

VALLIBEL ONE PLC
INTERIM FINANCIAL STATEMENTS

Vallibel | ONE

For the Year ended 31st March 2014

VALLIBEL ONE PLC
STATEMENT OF FINANCIAL POSITION

As at	Company		Group	
	31.03.2014 Rs.'000	31.03.2013 Rs.'000	31.03.2014 Rs.'000	31.03.2013 Rs.'000
ASSETS				
Cash and Bank	33,413	5,212	3,109,321	4,970,491
Fair Value Through P&L - Financial Assets	274,816	210,329	319,245	580,632
Short Term Investments	1,140,537	1,728,000	1,890,537	615,000
Loans and Receivable	375,000	375,000	19,359,947	16,895,092
Lease Rentals receivables and Stock out on hire	-	-	30,291,326	28,260,005
Available for Sales - Financial Assets	803,932	857,083	2,270,050	1,524,176
Other Financial Assets	-	-	5,409,308	1,487,399
Trade and Other Receivables	88,458	123,331	6,993,701	4,061,330
Other Non Financial Assets	-	-	1,453,206	1,759,796
Investments in Subsidiaries	17,118,514	17,118,514	-	-
Investment in Associate	7,304,772	7,304,772	8,368,840	7,738,469
Amounts Due From Related Parties	123,846	146,635	232,984	21,007
Deferred Tax Assets	-	-	349,271	221,214
Income Tax Recoverable	6,102	8,155	76,427	49,102
Inventories	-	-	9,778,747	4,939,039
Investment property	-	-	240,094	-
Intangible Assets	-	-	13,381,504	12,181,908
Property, Plant and Equipment	35,274	40,860	23,307,704	11,814,448
Total Assets	27,304,665	27,917,891	126,832,214	97,119,106
LIABILITIES				
Due to Banks	4,483	5,609	4,039,158	8,295,497
Due to Customers	-	-	46,857,753	37,591,184
Interest Bearing Loans and Borrowings	-	-	22,724,792	9,394,045
Trade and Other Payables	4,499	236,854	4,539,860	3,921,286
Other Financial Liabilities	-	-	953,374	-
Other Non Financial Liabilities	-	-	829,677	895,580
Amounts Due To Related Parties	-	25	227,719	1,039
Dividend Payable	-	1,607	46,465	32,790
Capital Grants	-	-	118,411	-
Employee Benefit Liabilities	1,776	1,763	1,111,376	376,222
Income Tax Liabilities	-	25,233	160,190	192,809
Deferred Tax Liabilities	3,602	2,829	464,869	71,852
Total Liabilities	14,359	273,920	82,073,644	60,772,306
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	126,322	479,988	4,991,857	3,498,715
	27,290,306	27,643,972	32,155,840	30,662,699
Non Controlling Interest	-	-	12,602,729	5,684,101
Total Equity	27,290,306	27,643,972	44,758,570	36,346,800
Total Equity and Liabilities	27,304,665	27,917,891	126,832,214	97,119,106

Net Asset Per Share (Rs.) 25.12 25.44 29.59 28.22

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

VALLIBEL ONE PLC
STATEMENT OF INCOME

For the year ended 31st March

	Company					Group				
	Quarter		Cumulative		Variance %	Quarter		Cumulative		Variance %
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000		2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000	
Revenue	-	-	-	-	-	13,280,672	8,559,735	48,448,281	33,109,827	46
Cost of Sales	-	-	-	-	-	(8,738,277)	(5,977,979)	(33,803,055)	(22,821,193)	(48)
Gross Profit	-	-	-	-	-	4,542,395	2,581,757	14,645,226	10,288,634	42
Dividend income	2,194	113,581	353,110	379,366	(7)	2,351	(53,135)	16,673	9,997	100
Other operating income	-	(52,506)	-	-	-	1,078,599	(4,949)	402,003	211,783	90
Administrative Expenses	(22,059)	(15,530)	(79,061)	(70,014)	(13)	(1,121,827)	(1,367,382)	(4,135,120)	(3,575,672)	(16)
Distribution Expenses	-	-	-	-	-	(877,028)	(747,863)	(2,722,682)	(1,996,591)	(36)
Other Operating Expenses	-	-	-	-	-	(437,928)	541,874	(1,697,842)	(469,797)	(261)
Gain / (loss) on Gold auction	-	-	-	-	-	(1,371,959)	(201,802)	(1,371,959)	(201,802)	(580)
Results from Operating activities	(19,865)	45,546	274,048	309,352	(11)	1,814,604	748,500	5,136,299	4,266,552	20
Finance Cost	(23,932)	(28,604)	(65,981)	(27,902)	(136)	(443,522)	(287,156)	(2,046,962)	(1,226,692)	(67)
Finance Income	73,316	129,792	299,963	368,887	(19)	99,093	15,672	294,241	233,943	26
Net Finance cost	49,384	101,188	233,981	340,985	(31)	(344,429)	(271,484)	(1,752,721)	(992,749)	(77)
Share of results of equity accounted Investees	-	-	-	-	-	190,798	434,931	576,140	1,003,994	(43)
Profit Before Value Added Tax	29,520	146,734	508,029	650,338	(22)	1,660,973	911,947	3,959,718	4,277,797	(7)
Value Added Tax on Financial Services	-	-	-	-	-	(46,490)	(53,334)	(112,618)	(176,249)	36
Profit Before Tax	29,520	146,734	508,029	650,338	(22)	1,614,483	858,613	3,847,100	4,101,548	(6)
Income Tax Expense	(7,597)	(18,123)	(48,258)	(54,266)	11	(80,677)	(314,873)	(800,245)	(1,083,486)	26
Profit for the year from Continuing Operation	21,923	128,612	459,772	596,071	(23)	1,533,806	543,740	3,046,855	3,018,063	1
Discontinued Operation										
Profit after tax for the year from Discontinued Operations	-	-	-	-	-	-	91,118	-	91,118	(100)
Net Profit for the year	21,923	128,612	459,772	596,071	(23)	1,533,806	634,858	3,046,855	3,109,181	(2)
Attributable to :										
Equity holders of the Parent	21,923	128,612	459,772	596,071	(23)	735,993	491,396	1,559,932	2,154,043	(28)
Non - Controlling Interests	-	-	-	-	-	797,812	143,463	1,486,922	955,138	56
	21,923	128,612	459,772	596,071	(23)	1,533,806	634,858	3,046,855	3,109,181	(2)
Earnings Per Share (Rs.)	0.02	0.12	0.42	0.55		0.68	0.45	1.44	1.98	

VALLIBEL ONE PLC
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March

Other Comprehensive Income

Net Profit for the year

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

Actuarial Loss on Defined Benefit Plans

Income tax effect

Exchange difference on translation of foreign operations

Other Comprehensive Income for the year, net of tax

Total Comprehensive Income for the year, net of tax

Total Comprehensive income attributable to :

Equity holders of the Parent

Non - Controlling Interests

	Company					Group				
	Quarter		Cumulative		Variance %	Quarter		Cumulative		Variance %
	2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000		2014 Rs.'000	2013 Rs.'000	2014 Rs.'000	2013 Rs.'000	
	21,923	128,612	459,772	596,071	(23)	1,533,806	634,858	3,046,855	3,109,181	(2)
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	13,349	(128,623)	259,870	(49,381)	626
Income tax effect	-	-	-	-	-	-	-	-	-	-
Net Gain/(Loss) on Available for sale Financial Assets	(18,828)	(26,946)	(53,151)	(180,868)	71	(20,156)	(7,828)	(10,158)	(174,532)	94
Income tax effect	-	-	-	-	-	2,510	(1,604)	(9,769)	(1,604)	(509)
Revaluation of Land & Building	-	-	-	-	-	1,368,022	(248,994)	1,368,510	245,509	457
Income tax effect	-	-	-	-	-	(7,528)	(59,296)	(7,528)	(84,830)	91
Actuarial Loss on Defined Benefit Plans	423	785	423	785	(46)	(107,010)	-	(107,010)	-	(100)
Income tax effect	(119)	(220)	(119)	(220)	46	19,736	-	19,736	-	100
Exchange difference on translation of foreign operations	-	-	-	-	-	40,221	(42,032)	13,137	(20,524)	164
Other Comprehensive Income for the year, net of tax	(18,524)	(26,381)	(52,846)	(180,302)	71	1,309,144	(488,376)	1,526,788	(85,362)	1889
Total Comprehensive Income for the year, net of tax	3,399	102,231	406,925	415,769	(2)	2,842,950	146,482	4,573,643	3,023,819	51
Total Comprehensive income attributable to :										
Equity holders of the Parent	3,399	102,231	406,925	415,769	(2)	948,021	168,046	2,287,803	1,997,784	15
Non - Controlling Interests	-	-	-	-	-	1,894,928	(21,564)	2,285,839	1,026,034	123
	3,399	102,231	406,925	415,769	(2)	2,842,950	146,482	4,573,643	3,023,819	51

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 01 April 2012	27,163,984	(21,604)	411,791	27,554,171
Profit for the period	-	-	596,071	596,071
Other Comprehensive Income	-	(180,868)	565	(180,302)
Dividend Paid	-	-	(325,968)	(325,968)
Balance as at 31 March 2013	<u>27,163,984</u>	<u>(202,472)</u>	<u>682,460</u>	<u>27,643,972</u>
Balance as at 01 April 2013	27,163,984	(202,472)	682,460	27,643,972
Profit for the period	-	-	459,772	459,772
Other Comprehensive Income	-	(53,151)	305	(52,846)
Dividend Paid	-	-	(760,592)	(760,592)
Balance as at 31 March 2014	<u>27,163,984</u>	<u>(255,623)</u>	<u>381,945</u>	<u>27,290,306</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	Investment	Available for Sale Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	General Reserve	Retained Earnings					
			Fund	Fund Reserve										
Balance as at 01st April 2012	Rs. 27,163,984	Rs. (66,372)	Rs. 237,111	Rs. 109,614	Rs. (605,573)	Rs. 166,411	Rs. -	50,665	Rs. 1,922,766	Rs. -	Rs. -	Rs. 28,978,607	Rs. 5,157,259	Rs. 34,135,867
Profit for the period	-	-	-	-	-	-	-	-	2,154,043	-	-	2,154,043	955,138	3,109,181
Other Comprehensive Income														
Share of other comprehensive income of equity accounted investees	-	-	-	-	(49,381)	-	-	-	-	-	-	(49,381)	-	(49,381)
Exchange difference on translation of foreign operations	-	-	-	-	-	(11,012)	-	-	-	-	-	(11,012)	(9,512)	(20,524)
Net Gain/(Loss) on Available for sale	-	-	-	-	(177,827)	-	-	-	-	-	-	(177,827)	1,692	(176,136)
Revaluation of Land & Buildings	-	-	-	-	-	-	81,962	-	-	-	-	81,962	78,717	160,679
Gain / Loss on Cash flow hedge	-	-	-	-	-	-	-	-	-	14,349	-	14,349	-	14,349
Total other Comprehensive Income	-	-	-	-	(227,209)	(11,012)	81,962	-	-	14,349	-	(141,910)	70,896	(71,013)
Non controlling interest arising on business combinations	-	-	-	-	-	-	-	-	-	-	-	-	248,383	248,383
Disposal of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(288,373)	(288,373)
Adjustment due to Change in Holding	-	-	-	-	-	-	-	(486)	(1,803)	-	-	(2,289)	(11,415)	(13,704)
Purchase of Shares	-	-	-	-	-	-	-	-	-	-	-	-	(250,098)	(250,098)
Transfers	-	-	218,792	153,561	-	-	-	-	(372,354)	-	-	-	-	-
Write Back of Unclaimed Dividends	-	-	-	-	-	-	-	-	215	-	-	215	-	215
Dividend Paid	-	-	-	-	-	-	-	-	(325,968)	-	-	(325,968)	(197,689)	(523,656)
Balance as at 31st March 2013	27,163,984	(66,372)	455,904	263,175	(832,781)	155,398	81,962	50,179	3,376,900	14,349	-	30,662,699	5,684,101	36,346,800
Balance as at 01st April 2013	27,163,984	(66,372)	455,904	263,175	(832,781)	155,398	81,962	50,179	3,376,900	14,349	-	30,662,699	5,684,101	36,346,800
Profit for the Year	-	-	-	-	-	-	-	-	1,559,932	-	-	1,559,932	1,486,922	3,046,855
Other Comprehensive Income														
Share of other comprehensive income of equity accounted investees	-	-	-	-	111,444	-	202,635	-	-	-	(39,734)	274,345	-	274,345
Exchange difference on translation of foreign operations	-	-	-	-	-	6,568	-	-	-	-	-	6,568	6,568	13,137
Net Gain/(Loss) on Available for Sale	-	-	-	-	(31,805)	-	-	-	-	-	-	(31,805)	11,878	(19,927)
Revaluation of Land & Buildings	-	-	-	-	-	-	528,137	-	-	-	-	528,137	832,845	1,360,982
Actuarial Gain/(Loss)	-	-	-	-	-	-	-	-	-	-	(33,754)	(33,754)	(53,520)	(87,274)
Gain / Loss on Cash flow hedge	-	-	-	-	-	-	-	-	-	(14,475)	-	(14,475)	-	(14,475)
Total other Comprehensive Income	-	-	-	-	79,639	6,568	730,772	-	-	(14,475)	(73,488)	729,017	797,771	1,526,788
Share Issue to NCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	172,194	114,931	-	-	-	-	(287,125)	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	5,855,210	5,855,210
Effect on changes in holding	-	-	-	-	-	-	-	-	(72,858)	-	-	(72,858)	(887,917)	(960,776)
Written back on unclaimed Dividend	-	-	-	-	-	-	-	1,759	-	-	-	1,759	1,145	2,904
Adjustment in Sampath	-	-	6	(4)	-	-	-	-	(2)	-	-	(0)	-	(0)
Transfer in Sampath	-	-	27,328	113,933	-	-	-	18,564	(159,824)	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	(724,708)	-	-	(724,708)	(334,503)	(1,059,212)
Balance as at 31st March 2014	27,163,984	(66,372)	655,431	492,035	(753,142)	161,967	812,735	70,502	3,692,315	(126)	(73,488)	32,155,840	12,602,729	44,758,570

VALLIBEL ONE PLC
CASH FLOW STATEMENT

For the year ended

	Company		Group	
	31.03.2014 Rs.'000	31.03.2013 Rs.'000	31.03.2014 Rs.'000	31.03.2013 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit/ (Loss) before Taxation	508,029	650,338	3,847,100	4,101,548
ADJUSTMENTS FOR				
Profit / Loss on sale of Property, Plant & equipment	-	18	(46,567)	(11,370)
Depreciation	8,643	8,076	1,124,959	881,041
Provision For Fall in Value of Investments	55,628	27,902	127,115	27,902
Amortization	-	-	30,241	54,859
Share of results of equity accounted investees	-	-	(576,140)	(1,003,994)
Net (gain) / loss on foreign exchange	4,267	-	13,137	14,670
Provision for impairment of assets	-	-	(7,860)	410,885
Provision For Defined Benefit Plan Costs	437	828	191,514	95,660
(Gain)/ Loss from sale of FVPL Financial Assets	(39,701)	11	-	-
Dividend Received	-	-	(16,673)	(9,997)
Finance Cost	6,087	-	2,046,962	1,198,790
Gain of Repurchase of Shares	-	(52,517)	-	-
Gain on Bargain purchase of subsidiaries	-	-	-	(112)
Increase / (Decrease) of Stock provision	-	-	-	71,825
Finance Income	(260,261)	(314,982)	(268,980)	(233,943)
Operating Profit/ (Loss) before Working Capital Changes	283,128	319,673	6,464,806	5,597,763
(Increase)/Decrease in Loans and Advances	-	-	(2,464,856)	(3,486,174)
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments	(4,303)	(25,797)	(789,314)	(1,312,765)
(Increase)/Decrease in Other Financial Assets	-	-	(3,921,909)	(467,566)
(Increase)/Decrease in Lease Rental Receivable	-	-	(2,031,321)	(4,743,254)
(Increase)/Decrease in Other Financial Liabilities	-	-	(65,904)	-
(Increase)/Decrease in Other Non Financial Assets	-	-	306,589	(262,291)
Increase/(Decrease) in Due to Banks	-	-	(2,082,162)	-
Increase/(Decrease) in Due to Customers	-	-	9,266,568	12,251,589
Increase/(Decrease) in Trade & Other Payables	(240,280)	20	(1,190,083)	1,062,227
(Increase)/Decrease in Other Non Financial Liabilities	-	-	953,374	8,180
(Increase)/Decrease in Inventories	-	-	(985,443)	(557,953)
Increase/(Decrease) in Amounts Due to Related Companies	(25)	(22)	210,688	1,014
Increase/(Decrease) in Amounts Due from Related Companies	24,461	(69,192)	(211,289)	(21,007)
Cash Generated from Operations	62,981	224,682	3,459,744	8,069,764
Retirement Benefits Liabilities paid	-	-	(87,274)	(51,192)
Interest Received	301,792	303,329	268,980	106,107
Finance income Received	-	-	-	44,649
Finance Cost Paid	(6,087)	-	(2,046,962)	(1,192,725)
Taxes Paid - Discontinued Operations	-	-	-	(16,979)
Taxes Paid - Continuing Operations	(74,840)	(37,970)	(1,186,355)	(1,051,092)
Net Cash from/(Used in) Operating Activities	283,845	490,041	408,132	5,908,532
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(3,056)	(5,149)	(2,081,155)	(2,031,095)
Proceeds from Sale of Property, Plant & Equipment	-	-	131,852	153,568
Acquisition of Intangible Assets	-	-	(960,158)	(63,674)
Purchase / Proceeds from short term investmnrnt	587,463	-	(1,260,054)	(102,000)
Proceeds of Fair Value through Profit and Loss Financial Assets	74,042	-	223,851	-
Purchase of Fair Value through Profit and Loss Financial Assets	(154,456)	(299,747)	(7,212)	-
Investment on Associate	-	(61,253)	-	(61,253)
Acquisition of Subsidiary - Note 11	-	-	(3,583,068)	(617,496)
Interest Received	-	-	-	85,545
Purchase of AFS	-	(385,409)	(803,419)	(893,726)
Proceed From Short Term Investment	-	820,087	-	480,336
Dividend Received	-	-	254,459	105,612
Share repurchase	-	-	-	-
Net Cash used in Investing Activities	503,993	68,528	(8,084,905)	(2,944,182)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal Payment under Finance Lease Liability	-	-	-	50,891
Issue of Shares to NCI	-	-	-	-
Proceeds from Interest Bearing Loans & Borrowings	-	-	9,242,347	10,294,514
Increase in Interest in Subsidiary	-	-	(185,247)	(14,247)
Repayment of Interest Bearing Loans & Borrowings	-	(251,444)	-	(10,745,311)
Capital Grant Received	-	-	5,866	-
Dividend Write Back	-	-	2,904	-
Net Proceeds from Commercial Papers	-	-	-	683,110
Payment of Non Controlling interest on Share Buy Back	-	-	-	(250,098)
Other Borrowings	-	-	-	3,431
Debenture Issue	-	-	-	16,114
Dividend Paid	(758,510)	(324,360)	(1,045,536)	(517,541)
Net Cash from Financing Activities	(758,510)	(575,804)	8,020,333	(479,137)
Net Increase / (Decrease) in Cash & Cash Equivalents	29,328	(17,235)	343,561	2,485,212
Cash and Cash Equivalents at the beginning of the Period	(397)	16,838	2,140,071	(480,997)
Cash and Cash Equivalents at the end of the Period	28,930	(397)	2,483,632	2,004,215

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 2014 is 1,086,559,353 (31st March 2013- 1,086,559,353).
- 4 The group had no significant contingent liabilities outstanding as at reporting date.
- 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 2013 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 2013. 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 period ended 31st March 2014 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

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

10 Related Part Transactions

	2013	2012
For the year ended 31st March	Rs.'000	Rs.'000
Subsidiaries		
Loans Taken / (Given)	(75,000)	(20,000)
Loan Interest Received / (Paid)	13,227	11,962
Fixed Deposits (FD) - (Investment) / Withdrawals	363,000	672,000
FD Interest Received / (Paid)	125,268	173,132
Fund Transfers	42,827	32,549
Dividend received	207,864	271,951
Operating Expenses	11,349	13,292
Associates		
Dividend received	132,509	95,616
Equity Investments	-	61,253
Key management personnel (KMP)		
Directors Remuneration	7,200	7,200
Close family members of KMP		
(Receiving) / rendering of services	-	-
Companies controlled / jointly controlled / significantly influenced by KMP and their close family members		
Fixed Deposits - (Investment) / Withdrawals	338,963	(128,000)
FD Interest Received / (Paid)	121,680	129,186
Dividend Received	9,822	8,730
Repo	29,000	-
Equity Investments	120,735	385,421

VALLIBEL ONE PLC

11 BUSINESS COMBINATIONS

11.1 On 6th May 2013, Royal Ceramics Lanka PLC has acquired 76.54% of the voting shares of Lanka Ceramic PLC incorporated and domiciled in Sri Lanka engaged 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

	Fair Value As at 01-05-2013 Rs.000's
Assets	
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
Liabilities	
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	(1,856,454)
Income Tax Liabilities	(11,396)
Bank Overdraft	(880,197)
	(7,970,944)
Non Controlling Interest	(5,067,267)
Total Identifiable net assets at fair value	2,613,347
Total net assets acquired at fair value (39.04%)	(1,020,251)
Good Will	(1,124,003)
Good Will attributable to Non - Controlling Interest	(685,243)
Good Will attributable to the Parent	(438,760)
Purchase Consideration attributable to Non controlling interest	(1,401,678)
Purchase Consideration attributable to Parent	(1,458,890)
Purchase consideration paid	(2,860,568)
Cash and cash equivalents of subsidiaries acquired	(736,582)
Net Cash Outflow on acquisition of subsidiaries	(3,597,150)

11.2 On 15th February 2014 Delmege Limited has acquired 100% of Delmege insurance Brokers (pvt) Ltd incorporated and domiciled in sri lanka engaged in the business of insurance brokering.

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Delmege insurance Brokers (pvt) Ltd was as follows

	Fair Value as at 15.02.2014 Rs.000's
Assets	
Property, Plant & Equipment	1,420
Deferred Tax Assets	82
Trade and Other Receivables	45,743
Investments	1,071
Amounts Due from Related Parties	688
Cash and Bank Balances	15,511
	<u>64,517</u>
Liabilities	
Trade and Other Payables	2,115
Trade and Other Payables	18,648
Amounts Due to Related Parties	15,992
	<u>36,756</u>
Total identifiable net assets at fair value	27,761
Net Assets Acquired (100%)	27,761
Negative Goodwill	25,261
Purchase consideration paid	(2,500)
Cash and cash equivalents of subsidiary acquired	16,582
Purchase consideration paid	(2,500)
Net Cash Out flow on Acquisition of subsidiary	<u>14,082</u>
Total Cash Movement on Aquisition of Subsidiary	
Aquisition made by RCL	(3,597,150)
Aquisition made by Delmage	14,082
	<u>(3,583,068)</u>

VALLIBEL ONE PLC

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

	Investment		Tiles		Sanitarywear		Plantation		Bank & Finance		Leisure	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	-	-	14,367,584	6,453,858	1,124,667	1,081,907	2,069,471	-	13,491,704	11,256,285	-	-
Cost of Sales	-	-	(9,038,325)	(3,536,475)	(709,963)	(660,428)	(1,796,996)	-	(7,012,630)	(5,772,575)	-	-
Gross Profit/ (Loss)	-	-	5,329,259	2,917,383	414,703	421,479	272,475	-	6,479,074	5,483,711	-	-
Dividend income	12,737	-	-	7,538	-	-	-	-	2,407	2,459	-	-
Other income & gains	-	-	9,981	7,861	593	(681)	29,085	-	134,114	133,383	-	-
Administrative Expenses	(79,061)	(69,229)	(995,114)	(408,548)	(20,861)	(21,971)	(81,770)	-	(1,541,578)	(1,864,190)	(22,523)	(24,853)
Distribution Expenses	-	-	(1,868,416)	(1,027,762)	(33,681)	(47,939)	-	-	-	(247,182)	-	-
Other Operating Expenses	-	-	(25,173)	(25,173)	-	-	-	-	(1,616,125)	(426,634)	-	-
Finance Cost	(65,981)	(27,902)	(1,197,519)	(600,205)	(51,832)	(40,703)	(58,644)	-	-	-	(29)	(1)
Finance Income	161,468	134,996	60,619	16,830	-	-	315	-	272	(24,028)	198	110
Provision for fall in value of Investments	-	-	-	-	-	-	-	-	(1,371,959)	(201,802)	-	-
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	576,140	1,005,156	-	(1,162)
Profit Before Value Added Tax	29,162	37,865	1,313,637	887,923	308,921	310,185	161,461	-	2,662,345	3,860,872	(22,354)	(25,906)
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	(112,618)	(176,249)	-	-
Profit / (loss) Before Tax	29,162	37,865	1,313,637	887,923	308,921	310,185	161,461	-	2,549,727	3,684,623	(22,354)	(25,906)
Income Tax Expense	(93,275)	(54,486)	(147,560)	133,021	(16,917)	(12,253)	(29,969)	-	(602,717)	(1,154,779)	(2)	312
Profit / (Loss) for the period	(64,113)	(16,621)	1,166,078	1,020,944	292,005	297,932	131,492	-	1,947,010	2,529,844	(22,356)	(25,594)

13 Segment Assets and Liabilities

Total Assets	10,190,170	14,145,153	27,442,843	7,432,614	3,137,785	2,453,616	3,084,522	-	66,954,669	61,623,478	406,864	698,318
Total Liabilities	15,005	274,565	13,706,881	4,472,650	779,366	377,903	1,848,745	-	55,370,239	47,742,742	210,291	10,139

14 Other Segment Information

Total cost incurred during thr period toacquire Property , Plant & Equipment	3,056	5,131	2,084,126	1,083,666	174,325	25,356	365,921	-	312,188	432,863	31,783	3,119
Depreciation	8,643	8,076	2,957,596	330,712	98,401	98,081	146,453	-	304,616	321,905	26	26
provision for retirement benefit Liability	437	828	55,167	28,063	2,380	1,136	71,028	-	39,906	18,324	120	200

VALLIBEL ONE PLC

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

	Consumer		Life style		Heath care		Apparel		Other		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	2,150,977	1,763,264	1,287,932	1,326,001	1,175,240	1,104,342	9,772,120	9,015,906	3,008,584	1,108,265	48,448,281	33,109,827
Cost of Sales	(1,719,697)	(1,480,038)	(958,915)	(960,261)	(988,952)	(939,888)	(9,128,356)	(8,569,862)	(2,449,220)	(901,666)	(33,803,055)	(22,821,193)
Gross Profit/ (Loss)	431,281	283,225	329,017	365,740	186,288	164,454	643,764	446,043	559,364	206,599	14,645,226	10,288,634
Dividend income	420	-	432	-	-	-	150	-	527	-	16,673	9,997
Other income & gains	4,695	(43,787)	21,619	26,893	20,519	10,663	9,718	11,346	171,679	66,105	402,003	211,783
Administrative Expenses	(147,715)	(182,284)	(143,258)	(108,817)	(98,725)	(64,026)	(540,231)	(514,589)	(464,284)	(317,165)	(4,135,120)	(3,575,672)
Distribution Expenses	(350,079)	(422,780)	(139,494)	(122,750)	(104,373)	(53,267)	(12,831)	-	(213,809)	(74,911)	(2,722,682)	(1,996,591)
Other Operating Expenses	(33,163)	140	(752)	(1,992)	(2,189)	-	-	-	(20,439)	(16,137)	(1,697,842)	(469,797)
Finance Cost	(226,355)	(239,989)	(70,626)	(66,110)	(31,645)	(32,816)	(182,587)	(185,805)	(161,744)	(33,161)	(2,046,962)	(1,226,692)
Finance Income	7,683	39,195	7,252	-	-	-	-	66,821	56,433	20	294,241	233,943
Provision for fall in value of Investments	-	-	-	-	-	-	-	-	-	-	(1,371,959)	(201,802)
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	-	-	576,140	1,003,994
Profit Before Value Added Tax	(313,234)	(566,280)	4,191	92,964	(30,124)	25,008	(82,017)	(176,184)	(72,272)	(168,652)	3,959,718	4,277,797
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	-	-	(112,618)	(176,249)
Profit / (loos) Before Tax	(313,234)	(566,280)	4,191	92,964	(30,124)	25,008	(82,017)	(176,184)	(72,272)	(168,652)	3,847,100	4,101,548
Income Tax Expense	-	-	(154)	-	-	-	(16,776)	19,856	107,124	(15,157)	(800,245)	(1,083,486)
Profit / (Loss) for the period	(313,234)	(566,280)	4,037	92,964	(30,124)	25,008	(98,793)	(156,328)	34,852	(183,809)	3,046,855	3,018,063

13 Segment Assets and Liabilities

Total Assets	842,691	803,949	913,981	869,496	1,915,918	1,052,218	5,912,941	5,579,465	6,029,830	2,460,799	126,832,214	97,119,106
Total Liabilities	1,981,382	1,585,962	577,496	523,674	1,028,978	928,233	4,504,310	4,001,857	2,050,950	854,581	82,073,644	60,772,306

14 Other Segment Information

Total cost incurred during thr period toacquire Property , Plant & Equipment	915	2,424	10,184	103,845	3,647	8,157	160,911	145,591	23,427	82,851	3,170,483	1,893,003
Depreciation	2,307	4,200	11,959	9,160	1,691	1,810	236,687	208,094	21,349	46,464	3,789,728	1,028,528
provision for retirement benefit Liability	499	4,540	4,815	4,439	719	1,151	35,816	58,678	3,871	15,564	214,758	132,922

VALLIBEL ONE PLC
SHARE INFORMATION

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

	<u>2014</u> Rs.	<u>2013</u> Rs.
Highest	17.50	19.60
Lowest	15.60	15.30
Closing	16.50	16.00

2 Directors Shareholding

Name	No of shares as at 31st March 2014	No of shares as at 31st March 2013
K D D Perera	689,726,471	689,726,471
W D N H Perera	Nil	Nil
J A S S Adihetty	100,000	100,000
K Fernando	800,000	800,000
R N Asirwatham	800	800
Shares held in the following manner		
S H Amarasekera /Pan Asia Bank Corporation PLC	1,000,000	1,000,000

3 Twenty Major Share Holders as at 31st March 2014.

	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	85,241,342	7.845
5 Bank of Ceylon A/c Ceybank Unit Trust	7,352,412	0.677
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 Merrill J Fernando & Sons (Pvt) Limited	2,299,000	0.212
10 Seylan Bank PLC / Mailvahanam Sritharan	2,120,101	0.195
11 (a) - Mr. A N Esufally	2,090,000	0.192
(b) - Standard Chartered Bank Singapore S/A HL Bank Singapore Branch	2,090,000	0.192
12 Mr. H R S Wijeratne	2,069,000	0.190
13 Employees Trust Fund Board	2,024,600	0.186
14 Mr. A M Weerasinghe	2,000,000	0.184
15 Wickramaratnes (Pvt) Limited	1,865,000	0.172
16 Prof M.T.A Furkhan	1,672,000	0.154
17 First Capital Markets Ltd / Mr. S N Kumar	1,603,400	0.148
18 Mr A Sithampalam	1,567,000	0.144
19 Mr H A Pieris	1,491,843	0.137
20 Bartleet Asset Management (Pvt) Ltd	1,314,000	0.121
	1,002,700,983	92.282
Others	83,858,370	7.718
Total	1,086,559,353	100.000

4 Public Shareholding

The percentage of shares held by the public as at 31st March 2014 – 19.098%

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

09 th June 2010

Company Registration Number

PB 3831 PQ

Nature of the Business

Diversified holding company with strategic investments.

Board of Directors

K D D Perera – Chairman
W D N H Perera - Executive Deputy Chairman
S H Amarasekera
J A S S Adhihetty
K Fernando
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
Orit Apparels Lanka (Private) Limited

Associate Companies

Sampath Bank PLC
Waskaduwa Beach Resort PLC

Company Secretaries

P W Corporate Secretarial (Private) 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