

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

**Vallibel | ONE**

**FOR THE YEAR ENDED 31ST MARCH 2018**



**VALLIBEL ONE PLC**  
STATEMENT OF INCOME

For the Year ended 31st March	Company					Group				
	2018 Quarter	2017 Quarter	2018 Cumulative	2017 Cumulative	Variance %	2018 Quarter	2017 Quarter	2018 Cumulative	2017 Cumulative (Restated)	Variance %
	Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Revenue	-	-	-	-	-	16,430,391	14,302,553	60,968,862	52,936,402	15
Cost of Sales	-	-	-	-	-	(9,243,222)	(7,967,382)	(34,808,482)	(29,205,629)	(19)
<b>Gross Profit</b>	-	-	-	-	-	7,187,169	6,335,171	26,160,379	23,730,773	10
Dividend Income	761,612	1,150,127	1,221,112	2,020,305	(40)	(1,957)	451,239	18,431	473,326	(96)
Other operating income	43,476	40,267	157,614	48,216	227	287,661	406,736	575,007	721,926	(20)
Administrative Expenses	(40,458)	(47,374)	(183,596)	(162,506)	(13)	(1,285,847)	(1,371,953)	(5,075,198)	(5,031,122)	(1)
Distribution Expenses	-	-	-	-	-	(1,314,664)	(1,037,920)	(4,786,367)	(4,196,336)	(14)
Other Operating Expenses	(167)	-	(167)	-	-	(1,033,952)	(367,285)	(3,165,883)	(1,863,688)	(70)
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates.	-	-	-	(828,882)	100	-	-	-	(3,297,525)	100
Gain / (Loss) on Gold Auction	-	-	-	-	-	(2,862)	(48)	(2,995)	(2,201)	(36)
<b>Results from Operating Activities</b>	<b>764,463</b>	<b>1,143,020</b>	<b>1,194,962</b>	<b>1,077,133</b>	<b>11</b>	<b>3,835,548</b>	<b>4,415,939</b>	<b>13,723,375</b>	<b>10,535,153</b>	<b>30</b>
Finance Cost	(1,425)	(14,187)	(2,183)	(14,187)	(85)	(500,895)	(395,810)	(1,915,045)	(1,611,279)	(19)
Finance Income	32,323	32,381	165,026	242,759	(32)	100,984	114,489	381,975	455,607	(16)
<b>Net Finance Cost</b>	<b>30,898</b>	<b>18,194</b>	<b>162,843</b>	<b>228,573</b>	<b>(29)</b>	<b>(399,910)</b>	<b>(281,320)</b>	<b>(1,533,070)</b>	<b>(1,155,672)</b>	<b>(33)</b>
Share of Results of Equity Accounted Investees	-	-	-	-	-	26,172	234,442	30,553	687,150	(96)
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	(147,164)	-	(147,164)	-	(100)	(147,164)	-	(147,164)	(648,594)	77
<b>Profit Before Value Added Tax</b>	<b>648,198</b>	<b>1,161,214</b>	<b>1,210,641</b>	<b>1,305,705</b>	<b>(7)</b>	<b>3,314,646</b>	<b>4,369,060</b>	<b>12,073,695</b>	<b>9,418,037</b>	<b>28</b>
Value Added Tax on Financial Services	-	-	-	-	-	(376,412)	(348,895)	(1,336,693)	(1,027,101)	(30)
<b>Profit Before Tax</b>	<b>648,198</b>	<b>1,161,214</b>	<b>1,210,641</b>	<b>1,305,705</b>	<b>(7)</b>	<b>2,938,234</b>	<b>4,020,165</b>	<b>10,737,002</b>	<b>8,390,936</b>	<b>28</b>
Income Tax Expense	(18,578)	(19,894)	(55,792)	(65,932)	15	(1,310,179)	(1,122,745)	(3,926,815)	(3,761,722)	(4)
<b>Profit/(Loss) for the Year from Continuing Operation</b>	<b>629,620</b>	<b>1,141,320</b>	<b>1,154,849</b>	<b>1,239,773</b>	<b>(7)</b>	<b>1,628,055</b>	<b>2,897,420</b>	<b>6,810,187</b>	<b>4,629,215</b>	<b>47</b>
<b>Discontinued Operation</b>										
Loss After Tax for the Period from Discontinued Operations	-	-	-	-	-	(17,992)	(151,646)	(40,673)	(195,550)	79
<b>Net Profit/(Loss) for the Year</b>	<b>629,620</b>	<b>1,141,320</b>	<b>1,154,849</b>	<b>1,239,773</b>	<b>(7)</b>	<b>1,610,064</b>	<b>2,745,774</b>	<b>6,769,514</b>	<b>4,433,665</b>	<b>53</b>
<b>Attributable to :</b>										
Equity Holders of the Parent	629,620	1,141,320	1,154,849	1,239,773	(7)	892,452	1,515,959	3,609,109	640,204	464
Non - Controlling Interests	-	-	-	-	-	717,612	1,229,816	3,160,404	3,793,461	(17)
	<b>629,620</b>	<b>1,141,320</b>	<b>1,154,849</b>	<b>1,239,773</b>	<b>(7)</b>	<b>1,610,064</b>	<b>2,745,774</b>	<b>6,769,514</b>	<b>4,433,665</b>	<b>53</b>
Earnings Per Share (Rs.)	0.58	1.05	1.06	1.14		0.82	1.40	3.32	0.59	

**VALLIBEL ONE PLC**  
STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31st March	2018	2017	2018	2017	Variance %	2018	2017	2018	2017	Variance %
	Quarter	Quarter	Cumulative	Cumulative		Quarter	Quarter	Cumulative	Cumulative	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	(Restated) Rs.'000	
<b>Net Profit for the Year</b>	629,620	1,141,320	1,154,849	1,239,773	(7)	1,610,064	2,745,774	6,769,514	4,433,665	53
<b>Other comprehensive Income</b>										
<b>To be Reclassified to Profit or Loss in Subsequent Period</b>										
Share of other Comprehensive Income of Equity Accounted Investees	-	-	-	-	-	-	-	-	23,432	(100)
Reclassification of the Gain/Loss Recognised in OCI Through										
Retained Earnings	147,164	-	147,164	-	100	147,164	-	147,164	648,594	(77)
Net Gain/(Loss) on Available for Sale Financial Assets	(509,952)	(69,355)	1,567,953	751,336	109	(513,794)	(87,493)	1,575,587	724,209	118
Exchange Difference on Translation of Foreign Operations	-	-	-	-	-	5,870	6,320	8,454	3,031	179
<b>Not to be Reclassified to Profit or Loss in Subsequent Period</b>										
Realisation of Revaluation Reserve - Transfer Out	-	-	-	-	-	-	-	-	(202,635)	100
Realisation of Actuarial loss - Transfer Out	-	-	-	-	-	-	-	-	39,734	(100)
Revaluation of Land & Building- Net of tax	-	-	-	-	-	1,564,625	2,387,696	1,564,625	2,387,696	(34)
Actuarial Loss on Defined Benefit Plans	(591)	690	(591)	690	(186)	(154,280)	61,778	(154,280)	61,778	(350)
Income Tax Effect	165	(193)	165	(193)	186	36,249	(11,591)	36,249	(11,591)	413
<b>Other Comprehensive Income for the Year, Net of Tax</b>	(363,214)	(68,858)	1,714,691	751,833	128	1,085,833	2,356,710	3,177,798	3,674,248	(14)
<b>Total Comprehensive Income for the Year, Net of Tax</b>	<b>266,406</b>	<b>1,072,462</b>	<b>2,869,540</b>	<b>1,991,606</b>	<b>44</b>	<b>2,695,897</b>	<b>5,102,485</b>	<b>9,947,312</b>	<b>8,107,913</b>	<b>23</b>
<b>Total Comprehensive Income Attributable to :</b>										
Equity Holders of the Parent	266,406	1,072,462	2,869,540	1,991,606	44	2,115,856	2,699,371	6,919,351	3,145,907	120
Non - Controlling Interests	-	-	-	-	-	580,041	2,403,114	3,027,961	4,962,006	(39)
	<b>266,406</b>	<b>1,072,462</b>	<b>2,869,540</b>	<b>1,991,606</b>	<b>44</b>	<b>2,695,897</b>	<b>5,102,485</b>	<b>9,947,312</b>	<b>8,107,913</b>	<b>23</b>

**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
<b>Balance as at 01st April 2016</b>	27,163,984	(351,118)	762,296	27,575,162
Profit for the Year	-	-	1,239,773	1,239,773
Other Comprehensive Income	-	751,336	497	751,833
Dividend Paid	-	-	(543,280)	(543,280)
<b>Balance as at 31st March 2017</b>	<u>27,163,984</u>	<u>400,218</u>	<u>1,459,286</u>	<u>29,023,488</u>
<b>Balance as at 01st April 2017</b>	27,163,984	400,218	1,459,286	29,023,488
Profit for the Year	-	-	1,154,849	1,154,849
<b>Other Comprehensive Income</b>				
Net Gain/(Loss) on Available for sale Financial Assets	-	1,567,953	-	1,567,953
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	-	147,164	-	147,164
Actuarial Gain/(Loss) on Retirement benefit obligations	-	-	(425)	(425)
Total Other Comprehensive Income	-	1,715,117	(425)	1,714,691
Dividend Paid	-	-	(543,280)	(543,280)
<b>Balance as at 31st March 2018</b>	<u>27,163,984</u>	<u>2,115,335</u>	<u>2,070,430</u>	<u>31,349,749</u>

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

For the Year ended 31st March Rs.'000	Stated Capital	Treasury Shares	Capital		Other Component of Equity			Revenue Reserve		Hedge Reserve	Actuarial Gain/ (Loss)	Shareholder's Fund	Non Controlling Interest	Total Equity							
			Reserve	Available for Sale Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Reserve												
															Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
															Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 01st April 2016</b>	27,163,984	(44,112)	1,433,306	(996,972)	6,057	1,143,873	578,449	8,839,685	(32,984)	(126)	38,091,162	16,579,367	54,670,528								
<b>Prior Year Adjustment</b>	-	-	-	-	-	-	-	129,657	-	-	129,657	158,879	288,536								
<b>Balance as at 01st April 2016-(Restated)</b>	27,163,984	(44,112)	1,433,306	(996,972)	6,057	1,143,873	578,449	8,969,342	(32,984)	(126)	38,220,818	16,738,246	54,959,064								
Profit for the Year	-	-	-	-	-	-	-	640,204	-	-	640,204	3,793,461	4,433,665								
Realisation of Revaluation Reserve - Transfer Out	-	-	-	-	-	-	-	202,635	-	-	202,635	-	202,635								
Realisation of Actuarial loss - Transfer Out	-	-	-	-	-	-	-	(39,734)	-	-	(39,734)	-	(39,734)								
<b>Other Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	-	-	-	-								
Share of Other Comprehensive Income of Equity Accounted Investees	-	-	-	23,693	(261)	-	-	-	-	-	23,432	-	23,432								
Reclassification of the Gain/Loss Recognised in OCI by the Investment in Associate to Retained Earnings	-	-	-	654,012	(5,544)	-	-	-	-	126	648,594	-	648,594								
Realisation of Revaluation Reserve - Transfer Out	-	-	-	-	-	(202,635)	-	-	-	-	(202,635)	-	(202,635)								
Realisation of Actuarial Loss - Transfer Out	-	-	-	-	-	-	-	-	39,734	-	39,734	-	39,734								
Exchange Difference on Translation of Foreign Operations	-	-	-	-	1,546	-	-	-	-	-	1,546	1,485	3,031								
Net Gain/(Loss) on Available for Sale Financial Assets	-	-	-	733,756	-	-	-	-	-	-	733,756	(9,547)	724,209								
Revaluation of Land & Buildings	-	-	-	-	-	1,255,449	-	-	-	-	1,255,449	1,132,247	2,387,696								
Actuarial Gain/(Loss) on Retirement Benefit Obligations	-	-	-	-	-	-	-	-	5,827	-	5,827	44,360	50,188								
<b>Total Other Comprehensive Income</b>	-	-	-	1,411,462	(4,259)	1,052,814	-	-	45,562	126	2,505,703	1,168,545	3,674,248								
Effect on Change in Holding	-	-	-	-	-	-	-	580,216	-	-	580,216	(1,530,340)	(950,124)								
Transfers	-	-	783,641	-	-	-	-	(783,641)	-	-	-	-	-								
Write Back of Unclaimed Dividends	-	-	-	-	-	-	-	15,010	-	-	15,010	-	15,010								
Dividend Paid	-	-	-	-	-	-	-	(543,280)	-	-	(543,280)	(1,239,214)	(1,782,494)								
<b>Balance as at 31st March 2017-(Restated)</b>	27,163,984	(44,112)	2,216,947	414,490	1,798	2,196,687	578,449	9,040,751	12,578	(0)	41,581,572	18,930,698	60,512,271								
Profit for the Year	-	-	-	-	-	-	-	3,609,109	-	-	3,609,109	3,160,404	6,769,514								
<b>Other Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	-	-	-	-								
Exchange Difference on Translation of Foreign Operations	-	-	-	-	5,275	-	-	-	-	-	5,275	3,178	8,454								
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	-	-	-	147,164	-	-	-	-	-	-	147,164	-	147,164								
Net Gain/(Loss) on Available for Sale Financial Assets	-	-	-	1,573,017	-	-	-	-	-	-	1,573,017	2,570	1,575,587								
Revaluation of Land & Buildings	-	-	-	-	-	1,655,027	-	-	-	-	1,655,027	(90,401)	1,564,625								
Actuarial Gain/(Loss) on Retirement benefit obligations	-	-	-	-	-	-	-	-	(70,242)	-	(70,242)	(47,790)	(118,032)								
<b>Total other Comprehensive Income</b>	-	-	-	1,720,181	5,275	1,655,027	-	-	(70,242)	-	3,310,242	(132,443)	3,177,798								
Transfers	-	-	850,144	-	-	-	-	(850,144)	-	-	-	-	-								
Acquisition of Non controlling interest	-	-	-	-	-	-	-	(71,422)	-	-	(71,422)	(219,616)	(291,038)								
Written Back on Unclaimed Dividend	-	-	-	-	-	-	-	4,231	-	-	4,231	3,621	7,852								
Share issue - Minority Interest	-	-	-	-	-	-	-	-	-	-	-	5,996	5,996								
Dividend Paid	-	-	-	-	-	-	-	(542,819)	-	-	(542,819)	(1,179,121)	(1,719,940)								
<b>Balance as at 31st March 2018</b>	27,163,984	(44,112)	3,067,091	2,134,671	7,073	3,851,714	578,449	11,189,707	(57,664)	(0)	47,890,914	20,571,539	68,462,453								

**VALLIBEL ONE PLC**  
**CASH FLOW STATEMENT**

For the Year ended

	Company		Group	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017 (Restated)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Profit/ (Loss) before Taxation	1,210,641	1,305,705	10,737,002	8,390,936
Profit/ (Loss) Before Tax from Discontinued Operations	-	-	(40,673)	(195,550)
<b>ADJUSTMENTS FOR</b>				
Profit / Loss on sale of Property, Plant & equipment	167	(2,857)	(17,677)	(20,861)
Depreciation	10,228	10,567	1,820,216	1,602,439
Gain on Disposal of Available for sale Investment	-	-	(5,396)	(3,414)
Change in fair value of biological Assets	-	-	(44,995)	(89,187)
Change in fair value of Investment Property	-	-	(121,600)	(179,440)
Script Dividend	-	(334,010)	-	(334,010)
Impairment of Assets held for sale	-	-	-	131,480
Impairment of Goodwill	-	-	2,387	71,867
Amortization of Capital Grants	-	-	(2,407)	(3,522)
Provision For Fall in Value of Investments	(5,368)	(3,414)	(10,672)	(13,909)
Amortization	-	-	232,008	83,876
Impairment of Loans	-	-	341,655	-
Share of results of Equity Accounted Investees	-	-	(30,553)	(687,150)
Net (Gain) / Loss on Foreign Exchange	(85)	(1,235)	(40,700)	(12,363)
Provision for Impairment of Assets	-	-	3,362	8,739
Provision For Defined Benefit Plan Costs	1,576	1,390	265,274	230,349
Allowances for impairment Losses	-	-	195,831	-
Profit/(Loss) on disposal of investments	-	-	(1,453)	-
Provision for Inventory	-	-	63,703	36,938
Reclassification Loss on Associate to Available for sale Financial Assets	147,164	-	-	648,594
Gain on Disposal of Subsidiary	-	828,882	147,164	3,297,524
(Profit) / Loss from sale of Financial Assets Fair Value through Profit or Loss	-	-	(12,041)	72,250
Dividend Received	-	-	(18,431)	(468,688)
Finance Cost	2,183	14,187	1,915,045	1,610,701
Finance Income	(159,573)	(238,111)	(324,912)	(348,477)
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>1,206,933</b>	<b>1,581,106</b>	<b>15,052,136</b>	<b>13,829,122</b>
(Increase)/Decrease in Loans and Advances	150,000	225,000	(6,255,497)	(6,814,610)
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments	119,680	(152,795)	(391,433)	(1,202,967)
(Increase)/Decrease in Other Financial Assets	681,819	621,021	467,898	(2,536,839)
(Increase)/Decrease in Lease Rental Receivable	-	-	(7,026,129)	(10,557,349)
(Increase)/Decrease in Other Non Financial Assets	-	-	(595,350)	395,611
Increase/(Decrease) in Due to Banks	-	-	(1,190,197)	8,864,917
Increase/(Decrease) in Due to Customers	-	-	12,544,056	7,668,332
Increase/(Decrease) in Trade & Other Payables	(2,379)	5,682	434,749	(463,142)
(Increase)/Decrease in Other Financial Liabilities	-	-	(211,472)	137,461
Increase/(Decrease) in Other Non Financial Liabilities	-	-	261,171	738,226
(Increase)/Decrease in Inventories	-	-	(2,584,439)	(1,397,929)
Increase/(Decrease) in Assets Held For Sale	-	-	(7,191)	(131,352)
(Increase)/Decrease in Amounts Due from Related Companies	(154,213)	225,636	-	-
<b>Cash Generated from Operations</b>	<b>2,001,840</b>	<b>2,505,649</b>	<b>10,498,302</b>	<b>8,529,481</b>
Retirement Benefits Liabilities Paid	-	(308)	(151,969)	(149,547)
Interest Received	-	-	324,912	437,664
Finance income Received	169,663	249,624	-	-
Finance Cost Paid	(2,652)	(12,513)	(1,973,066)	(1,610,701)
Taxes Paid - Continuing Operations	(45,255)	(68,875)	(2,831,085)	(3,126,581)
<b>Net Cash from/(Used in) Operating Activities</b>	<b>2,123,595</b>	<b>2,673,577</b>	<b>5,867,094</b>	<b>4,080,317</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment	(2,482)	(4,317)	(5,601,076)	(6,788,788)
Proceeds from Sale of Property, Plant & Equipment	-	3,100	129,500	72,528
Proceeds from Sale of Intangible Assets	-	-	(25,694)	(33,613)
Cost of bearer Biological Assets	-	-	(241,550)	(209,348)
Net Proceeds of Fair Value Through Profit and Loss Financial Assets	50,882	129,204	60,467	(2,562)
Acquisition of Subsidiary	-	-	-	(59,999)
Increase the Stake of Subsidiary	(515,500)	(1,473,500)	-	-
Acquisition of Non Controlling Interest	-	(827,739)	(291,038)	(950,124)
Net Change in Available for Sale Financial Assets	(2,167,636)	-	(1,863,608)	-
Net Proceed From Short Term Investment	-	-	-	(25,158)
Dividend Received	-	-	18,431	583,108
Proceeds from leasehold right on Mining	-	-	6,414	(8,000)
<b>Net Cash used in Investing Activities</b>	<b>(2,634,736)</b>	<b>(2,173,252)</b>	<b>(7,808,152)</b>	<b>(7,421,956)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Interest Bearing Loans & Borrowings	1,000,000	400,000	20,400,409	7,995,943
Repayment of Interest Bearing Loans & Borrowings	(400,000)	-	(14,980,763)	(6,825,535)
Capital Grant Received	-	-	-	22,412
Dividend Paid	(541,472)	(542,416)	(1,719,940)	(1,782,494)
<b>Net Cash from Financing Activities</b>	<b>58,528</b>	<b>(142,416)</b>	<b>3,699,706</b>	<b>(589,674)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(452,613)</b>	<b>357,910</b>	<b>1,758,647</b>	<b>(3,931,314)</b>
<b>Cash and Cash Equivalents at the beginning of the Year</b>	<b>399,208</b>	<b>41,298</b>	<b>1,485,247</b>	<b>5,416,561</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>(53,405)</b>	<b>399,208</b>	<b>3,243,894</b>	<b>1,485,247</b>

**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 2018 is 1,086,559,353 (31st March 2017- 1,086,559,353).
- 4 There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2017
- 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 2017 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 2017. 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 2018 comprise of the Company , its Subsidiaries and Associates. The details of Subsidiaries and Associates are as follows:

**Subsidiary Companies**

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

**Associate Companies**

The Fortress Resorts PLC

**8 Related Party Transactions**

For the Year ended 31st March	<b>2018</b>	<b>2017</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Subsidiaries</b>		
Fixed Deposits - (Investment) / Withdrawals	-	646,179
Interest Income Recognized	-	17,943
Technical Fee - Income Recognized	157,614	45,359
Fund Transfers	669,713	1,273,500
Dividend received	1,203,295	1,406,965
<b>Key management personnel (KMP)</b>		
Directors Remuneration	11,192	13,335
<b>Companies controlled / jointly controlled / significantly Influenced by KMP and their close family members</b>		
Fixed Deposits - (Investment) / Withdrawals	681,819	(25,158)
Interest Income Recognized	155,417	217,720
Dividend Received	17,817	15,634

**VALLIBEL ONE PLC**  
NOTES TO THE FINANCIAL STATEMENTS

**9 Change in Accounting Policy**

The Group has changed its Accounting Policy in relation to Accounting for Investment Property by changing from cost model to Fair Value model according to LKAS 40. Retrospective adjustments have been made according to LKAS 8 Accounting Policies, Changes in Accounting Estimates & Errors to reflect the change in accounting policy in the financial statements.

The fair value of freehold land and buildings were determined by P.B Kalugalagedara and Associates an independent professionally qualified valuer (Valuation report dated 31 March 2018). The basis of valuation is the Direct Capital Comparison Method using the depreciated value of buildings and Current Open Market Value of land.

The Total effect to the financial statements of the Group is summarised below.

	Previously reported amount	Adjustment amount	Restated amount
	Rs.'000	Rs.'000	Rs.'000
<b>Statement of financial position</b>			
<b>Investment Property</b>			
Balance as at 1st April 2016	238,714	288,536	527,250
Balance as at 1st April 2017	238,024	467,976	706,000
<b>Retained Earnings</b>			
Balance as at 1st April 2016	11,885,271	129,657	12,014,927
Balance as at 1st April 2017	14,234,596	210,290	14,444,886
<b>Non Controlling Interest</b>			
Balance as at 1st April 2016	7,828,991	158,879	7,987,870
Balance as at 1st April 2017	8,463,614	257,686	8,721,300

	Previously reported amount	Adjustment amount	Restated amount
	Rs.'000	Rs.'000	Rs.'000
<b>Statement of Profit or Loss</b>			
For the year ended 31st March 2017			
Other Operating Income	213,896	179,440	393,336

	Previously reported amount	Adjustment amount	Restated amount
	Rs.'000	Rs.'000	Rs.'000
<b>Statement of Cash Flows</b>			
For the year ended 31st March 2017			
Profit before Tax	5,987,156	179,440	6,166,596
<i>Adjustments for Non-cash items</i>			
Change in fair value of investment property	-	(179,440)	(179,440)

**VALLIBEL ONE PLC**  
NOTES TO THE FINANCIAL STATEMENTS

**10 Discontinued Operations**

**Delmege Coir (Private) Limited**

On 12th February 2018, the Board of Directors of Delmege Limited took a decision to cease the operations of Delmege Coir (Private) Limited and to dispose of the assets thereof. Further, the company is available for immediate sale in its current condition and the actions to complete the sale were initiated. Delmege Forsyth & Co. (Exports) Ltd owns 60% and ESNA Exports (Pvt) Ltd owns 40% of Delmege Coir (Private) Limited and both shareholders are incorporated in Sri Lanka. It was engaged in the business of manufacturing and export of Coir. The results of Delmege Coir (Private) Limited for the year is presented below:

**Ever Paint and Chemical Industries (Private) Limited ("EPCI")**

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

**10.1** The results of Delmege Coir (Private) Limited and EPCI for the year :

	<b>Delmege Coir (Private) Limited</b>		<b>Ever Paint and Chemical Industries (Private) Limited ("EPCI")</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Revenue</b>	93,707	123,954	2,356	24,815
Cost of Sales	(89,471)	(109,234)	(12,906)	(35,159)
<b>Gross Profit</b>	<u>4,237</u>	<u>14,720</u>	<u>(10,550)</u>	<u>(10,345)</u>
Finance Income	1,060	1,166	-	-
Other Income and Gains	614	-	3,683	12,480
Selling and Distribution Costs	(2,841)	(1,196)	(7,343)	(29,200)
Administrative Expenses	(17,258)	(15,330)	(5,499)	(12,379)
Other Operating Expenses	-	-	2,324	(131,480)
Finance Cost	(5,637)	(3,392)	(3,463)	(24,627)
<b>Loss for the year from discontinued operations</b>	<u><b>(19,825)</b></u>	<u><b>(4,032)</b></u>	<u><b>(20,848)</b></u>	<u><b>(195,550)</b></u>
Loss from discontinued operations (Group) for the year ended 31st March 2018				<u><u><b>(40,673)</b></u></u>

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

	<b>Delmege Coir (Private) Limited</b>		<b>Ever Paint and Chemical Industries (Private) Limited</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Assets</b>				
Property, Plant and Equipment	27,603	-	45,283	75,143
Inventories	10,820	-	18,560	37,001
Trade and Other Receivables	9,966	-	15,822	25,016
Cash and Cash Equivalents	696	-	5,582	655
Assets Held for Sale	<u>49,085</u>	<u>-</u>	<u>85,248</u>	<u>137,815</u>
<b>Current Liabilities</b>				
Trade and Other Payables	(10,547)	-	(7,874)	(14,442)
Interest Bearing Loans & Borrowings	-	-	-	(121,502)
Retirement Benefit Liability	-	-	(402)	(19,995)
Liabilities Directly Associated with the Assets Held for Sale	<u>(10,547)</u>	<u>-</u>	<u>(8,276)</u>	<u>(155,939)</u>
<b>Net Assets Directly Associated with Disposal Group</b>	<u><b>38,538</b></u>	<u><b>-</b></u>	<u><b>76,972</b></u>	<u><b>(18,124)</b></u>

**VALLIBEL ONE PLC**  
NOTES TO THE FINANCIAL STATEMENTS

**10 Discontinued Operations (Contd...)**

**10.3** The net cash flows incurred by Delmege Coir (Private) Limited and Ever Paint and Chemical Industries (Private) Limited are as follows:

	<b>Delmege Coir (Private) Limited</b>		<b>Ever Paint and Chemical Industries (Private) Limited</b>	
	<b>2018 Rs.'000</b>	<b>2017 Rs.'000</b>	<b>2018 Rs.'000</b>	<b>2017 Rs.'000</b>
Operating	15,140	6,848	91,142	108,427
Investing	(1,513)	(8,787)	35,286	2,461
Financing	-	-	(120,880)	(27,651)
<b>Net cash (outflow)/inflow</b>	<u>13,627</u>	<u>(1,939)</u>	<u>5,549</u>	<u>83,238</u>
<b>Earnings per Share</b>	<b>2018 Rs.'000</b>	<b>2017 Rs.'000</b>	<b>2018 Rs.'000</b>	<b>2017 Rs.'000</b>
Basic, profit/(loss) for the year from discontinued operations	(5.66)	(1.15)	(1.04)	(9.78)

**Asset Held For Sale- Property Plant & Equipment**

The Management of Delmege group has decided on 2016-2017 year to dispose of the fixed assets having net book value of Rs. 10,673,599.39/- thereof . These assets are available for immediate sale in its current condition. The actions to complete the sale were initiated and expected to be completed within one year from the the reporting date. Therefore, the said fixed assets are classified as a non-current assets held for sale as at the reporting date.

**Group**

	<b>2018 Rs.'000</b>	<b>2017 Rs.'000</b>
<b>Assets</b>		
Delmege Coir (Private) Limited	49,085	-
Ever Paint and Chemical Industries (Private) Limited	85,248	137,815
Delmege Interior Deco (Pvt )Ltd	10,674	-
	<u>145,007</u>	<u>137,815</u>
<b>Liabilities</b>		
Delmege Coir (Private) Limited	(10,547)	-
Ever Paint and Chemical Industries (Private) Limited	(8,276)	(155,939)
	<u>(18,823)</u>	<u>(155,939)</u>

**11 Greener Water Hotel Project**

- Civil, Structural and MEP (Mechanical, Electrical and Plumbing) works of the super structure are in progress.
- Delays have been encountered in the construction of the super structure vis-à-vis the Project milestones. This has necessitated variations to the timelines, thus delaying the Project completion by approximately one year.
- In view of the aforesaid, it is expected to commence commercial operations by April 2020.

**12** There have been no material events occurring after the balance sheet date that require adjustment or disclosure in the financial statement.

## VALLIBEL ONE PLC

### 13 Operating Segment Information

For the year ended 31st March

Rs'000

#### Revenue

Sales to external customers

Intra group Revenue

#### Total Revenue

#### Results

#### Gross Profit

Dividend Income

Other Income & Gains

Administrative Expenses

Distribution Expenses

Other Operating Expenses

Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates.

Finance Cost

Finance Income

Gain / (loss) on Golden auction

Share of results of Equity Accounted Investees

Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings

#### Profit Before Value Added Tax

Value Added Tax on Financial Services

#### Profit / (Loss) Before Tax

Income Tax Expense

Loss after tax for the year from Discontinued Operations

#### Profit / (Loss) for the Year

As at 31st March

### 14 Segment Assets and Liabilities

#### Total Assets

#### Total Liabilities

### 15 Other Segment Information

Total Cost Incurred During the Period to Acquire

Property , Plant & Equipment

Intangible Assets

Depreciation & Amortization

provision for Retirement Benefit Liability

	Lifestyle Sector		Finance Sector		Alluminium Sector		Plantation sector		Leisure Sector	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Sales to external customers	22,936,228	21,453,764	24,900,784	19,119,853	3,340,583	2,825,102	2,214,284	1,945,861	-	-
Intra group Revenue	11,593	12,353	-	-	-	(693)	34,178	1,417	-	-
<b>Total Revenue</b>	<b>22,947,821</b>	<b>21,466,117</b>	<b>24,900,784</b>	<b>19,119,853</b>	<b>3,340,583</b>	<b>2,824,409</b>	<b>2,248,462</b>	<b>1,947,278</b>	<b>-</b>	<b>-</b>
<b>Results</b>										
<b>Gross Profit</b>	<b>9,916,167</b>	<b>9,807,407</b>	<b>13,401,728</b>	<b>11,002,258</b>	<b>1,013,412</b>	<b>942,078</b>	<b>202,098</b>	<b>115,650</b>	<b>-</b>	<b>-</b>
Dividend Income	476	435	-	3,666	-	-	-	-	-	-
Other Income & Gains	250,727	470,681	146,152	246,159	5,569	4,388	51,563	43,940	-	-
Administrative Expenses	(1,322,030)	(1,365,522)	(2,766,420)	(2,659,027)	(164,718)	(155,290)	(112,290)	(94,436)	(45,682)	(46,512)
Distribution Expenses	(3,889,317)	(3,323,224)	-	-	(398,456)	(338,526)	-	-	-	-
Other Operating Expenses	(155,980)	(58,258)	(2,969,751)	(1,687,920)	-	-	-	-	-	-
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates.	-	-	-	(2,468,642)	-	-	-	-	-	-
Finance Cost	(1,111,996)	(878,305)	-	(578)	(116,621)	(88,008)	(91,607)	(96,868)	(147)	(155)
Finance Income	164,223	172,657	-	-	-	-	-	129	1,026	1,261
Gain / (loss) on Golden auction	-	-	(2,995)	(2,201)	-	-	-	-	-	-
Share of results of Equity Accounted Investees	-	-	-	651,346	-	-	-	-	30,553	35,804
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	-	-	-	(648,594)	-	-	-	-	-	-
<b>Profit Before Value Added Tax</b>	<b>3,852,271</b>	<b>4,825,870</b>	<b>7,808,714</b>	<b>4,436,466</b>	<b>339,186</b>	<b>364,642</b>	<b>49,764</b>	<b>(31,585)</b>	<b>(14,250)</b>	<b>(9,601)</b>
Value Added Tax on Financial Services	-	-	(1,336,693)	(1,027,101)	-	-	-	-	-	-
<b>Profit / (Loss) Before Tax</b>	<b>3,852,271</b>	<b>4,825,870</b>	<b>6,472,021</b>	<b>3,409,365</b>	<b>339,186</b>	<b>364,642</b>	<b>49,764</b>	<b>(31,585)</b>	<b>(14,250)</b>	<b>(9,601)</b>
Income Tax Expense	(1,242,411)	(1,158,837)	(2,226,969)	(2,166,931)	(84,978)	(38,981)	(13,271)	(2,063)	(187)	(6,401)
Loss after tax for the year from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Profit / (Loss) for the Year</b>	<b>2,609,860</b>	<b>3,667,033</b>	<b>4,245,052</b>	<b>1,242,434</b>	<b>254,208</b>	<b>325,661</b>	<b>36,493</b>	<b>(33,648)</b>	<b>(14,437)</b>	<b>(16,002)</b>
<b>As at 31st March</b>										
<b>14 Segment Assets and Liabilities</b>										
<b>Total Assets</b>	<b>47,939,225</b>	<b>38,960,048</b>	<b>120,820,780</b>	<b>102,763,035</b>	<b>3,298,891</b>	<b>2,712,829</b>	<b>3,347,599</b>	<b>3,966,100</b>	<b>4,690,297</b>	<b>1,746,602</b>
<b>Total Liabilities</b>	<b>21,884,526</b>	<b>16,441,374</b>	<b>105,471,884</b>	<b>90,253,356</b>	<b>2,600,456</b>	<b>1,569,242</b>	<b>2,308,928</b>	<b>2,258,207</b>	<b>584,853</b>	<b>61,736</b>
<b>15 Other Segment Information</b>										
Total Cost Incurred During the Period to Acquire										
Property , Plant & Equipment	2,866,287	2,761,874	1,537,335	1,809,158	489,727	289,484	15,556	11,673	650,838	1,215,593
Intangible Assets	-	-	17,566	31,513	-	-	-	-	-	925
Depreciation & Amortization	1,152,317	1,019,253	384,234	343,218	62,468	64,187	157,666	132,615	6,514	4,882
provision for Retirement Benefit Liability	67,105	96,000	92,497	41,550	4,000	3,523	74,718	73,291	674	668

## VALLIBEL ONE PLC

### 13 Operating Segment Information

For the year ended 31st March

Rs'000

	Consumer Sector		Investment Sector		Other Sector		Eliminations / Adjustments		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017 (Restated)
<b>Revenue</b>										
Sales to external customers	4,387,209	4,815,959	-	-	3,195,366	2,778,627	(5,592)	(2,764)	60,968,862	52,936,402
Intra group Revenue	-	-	-	-	458,777	484,895	(504,548)	(497,973)	-	-
<b>Total Revenue</b>	<b>4,387,209</b>	<b>4,815,959</b>	<b>-</b>	<b>-</b>	<b>3,654,142</b>	<b>3,263,522</b>	<b>(510,140)</b>	<b>(500,737)</b>	<b>60,968,862</b>	<b>52,936,402</b>
<b>Results</b>										
<b>Gross Profit</b>	<b>905,992</b>	<b>981,876</b>	<b>-</b>	<b>-</b>	<b>732,683</b>	<b>899,447</b>	<b>(11,701)</b>	<b>(17,943)</b>	<b>26,160,379</b>	<b>23,730,773</b>
Dividend Income	-	-	1,221,112	2,020,305	6,217	537	(1,209,373)	(1,551,617)	18,431	473,326
Other Income & Gains	25,029	23,192	157,614	48,216	472,766	142,869	(534,413)	(257,518)	575,007	721,926
Administrative Expenses	(205,381)	(140,761)	(183,596)	(162,506)	(624,295)	(571,007)	349,213	163,939	(5,075,198)	(5,031,122)
Distribution Expenses	(496,627)	(473,671)	-	-	(162,808)	(164,742)	160,840	103,827	(4,786,367)	(4,196,336)
Other Operating Expenses	-	-	(167)	-	-	-	(39,985)	(117,510)	(3,165,883)	(1,863,688)
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates.	-	-	-	(828,882)	-	-	-	-	-	(3,297,525)
Finance Cost	(510,139)	(351,654)	(2,183)	(14,187)	(223,052)	(210,492)	140,701	28,969	(1,915,045)	(1,611,279)
Finance Income	90,039	8,480	165,026	242,759	101,996	34,595	(140,334)	(4,274)	381,975	455,607
Gain / (loss) on Golden auction	-	-	-	-	-	-	-	-	(2,995)	(2,201)
Share of results of Equity Accounted Investees	-	-	-	-	-	-	-	-	30,553	687,150
Reclassification of the Gain/Loss Recognised in OCI Through Retained Earnings	-	-	(147,164)	-	-	-	-	-	(147,164)	(648,594)
<b>Profit Before Value Added Tax</b>	<b>(191,088)</b>	<b>47,461</b>	<b>1,210,641</b>	<b>1,305,705</b>	<b>303,508</b>	<b>131,206</b>	<b>(1,285,051)</b>	<b>(1,652,127)</b>	<b>12,073,695</b>	<b>9,418,037</b>
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	(1,336,693)	(1,027,101)
<b>Profit / (Loss) Before Tax</b>	<b>(191,088)</b>	<b>47,461</b>	<b>1,210,641</b>	<b>1,305,705</b>	<b>303,508</b>	<b>131,206</b>	<b>(1,285,051)</b>	<b>(1,652,127)</b>	<b>10,737,002</b>	<b>8,390,936</b>
Income Tax Expense	(7,776)	(12,068)	(55,792)	(65,932)	(97,260)	(70,989)	(198,171)	(239,520)	(3,926,815)	(3,761,722)
Loss after tax for the year from Discontinued Operations	-	-	-	-	-	-	(40,673)	(195,550)	(40,673)	(195,550)
<b>Profit / (Loss) for the Year</b>	<b>(198,864)</b>	<b>35,393</b>	<b>1,154,849</b>	<b>1,239,773</b>	<b>206,248</b>	<b>60,217</b>	<b>(1,523,895)</b>	<b>(2,087,196)</b>	<b>6,769,514</b>	<b>4,433,665</b>

As at 31st March

### 14 Segment Assets and Liabilities

<b>Total Assets</b>	<b>2,831,488</b>	<b>3,053,824</b>	<b>32,452,909</b>	<b>29,452,325</b>	<b>9,782,466</b>	<b>9,156,843</b>	<b>(18,990,791)</b>	<b>(15,761,662)</b>	<b>206,172,864</b>	<b>176,049,943</b>
<b>Total Liabilities</b>	<b>4,421,193</b>	<b>4,382,583</b>	<b>1,103,160</b>	<b>428,837</b>	<b>4,601,298</b>	<b>2,804,012</b>	<b>(5,265,888)</b>	<b>(2,661,673)</b>	<b>137,710,410</b>	<b>115,537,673</b>

### 15 Other Segment Information

Total Cost Incurred During the Period to Acquire

Property, Plant & Equipment	9,407	8,932	2,482	4,317	40,140	686,287	(10,697)	1,470	5,601,076	6,788,788
Intangible Assets	-	4,520	-	-	1,409	-	-	-	18,974	36,958
Depreciation & Amortization	11,946	7,590	10,228	105,669	157,981	96,196	108,870	7,808	2,052,224	1,781,417
provision for Retirement Benefit Liability	3,790	3,404	1,576	1,390	20,913	14,284	-	659	265,274	234,769

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

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

	<u>2018</u> Rs.	<u>2017</u> Rs.
Highest	25.00	19.00
Lowest	17.20	16.20
Closing	22.60	17.50

**2 Directors Shareholding**

Name	No of shares as at 31st March 2018	No of shares as at 31st March 2017
Mr. Dhammika Perera	689,726,471	689,726,471
Mr. J A S S Adhihetty	100,000	100,000
Mr. S H Amarasekera -Shares held in the following manner Pan Asia Banking Corporation PLC / Mr. S H Amarasekera	1,000,000	1,000,000
Ms. K Fernando	800,000	800,000
Mr. R N Asirwatham	800	800

**3 Twenty Major Shareholders as at 31st March 2018.**

	No of Shares	(%)
1 Mr. Dhammika Perera	689,726,471	63.478
2 Employees Provident Fund	101,549,200	9.346
3 Vallibel Investments (Private) Limited	91,966,451	8.464
4 Vallibel Leisure (Private) Limited	91,929,063	8.461
5 Bank of Ceylon A/c Ceybank Unit Trust	14,435,414	1.329
6 Mercantile Investments and Finance PLC	5,176,000	0.476
7 National Savings Bank	3,143,693	0.289
8 Mellon Bank N. A. -UPS Group Trust	2,800,000	0.258
9 Hatton National Bank PLC/Sanka Ramoorthy Nadaraj Kumar	2,779,538	0.256
10 Bank of Ceylon No. 1 Account	2,427,704	0.223
11 Merrill J Fernando & Sons (Pvt) Limited	2,299,000	0.212
12 Mr. K D A Perera	2,079,039	0.191
13 Mr. H R S Wijeratne	2,069,000	0.190
14 Mr. A M Weerasinghe	2,000,000	0.184
15 Wickramaratnes (Pvt) Limited	1,865,000	0.172
16 Employees Trust Fund Board	1,722,140	0.158
17 Prof.M.T.A Furkhan	1,672,000	0.154
18 Mr A Sithampalam	1,567,000	0.144
19 Bartleet Asset Management (Pvt) Ltd	1,314,000	0.121
20 Mr. U F Strunk and Mrs M G De Albuquerque Leinenbach	1,215,095	0.112
	1,023,735,808	94.218
Others	62,823,545	5.782
Total	<b>1,086,559,353</b>	<b>100.000</b>

**4 Public Shareholding**

The percentage of shares held by the public as at 31st March 2018 was 19.315% comprising of 11,063 Share holders.

**VALLIBEL ONE PLC**  
**CORPORATE INFORMATION**

**Name of Company**

Vallibel One PLC

**Legal Form**

A Public Quoted Company with limited liability  
Incorporated under the provisions of the Companies Act, No. 07 of 2007.

**Date of Incorporation**

09th June 2010

**Company Registration Number**

PB 3831 PQ

**Nature of the Business**

Group Holding Company manages a portfolio of diversified business holdings

**Board of Directors**

Mr. Dhammika Perera – Chairman / Managing Director  
Mr. S H Amarasekera  
Mr. J A S S Adhihetty  
Ms. K Fernando  
Mr. R N Asirwatham

**Head Office and Registered Office**

29, West Tower, World Trade Center  
Echelon Square, Colombo 01  
Telephone: 011 2445577  
Fax: 011 2441444

**Subsidiary Companies**

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

**Associate Companies**

The Fortress Resorts PLC

**Company Secretaries**

P W Corporate Secretarial (Pvt) Ltd  
No.3/17, Kynsey Road,  
Colombo 08.  
Telephone: 011 4640360  
Fax: 011 4740588  
E-mail:pwcs@pwcs.lk

**Auditors**

Ernst & Young  
Chartered Accountants  
No.201, De Saram Place  
Colombo 10.

**Bankers**

Hatton National Bank PLC  
Pan Asia Banking corporation PLC  
Sampath Bank PLC  
Standard Chartered Bank Ltd