>500,610</b>	<b>48,618,794</b>	<b>(97,174)</b>	<b>-</b>	<b>48,521,620</b>
<b>Shareholders' Funds</b>									
<b>Equity Attributable to Equity Holders of the Parent</b>									
Stated Capital		27,163,984	-	-	27,163,984	27,163,984	-	-	27,163,984
Reserves		388,646	1,541	-	390,187	2,729,848	(915,225)	-	1,814,624
<b>Non Controlling Interest</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,070,412</b>	<b>86,847</b>	<b>-</b>	<b>5,157,259</b>
<b>Total Equity</b>		<b>27,552,630</b>	<b>1,541</b>	<b>-</b>	<b>27,554,171</b>	<b>34,964,244</b>	<b>(828,378)</b>	<b>-</b>	<b>34,135,867</b>
<b>Total Equity and Liabilities</b>		<b>28,053,240</b>	<b>1,541</b>	<b>-</b>	<b>28,054,780</b>	<b>83,583,038</b>	<b>(925,551)</b>	<b>-</b>	<b>82,657,487</b>

## VALLIBEL ONE PLC

### Notes to the Reconciliations

Figures in Rs.'000

#### A. Cash and Cash at Bank

Re - Purchase agreements with less than three months maturity has been re classified.

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re classified from Treasury Bills and other bills eligible for re discounting	-	-	1,284,730	1,287,304
			1,284,730	1,287,304

#### Treasury Bills and Other bills eligible for re-discounting with Central Bank

Reclassification to - Cash and Cash at Bank	-	-	(1,284,730)	(1,287,304)
Reclassification to - Financial Assets - Available for Sale			-	(100,527)
Reclassification to - Other Financial Assets			-	(250,993)
Adjustment on Interest receivable			17,766	16,666
			(1,266,964)	(1,622,158)

#### B. Financial Assets - Fair Value Through Profit or Loss / Available for Sale

Under previous SLAS, the Group and Company accounted its investment portfolios which were not held for active trading activities at cost. Under SLFRS/LKAS, the Group and company have designated such investments as available-for-sale Financial assets and fair value through profit or loss Financial assets. SLFRS/LKAS requires such investments to be measured at fair value upon initial recognition and subsequent measurements.

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
<b>B. i Fair Value Through Profit or Loss</b>				
Re-classified from investment in securities	86,813	-	1,065,615	1,622,284
			88,813	-
Changes in fair value	1,682	-	-	710,521
Re-measurement of government securities	-	-	6,740	13,886
	1,682	-	6,740	724,407
<b>B. ii Available for Sale financial investments</b>				
Re-classified from due from related party	-	-	192,395	183,962
Re-classified from investment in securities	877,530	-	991,011	221,609
Re-classified from Government Securities	-	-	-	100,527
	877,530	-	1,183,406	506,098
Effective Interest Rate adjustment	-	-	12,251	4,914
	877,530	-	1,195,657	511,012

#### C. Placements with Other banks

Placements with Other banks represent fixed deposits made by LB Finance PLC.

Re-classified to - Other Financial assets	-	-	(963,593)	(302,584)
			(963,593)	(302,584)

#### D. Gold Loan

The Group previously presented gold loan capital & interest receivables on the Statement of Financial Position separately now it has been transferred to loans & receivables financial assets.

Re-classified to - Loans & Receivables Financial Assets	-	-	(8,490,950)	(5,666,977)
			(8,490,950)	(5,666,977)

#### Loans & Receivables

According to SLFRS/LKAS the Group revised provisioning on loans & made impairment on loans.

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re-classified from Gold Loan	-	-	8,490,950	5,666,977
			-	-
Impairment on loans	-	-	(121,018)	(33,609)
			-	-
			8,369,933	5,633,368

#### E. Lease Rentals Receivable & Stock out on Hire

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Provision Reversal	-	-	577,001	529,544
IIS Reversal	-	-	137,088	124,547
Impairment	-	-	(609,455)	(611,116)
SOD & No of days	-	-	(212,633)	(251,940)
Staff Loan	-	-	(40,345)	(32,698)
			(148,345)	(241,663)

#### F. Trade and Other Debtors, Deposits and Prepayments

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re classified to Other Non Financial assets	-	-	(1,262,346)	(913,094)
			(1,262,346)	(913,093,602)
Net interest on refundable deposits *	(141)	-	(141)	-
Re measurement on Advances & pre payments	-	-	(26,788)	142,651
	(141)	-	(26,929)	142,651

\* Refundable deposit on rents previously measured at cost is now re measured at fair value on the date of transition as per LKAS 39 using effective interest rate.

#### Investments in Securities

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re-classified to financial Assets - FVTPL	(86,813)	-	(1,065,615)	(1,622,284)
Re-classified to financial Assets - AFS	(877,530)	-	(991,011)	(221,609)
Re - classified to investment in associates	(6,926,041)	(6,910,395)	(6,926,041)	(6,910,395)

## VALLIBEL ONE PLC

### Notes to the Reconciliations

Figures in Rs.000

#### F. Other Non Financial Assets / Real Estate Stock / Advance for Vehicles / Trade & other debtors

Under SLFRS/LKAS the Group re-classified other receivable, real estate stock & advance for vehicles to the other financial assets. Under previous SLAS, staff loans were recorded at cost less repayments, net of loan loss provision. As per SLFRS/LKAS, the Group measured staff loans granted below the market interest rate at their fair value, calculated based on the market interest rate of similar products. The difference between the fair value and previous SLAS carrying amount staff loan has been deducted from Lease rentals receivable and Stock out on hire and recognized as pre-paid staff cost in Other Non Financial Assets.

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re-classified from Real Estate stock	-	-	143,212	237,520
Re-classified from Advance for vehicle	-	-	127,213	519,706
Re-classified from Trade & other Debtors	-	-	1,262,346	913,094
Re-classified to Other financial Assets	-	-	(7,367)	(206,285)
Pre-paid Staff cost	-	-	1,525,404	1,464,035
	-	-	(27,900)	6,506
	-	-	1,497,505	1,470,541

#### G. Investment in Associates

The Group re-classified its investment in Sampath Bank PLC to equity accounted investees. Previously it was accounted under investment in securities.

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re - classified from Investment in Securities to equity accounted investees	6,926,041	6,910,395	6,926,041	6,910,395
Adjustment of Share of profit, OCI and deferred tax on undistributable profit of	-	-	(116,315)	(291,413)
	6,926,041	6,910,395	6,809,727	6,618,982

The Group accounted investment in Sampath bank PLC as an investment in associate with effect from 1st April 2011 since company exercise significant influence on governing financial and operating policies of the said company

#### H. Other Financial Assets

Under previous SLAS, investment in fixed deposits were shown at their original deposit value and interest was accrued on straight-line basis. Under SLFRS/LKAS, interest was previous recognized on EIR method and stated at amortized cost. At the date of transition, it was adjusted to the retained earnings and netted off against the investment in fixed deposits.

	Company		Group	
	as at 31/03/2012	as at 01/04/2011	as at 31/03/2012	as at 01/04/2011
Re-classified from Treasury bills	-	-	-	250,993
Re-classified from Placement with other banks	-	-	963,593	302,584
Re-classified from Non Financial Assets	-	-	7,367	206,285
	-	-	970,960	759,861
EIR Adjustment	-	-	48,873	7,981
	-	-	1,019,834	767,842

#### I. Deferred Tax Assets

Impact on deferred tax assets on SLFRS/LKAS transitions	-	-	82,566	-
	-	-	82,566	-

#### Deferred Tax Liabilities

Impact on deferred tax liabilities on SLFRS/LKAS transitions	-	-	22	(73,572)
	-	-	22	(73,572)

#### Income tax liability

Impact on income tax liability on SLFRS/LKAS transitions - LB Finance PLC	-	-	(97,196)	68,899
	-	-	(97,196)	68,899

#### J. Intangible Assets / Property, Plant & Equipment

The Group re-classified software work in progress from property, plant & equipment to intangible assets .

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re - classified from Property Plant and Equipment	-	-	(76,822)	(51,202)
	-	-	(76,822)	(51,202)
Re - classified to Intangible assets	-	-	76,822	51,202
	-	-	76,822	51,202
Goodwill adjustment [ Note (a) ]	-	-	(645,303)	-
	-	-	(568,480)	51,202

#### (a) Goodwill adjustment

Increase in stake in LB Finance PLC by Royal Ceramic PLC after obtaining control of LB Finance PLC has been considered as a equity transaction as per SLFRS/LKAS which resulted in decrease in goodwill by Rs. 712,822,940

#### K. Due to Bank

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re classified from borrowings	-	-	10,993,151	4,325,253
	-	-	10,993,151	4,325,253

#### Trade & Other payables

	Company		Group	
	As at 31/03/2012	As at 01/04/2011	As at 31/03/2012	As at 01/04/2011
Re classified to Other Non Financial Liabilities	-	-	(887,400)	(701,141)
Re classified to Due to customers	-	-	(914,462)	(642,361)
Re classified to borrowings	-	-	(481,093)	(297,979)
	-	-	(2,282,955)	(1,641,481)

#### Other Non financial Liabilities

Re-classified from Trade & other Payable	-	-	887,400	701,141
	-	-	887,400	701,141

#### Due to Customers

Re classified from Trade & other Payable	-	-	-	-
Classified to Fixed Deposits	-	-	914,462	623,724
Classified to Certificate of deposits	-	-	-	18,637
	-	-	914,462	642,361

#### Interest Bearing Loans and Borrowings

Re classified to due to bank	-	-	(10,993,151)	(4,325,253)
Re classified from debentures	-	-	995,000	450,000
Re classified from Trade and Other Payables	-	-	481,093	297,979
	-	-	(9,517,058)	(3,577,274)

**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 30th June 2013 is 1,086,559,353 (30th June 2012- 1,086,559,353).
- 4 The group had no significant contingent liabilities outstanding as at reporting date.
- 5 The Interim Financial Statements provide the information required by the Colombo Stock Exchange.
- 6 The Consolidated Financial Statements of the Company for the period ended 30th June 2013 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  
Orit Apparels Lanka (Private) Limited

**Associate Companies**

Sampath Bank PLC  
Waskaduwa Beach Resort PLC

- 7 The company paid Rs.0.70 (Seventy Cents) per share , interim dividend on August 07, 2013.
- 8 No other circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.

**9 Related Party Transactions with the Company**

	<b>2013</b>	<b>2012</b>
For the three months ended 30th June	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Subsidiaries</b>		
Loans Taken / (Given)	-	(55,000)
Loan Interest Received / (Paid)	14,982	3,781
Fixed Deposits (FD) - (Investment) / Withdrawals	125,000	369,541
FD Interest Received / (Paid)	46,499	39,347
Fund Transfers	9,650	5,500
Dividend received	-	-
<b>Associates</b>		
Loans Taken / (Given)	-	-
Loan Interest Received / (Paid)	-	-
Fixed Deposits - (Investment) / Withdrawals	-	-
FD Interest Received / (Paid)	-	-
Dividend received	132,509	95,616
Equity Investments	-	285
<b>Key management personnel (KMP)</b>		
(Receiving) / rendering of services	-	-
Directors Remuneration	1,800	1,800
<b>Close family members of KMP</b>		
(Receiving) / rendering of services	-	-
<b>Companies controlled / jointly controlled / significantly Influenced by KMP and their close family members</b>		
Fixed Deposits - (Investment) / Withdrawals	(57,901)	13,000
FD Interest Received / (Paid)	37,334	26,241
Equity Investments	120,735	386,695

## VALLIBEL ONE PLC

### 10 BUSINESS COMBINATIONS

On 6th May 2013, Royal Ceramics Lanka PLC has acquired 76.95% of the voting shares of Lanka Ceramic PLC incorporated and domiciled in Sri Lanka engages in the business of mining and processing, manufacturing, retail and wholesale trading of ceramic tiles and allied products. At the date of the acquisition Lanka Ceramic PLC held 62.19% equity holding of Lanka Walltiles PLC.

#### Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Lanka Ceramic PLC together with its subsidiary as at the date of acquisition were as follows

	<b>Fair Value</b> <b>As at</b> <b>01-05-2013</b> <b>Rs.000's</b>
<b>Assets</b>	
Property, Plant & Equipment	9,148,263
Leasehold right over land	2,479
Investment Properties	349,294
Intangible Assets	14,534
Deferred Tax Assets	22,369
Inventories	3,846,405
Debtors and Other Receivables	2,100,109
Income tax receivable	24,490
Short Term Deposits with Banks	14,412
Cash in hand and at bank	129,203
	15,651,559
<b>Liabilities</b>	
Interest Bearing Loans & Borrowings	(4,088,400)
Retirement Benefit Liability	(541,525)
Deferred Tax Liability	(480,427)
Capital Grants	(112,545)
Trade and Other Payables	(1,789,295)
Income Tax Liabilities	(11,396)
Bank Overdraft	(880,197)
	(7,903,785)
Non Controlling Interest	(5,152,540)
Total net assets acquired at fair value	2,595,234
Good Will	280,404
Purchase consideration Paid	(2,875,638)
Cash and cash equivalents of subsidiaries acquired	(736,582)
Net Cash Outflow on acquisition of subsidiaries	(3,612,220)

## VALLIBEL ONE PLC

### 11 Operating Segment information For the period ended 30th June Rs'000

	Investment		Tiles		Sanitary wear		Plantation		Bank & Finance		Hotel	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	-	-	2,132,091	1,383,106	150,981	208,054	254,083	-	3,089,174	2,484,148	-	-
Cost of Sales	-	-	(1,452,577)	(750,161)	(99,185)	(133,431)	(297,136)	-	(1,735,408)	(1,202,029)	-	-
<b>Gross Profit/ (Loss)</b>	-	-	679,514	632,945	51,795	74,623	(43,053)	-	1,353,766	1,282,119	-	-
Dividend income	909	-	-	-	-	-	-	-	279	-	-	-
Other income & gains	-	-	3,539	4,886	-	106	23,043	-	42,941	31,074	-	-
Administrative Expenses	(17,479)	(16,990)	(182,467)	(92,795)	(3,156)	(3,961)	(19,952)	-	(381,017)	(315,574)	(6,595)	(6,464)
Distribution Expenses	-	-	(341,554)	(245,430)	(10,865)	(15,229)	-	-	-	-	-	-
Other Operating Expenses	-	-	(6,293)	(6,293)	-	-	-	-	(636,682)	(369,021)	(25)	-
Finance Cost	(6,633)	(22,161)	(290,567)	(260,395)	(9,367)	(8,626)	(9,359)	-	-	-	(8)	(6)
Finance Income	37,381	26,241	43,176	79,150	-	-	-	-	-	-	15	40
Provision for fall in value of Investments	20,788	(10,524)	-	-	-	-	-	-	-	-	-	-
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	97,565	184,905	(358)	476
<b>Profit Before Value Added Tax</b>	34,967	(23,434)	(94,652)	112,068	28,408	46,913	(49,321)	-	476,852	813,504	(6,970)	(5,954)
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	(25,064)	(41,291)	-	-
<b>Profit / (Loss) Before Tax</b>	34,967	(23,434)	(94,652)	112,068	28,408	46,913	(49,321)	-	451,788	772,213	(6,970)	(5,954)
Income Tax Expense	(19,558)	(14,760)	5,125	1,326	(2,684)	-	(1,379)	-	(113,534)	(245,646)	(4)	(11)
<b>Profit / (Loss) for the period</b>	15,409	(38,194)	(89,527)	113,394	25,724	46,913	(50,700)	-	338,254	526,567	(6,975)	(5,965)

### 12 Segment Assets and Liabilities

<b>Total Assets</b>	9,763,494	9,209,925	25,362,767	12,569,396	2,558,866	2,307,900	2,602,236	-	61,633,042	50,197,739	385,210	378,314
<b>Total Liabilities</b>	283,057	537,184	13,338,566	4,448,739	457,501	473,695	1,268,618	-	49,796,710	39,234,281	10,309	10,468

### 13 Other Segment Information

Total cost incurred during the period to acquire Property, Plant & Equipment	1,032	4,083	110,401	129,128	7,913	2,288	24,211	-	59,355	132,363	6,575	5,071
Depreciation	2,113	1,846	165,628	78,970	17,042	24,479	20,584	-	72,769	70,177	7	7
provision for retirement benefit Liability	-	430	16,825	725	1,606	882	18,374	-	10,922	10,309	-	109

**VALLIBEL ONE PLC**

**11 Operating Segment information  
For the period ended 30th June  
Rs'000**

	Consumer		Life style		Tea & Coir		Apparel		Other		Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	438,282	418,386	300,933	344,012	74,955	286,561	2,132,909	1,764,840	683,112	376,002	9,256,520	7,265,109
Cost of Sales	(347,854)	(358,926)	(221,656)	(250,613)	(71,499)	(271,102)	(2,145,788)	(1,789,924)	(552,165)	(235,263)	(6,923,270)	(4,991,448)
<b>Gross Profit/ (Loss)</b>	<b>90,427</b>	<b>59,460</b>	<b>79,278</b>	<b>93,398</b>	<b>3,456</b>	<b>15,460</b>	<b>(12,879)</b>	<b>(25,084)</b>	<b>130,947</b>	<b>140,739</b>	<b>2,333,251</b>	<b>2,273,661</b>
Dividend income	-	-	-	-	-	-	-	-	-	-	1,188	-
Other income & gains	127	10,426	4,380	4,183	2,189	1,360	87,570	13,434	18,357	7,826	182,147	73,294
Administrative Expenses	(30,136)	(43,202)	(35,862)	(32,774)	(10,316)	(11,743)	-	-	(73,711)	(117,477)	(760,689)	(640,981)
Distribution Expenses	(63,694)	(63,694)	(27,406)	(26,671)	(1,197)	(2,274)	-	-	(47,297)	(22,601)	(492,014)	(375,899)
Other Operating Expenses	420	1,355	-	(1,927)	(747)	(3,029)	(101,868)	(97,976)	(31)	(10,032)	(745,228)	(486,923)
Finance Cost	(50,953)	(60,777)	(18,940)	(10,569)	(374)	(1,397)	(69,231)	(12,184)	(33,813)	(26,421)	(489,246)	(402,535)
Finance Income	-	-	-	-	-	-	-	-	-	22,971	80,572	128,403
Provision for fall in value of Investments	-	-	-	-	-	-	-	-	-	-	20,788	(10,524)
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	-	-	97,207	185,381
<b>Profit Before Value Added Tax</b>	<b>(53,809)</b>	<b>(96,432)</b>	<b>1,450</b>	<b>25,641</b>	<b>(6,990)</b>	<b>(1,623)</b>	<b>(96,409)</b>	<b>(121,810)</b>	<b>(5,548)</b>	<b>(4,994)</b>	<b>227,977</b>	<b>743,878</b>
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	-	-	(25,064)	(41,291)
<b>Profit / (Loss) Before Tax</b>	<b>(53,809)</b>	<b>(96,432)</b>	<b>1,450</b>	<b>25,641</b>	<b>(6,990)</b>	<b>(1,623)</b>	<b>(96,409)</b>	<b>(121,810)</b>	<b>(5,548)</b>	<b>(4,994)</b>	<b>202,913</b>	<b>702,587</b>
Income Tax Expense	-	-	(130)	(9,338)	-	(80)	-	(1,260)	4,907	50,564	(127,256)	(219,205)
<b>Profit / (Loss) for the period</b>	<b>(53,809)</b>	<b>(96,432)</b>	<b>1,320</b>	<b>16,303</b>	<b>(6,990)</b>	<b>(1,703)</b>	<b>(96,409)</b>	<b>(123,070)</b>	<b>(641)</b>	<b>45,570</b>	<b>75,656</b>	<b>483,382</b>

**12 Segment Assets and Liabilities**

<b>Total Assets</b>	1,524,293	2,142,036	895,465	777,040	112,698	217,866	5,780,648	5,326,218	5,042,279	4,014,623	115,660,998	87,141,056
<b>Total Liabilities</b>	1,537,354	1,394,561	514,923	675,350	37,542	118,751	4,262,334	3,226,028	2,621,854	1,761,385	74,128,768	51,880,442

**13 Other Segment Information**

Total cost incurred during the period to acquire Property, Plant & Equipment	267	416	3,058	-	-	1,274	43,002	71,612	3,928	52,503	259,742	398,737
Depreciation	833	822	2,322	1,240	681	720	53,638	53,445	21,089	6,265	356,706	237,972
provision for retirement benefit Liability	525	-	822	662	285	285	12,820	4,568	12,352	988	74,531	18,957

## **14 BASIS OF PREPARATION**

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2012, and changes to the accounting policies as given in Note 16 to these financial statements.

For all periods up to and including the year ended 31 March 2012, the Group prepared its financial statements in accordance with SLAS which were effective up to 31 March 2012. The financial statements for the quarter ended 30 June 2013 are the first financial statements presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) immediately effective from 1 April 2012.

The effect of the transition to SLFRS/LKAS on previously reported financial positions of the Group and the Company is given in Notes to the Reconciliations.

The interim condensed financial statements have been prepared on a historical cost basis, except for, land and buildings and certain financial instruments.

The interim condensed financial statements are presented in Sri Lankan Rupees and all values are rounded to the nearest thousand except when otherwise indicated.

## **15 BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements comprise the financial statements of the company and its subsidiaries as at each reporting date.

Effective from 1st April 2012 the basis of consolidation will include the following changes;

**15.1** Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

**15.2** A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

**15.3** If the Group loses control over a subsidiary, it:

Derecognises the assets (including goodwill) and liabilities of the subsidiary

Derecognises the carrying amount of any non-controlling interest

Derecognises the cumulative translation differences, recorded in equity

Recognises the fair value of the consideration received

Recognises the fair value of any investment retained

Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

**15.4** The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition



date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

**15.5** In a business combination achieved in stages, the Group remeasures its previously held equity interest at fair value in the acquiree at each acquisition-date and recognises the resulting gain or loss, if any, in profit or loss.

**15.6** Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

## **16 SIGNIFICANT ACCOUNTING POLICIES**

The changes to accounting policies set out below have been applied consistently to all periods presented in these interim condensed financial statements and in preparing the opening SLFRS/LKAS statement of financial position as at 1 April 2011 for the purpose of the transition to SLFRS/LKAS, unless otherwise indicated.

The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

### **16.1 Financial Assets**

#### **16.1.1 Financial Assets – Initial Recognition and Subsequent measurement**

Financial assets within the scope of LKAS 39 are classified as Financial Assets held for trading, Loans and Receivables, Lease rentals receivable & Stock out on hire, Financial assets available-for-sale, Financial assets held-to-maturity and Other Financial Assets.

##### **Date of recognition**

All financial assets are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes 'regular way trades': purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

##### **Initial Measurement of Financial Assets**

The classification of financial assets at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial assets are measured initially at their fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

##### **Financial assets at fair value through profit or loss**

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated at fair value through profit or loss.

##### **- Financial assets or financial liabilities held for trading**

Financial assets held for trading are recorded in the statement of financial position at fair value. Changes in fair value are recognized in 'Finance income'. Interest and dividend income or expense is recorded in Finance Income or Finance cost according to the terms of the contract, or when the right to the payment has been established.

- **Financial assets designated at fair value through profit or loss (FVTPL)**

Financial assets may be designated by management at fair value through profit or loss in the following circumstances:

- designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis or
- the assets are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in 'Net gain or loss on financial instrument designated at fair value through profit or loss. Interest earned or incurred is accrued in 'Interest income' using the effective interest rate (EIR), while dividend income is recorded in 'Finance Income' when the right to the payment has been established.

**Held- to- maturity financial assets**

Held to maturity financial investments are financial assets with fixed or determinable payments and fixed maturities, which the group has the intention and ability to hold to maturity. Subsequent to initial recognition, held to maturity financial investments are measured at amortised cost using the Effective Interest Rate (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortisation is included in 'Interest income' in the income statement. The losses arising from impairment of such investments are recognised in the income statement line 'Finance Cost'.

If the group were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available for sale. Furthermore, the Group would be prohibited from classifying any financial asset as held to maturity during the following two years.

**Financial Assets Classified as Loans, Lease Rental Receivables Stock out on Hire and Other Financial Assets**

This includes the financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, subsequently is measured at amortised cost using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in 'Revenue' in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in Other operating expenses.

**Available for sale financial investments**

Available for sale investments include equity and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions. The group has not designated any loans or receivables as available for sale. After initial measurement, available for sale

financial investments are subsequently measured at fair value. Unrealised gains and losses are recognised directly in equity in the 'Available for sale reserve. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the income statement in 'Finance Income'. Where the group hold more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. Interest earned whilst holding available for sale financial investments is reported as interest income using the EIR. Dividends earned whilst holding available for sale financial investments are recognised in statement of comprehensive income as Finance Income when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the statement of comprehensive income in 'Finance Cost' and removed from the 'Available for sale reserve.

### **16.1.2 'Day 1' profit or loss**

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the group immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in 'comprehensive income'.

#### **Reclassification of financial assets**

The Group may reclassify financial assets (other than those designated at FVTPL upon initial recognition, in certain circumstances:

- Out of the 'held for trading' category and into the 'available for sale', 'loans and receivables', or 'held to maturity' categories.
- Out of the 'available for sale' category and into the 'loans and receivables', 'held for trading category' or 'held- to-maturity'.

Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost. For a financial asset reclassified out of the 'available for sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the income statement.

Out of the 'held for trading' category and into the 'loans and receivables' category if it meets the definition of loans and receivables and the group has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of management, and is determined on an instrument by instrument basis.

### **Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in the financial statements.

### **16.1.3 Derecognition of financial assets**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - ✓ The Group has transferred substantially all the risks and rewards of the asset  
or
  - ✓ The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### **16.1.4 Impairment of financial assets**

The Group assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an 'incurred loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

#### **i. Loans and advances to customers and Lease and Stock out on hire**

Losses for impaired loans are recognised promptly when there is objective evidence that impairment of a loan or portfolio of loans has occurred. Impairment allowances are calculated on individual loans and for groups of loans, this is done collectively. Impairment losses are recorded as charges to the statement of

comprehensive income. The carrying amount of impaired loans on the reporting date is reduced through the use of impairment allowance accounts. Losses expected from future events are not recognised.

#### **Individually assessed loans and advances and Lease and Stock out on hire**

For all loans that are considered individually significant, the group assesses on a case-by-case basis at each reporting date whether there is any objective evidence that a loan is impaired. The criteria used to determine that there is such objective evidence includes:

- known cash flow difficulties experienced by the borrower;
- past due contractual payments of either principal or interest;
- breach of loan covenants or conditions;
- the probability that the borrower will enter bankruptcy or other financial realisation; and
- a significant downgrading in credit rating by an external credit rating agency.

For those loans where objective evidence of impairment exists, impairment losses are determined considering the following factors:

- Group's aggregate exposure to the customer;
- the viability of the customer's business model and their capacity to trade successfully out of financial difficulties and generate sufficient cash flow to service debt obligations;
- the amount and timing of expected receipts and recoveries;
- the complexity of determining the aggregate amount and ranking of all creditor claims and the extent to which legal and insurance uncertainties are evident;
- therealisable value of security and likelihood of successful repossession; and
- the likely deduction of any costs involved in recovery of amounts outstanding;

Impairment losses are calculated by discounting the expected future cash flows of a loan at its original effective interest rate and comparing the resultant present value with the loan's current carrying amount. The impairment allowances on individually significant accounts are reviewed more regularly when circumstances require. This normally encompasses re-assessment of the enforceability of any collateral held and the timing and amount of actual and anticipated receipts. Individually assessed impairment allowances are only released when there is reasonable and objective evidence of a reduction in the established loss estimate.

#### **Collectively assessed loans and advances and Lease & Stock out on hire**

Impairment is assessed on a collective basis in two circumstances:

- to cover losses which have been incurred but have not yet been identified on loans subject to individual assessment; and
- for homogeneous groups of loans that are not considered individually significant.

#### **Incurred but not yet identified impairment**

Individually assessed loans for which no evidence of loss has been specifically identified on an individual basis are grouped together according to their credit risk characteristics for the purpose of calculating an estimated collective loss. This reflects impairment losses that the group has incurred as a result of events occurring before the reporting date, which the group is not able to identify on an individual loan basis, and that can be reliably estimated. These losses will only be individually identified in the future. As soon as information becomes available which identifies losses on individual loans within the group, those loans are removed from the group and assessed on an individual basis for impairment.

The collective impairment allowance is determined after taking into account:

- Historical loss experience in portfolios of similar credit risk; and
- Management’s experienced judgment as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is likely to be greater or less than that suggested by historical experience.

### **Homogeneous groups of loans and advances and Lease & Stock out on hire**

Statistical methods are used to determine impairment losses on a collective basis for homogeneous groups of loans. Losses in these groups of loans are recorded on an individual basis when individual loans are written off, at which point they are removed from the group.

Following method is used to calculate historical loss experience on a collective basis:

- Net flow Rate method

Under this methodology the movement in the outstanding balance of customers in to bad categories over the periods are used to estimate the amount of loans that will eventually be written off as a result of the events occurring before the financial position date which the Group is not able to identify on an individual loan basis, and that can be reliably estimated.

Under above methodology, loans are grouped into ranges according to the number of days in arrears and statistical analysis is used to estimate the likelihood that loans in each range will progress through the various stages of delinquency, and ultimately prove irrecoverable.

Current economic conditions and portfolio risk factors are also evaluated when calculating the appropriate level of allowance required to cover inherent loss.

These additional macro and portfolio risk factors may include:

- Recent loan portfolio growth and product mix,
- Unemployment rates, Gross Domestic Production (GDP) growth, inflation
- Exchange rates, interest rates
- Changes in government laws and regulations

### **Write-off of loans and advances**

Loans (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security.

### **Reversals of impairment**

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the income statement.

#### **ii. Available for sale financial investments**

For available for sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment is impaired. In the case of debt instruments classified as available for sale, the group assesses individually whether there is objective evidence of impairment.

However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of 'Interest income'. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

In the case of equity investments classified as available for sale, objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement is removed from equity and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in the fair value after impairment are recognised in other comprehensive income.

#### **iii. Held-to-maturity financial assets**

An impairment loss in respect of held-to-maturity financial assets measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the asset's original EIR and is recognized in profit or loss. Interest on impaired assets continues to be recognized through the unwinding of discount. When a subsequent event caused the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### **Collateral valuation**

The Group seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, gold, real estate, receivables, and other non-financial assets. The fair value of collateral is generally assessed, at a minimum, at inception and based on the guidelines issued by the Central Bank of Sri Lanka.

Non-financial collateral, such as real estate, is valued based on data provided by third parties such as independent valuers and other independent sources.

### **16.1.4 Collateral repossessed**

The Group's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset.

### **16.1.5 Repurchase agreement**

Securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within 'Other Financial Assets' reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is recorded in 'Revenue' and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Financial liabilities held for trading' and measured at fair value with any gains or losses included in 'Revenue'.

## **16.2 Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities within the scope of LKAS 39 are classified as Due to customers (Deposits), Due to Banks, Debt issued and other borrowed funds and Other Financial Liabilities as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

The Group classifies financial liabilities as other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities.

The Group recognizes financial liabilities in the Statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

### **Other Financial liabilities**

Other financial liabilities including Due to customers (Deposits), Due to Banks, Debt issued and other borrowed funds and Other Financial Liabilities are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortised cost using the EIR method.

Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

#### **i) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously



## 17 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future. Those SLFRS will have an effect on the accounting policies currently adopted by the Group and may have an impact on the future financial statements.

### *(i) SLFRS 9 -Financial Instruments: Classification and Measurement*

SLFRS 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities.

### *(ii)SLFRS 13 -Fair Value Measurement*

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 provides guidance on all fair value measurements under SLFRS.

SLFRS 9 and SLFRS 13 will be effective for financial periods beginning on or after 01 January 2015 and 2014 respectively.

In addition to the above, following standards have also been issued and will be effective from 01 January 2014.

SLFRS 10 -Consolidated Financial Statements

SLFRS 11 – Joint Arrangements

SLFRS 12 -Disclosure of Interests in Other Entities

The Group will adopt these standards when they become effective. Pending a detailed review, the financial impact is not reasonably estimable as at the date of publication of these financial statements.

## 18 FIRST- TIME ADOPTION OF LKAS AND SLFRSs

These financial statements, for the year ended 30June 2013, are the first the Group has presented in accordance with SLFRS/LKAS applicable from 1 January 2012. In preparing these financial statements, the group's opening statement of financial position was prepared as at 1 April 2011, the Group's date of transition to SLFRSs. Note to the reconciliations explains the principal adjustments made by the Group in restating its previously presented statement of financial position as at 1 April 2011 and for the year ended 31 March 2012.

### **Exemptions applied**

SLFRS 1 First-Time Adoption of Sri Lanka Financial Reporting Standards allows first-time adopters certain exemptions which are optional and certain exceptions which are mandatory from retrospective application of certain SLFRS/LKAS.

Optional exemptions the Group has opted to apply:

- a) SLFRS 3 - Business Combinations -This has not been applied to acquisitions of subsidiaries, which are considered businesses for SLFRS/LKAS, or of interests in associates and joint ventures that occurred

before 1 April 2011. Use of this exemption means that the SLAS carrying amounts of assets and liabilities, which are required to be recognised under SLFRS/LKAS, are stated at their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SLFRS/LKAS. Assets and liabilities that do not qualify for recognition under SLFRS/LKAS are excluded from the opening SLFRS/LKAS statement of financial position. SLFRS 1 also requires that the SLAS carrying amount of goodwill must be used in the opening SLFRS/LKAS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with SLFRS 1, the Group has tested goodwill for impairment at the date of transition to SLFRS/LKAS.

- b) Fair value of revaluation as deemed cost Freehold land and buildings, were carried in the statement of financial position prepared in accordance with SLAS on the basis of valuations performed prior to 31 March 2012. The Group has elected to regard those values as deemed cost at the date of the revaluation since they were broadly comparable to fair value.
- c) IFRIC 4 - Determining whether an arrangement contains a Lease - The Group has applied the transitional provision in IFRIC 4 Determining whether an Arrangement contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition.
- d) Investment in subsidiaries, jointly controlled entities and associates - The Group has measured its investments in each subsidiary, joint venture and associate at deemed cost, which is the carrying amount as per SLAS at the date of transition 1 April 2011.
- e) Designation of previously recognized financial instruments - Unquoted equity instruments The Group has designated unquoted equity instruments held as at 1 April 2011 as available-for-sale investments. Mandatory exception applicable to the Group:

- a) Significant accounting judgments, estimates and assumptions Significant accounting judgments, estimates and assumptions at 1 April 2011 and at 31 March 2012 are consistent with those made for the same dates in accordance with SLAS effective up to 31 March 2012 (after adjustments to reflect any differences in accounting policies).

The estimates used by the Group to present these amounts in accordance with SLFRS/LKAS effective from 1 April 2012 reflect conditions at 1 April 2011, the date of transition to SLFRS/LKAS and as of 31 March 2012.

### **Explanations for transition to SLFRS/LKASs**

In preparing SLFRS/LKAS statements of financial positions for previously reported financial periods, required adjustments have been made in accordance with the respective SLFRS/LKASs. The effect of the transition from SLASs to SLFRS/LKASs has been presented in the reconciliation statements and accompanying notes to the material reconciliation items.

**VALLIBEL ONE PLC**  
**SHARE INFORMATION**

**1 Market prices of the shares for quarter ended 30th June**

	<u>2013</u> Rs.	<u>2012</u> Rs.
Highest	22.40	19.40
Lowest	15.50	13.20
Closing	18.20	15.60

**2 Directors Shareholding**

Name	No of shares As at 30th June 2013	No of shares As at 30th June 2012
K D D Perera	689,726,471	689,726,471
W D N H Perera	Nil	Nil
S H Amarasekera	1,000,000	1,000,000
J A S S Adhihetty	100,000	100,000
K Fernando	800,000	800,000
R N Asirwatham	800	800

**3 The Twenty Major Share Holders As At 30th June 2013.**

	No of Shares	(%) of issued Capital
1 Mr. K D D Perera	689,726,471	63.478
2 Vallibel Investments (Private) Limited	91,966,451	8.464
3 Vallibel Leisure (Private) Limited	91,929,063	8.461
4 Employees Provident Fund	66,459,505	6.117
5 Bank of Ceylon A/c Ceybank Unit Trust	7,065,080	0.650
6 Mercantile Investments and Finance PLC	5,176,000	0.476
7 Rosewood (Pvt) Limited-Account No.2	4,303,300	0.396
8 Mellon Bank N. A. -UPS Group Trust	2,800,000	0.258
9 Mr. S N Kumar	2,613,000	0.240
10 Merrill J Fernando & Sons (Pvt) Limited	2,299,000	0.212
11 Mr. M Sritharan	2,261,722	0.208
12 Esna Holding (Pvt) Ltd	2,225,000	0.205
13 Mrs. D P N Kumar	2,090,000	0.192
14 Mr. A N Esufally	2,090,000	0.192
15 Standard Chartered Bank Singapore S/A HL Bank Singapore Branch	2,090,000	0.192
16 Mr. H R S Wijeratne	2,069,000	0.190
17 Employees Trust Fund Board	2,024,600	0.186
18 Mr. A M Weerasinghe	2,000,000	0.184
19 Wickramaratnes (Pvt) Limited	1,865,000	0.172
20 Prof M.T.A Furkhan	1,672,000	0.154
	984,725,192	90.628
Others	101,834,161	9.372
Total	<u><u>1,086,559,353</u></u>	<u><u>100.000</u></u>

**4 Public Shareholding**

The percentage of shares held by the public as at 30th June 2013 – 19.41%