

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

**Vallibel | ONE**

**For the Nine months period ended 31st December 2014**

**VALLIBEL ONE PLC**  
STATEMENT OF FINANCIAL POSITION

As at	Company		Group	
	31.12.2014 Rs.'000	31.03.2014 Rs.'000	31.12.2014 Rs.'000	31.03.2014 Rs.'000
<b>ASSETS</b>				
Cash and Bank	33,779	33,413	8,333,114	3,132,574
Fair Value Through P&L - Financial Assets	310,642	274,816	323,723	447,323
Short Term Investments	1,749,826	1,140,537	995,856	390,537
Loans and Receivable	375,000	375,000	22,436,908	19,268,238
Lease Rentals receivables and Stock out on hire	-	-	31,672,614	30,290,732
Available for Sales - Financial Assets	741,860	803,932	1,629,905	2,467,261
Other Financial Assets	-	-	3,540,025	5,147,560
Trade and Other Receivables	97,645	88,458	5,169,017	6,726,047
Other Non Financial Assets	-	-	1,568,211	1,648,365
Investments in Subsidiaries	16,514,151	17,118,514	-	-
Investment in Associate	7,710,663	7,304,772	8,963,094	8,368,840
Amounts Due From Related Parties	183,006	123,846	9,316	-
Deferred Tax Assets	-	-	467,246	524,126
Income Tax Recoverable	4,454	6,102	127,044	47,239
Inventories	-	-	8,876,401	9,796,078
Intangible Assets	-	-	13,165,662	13,192,337
Property, Plant and Equipment	30,607	35,274	21,453,796	23,309,853
Investment Property	-	-	240,094	240,094
Leasehold rights over Mining Lands	-	-	-	1,227
<b>Total Assets</b>	<b>27,751,634</b>	<b>27,304,665</b>	<b>128,972,026</b>	<b>124,998,431</b>
<b>LIABILITIES</b>				
Due to Banks	-	4,483	8,454,362	6,776,384
Due to Customers	-	-	47,491,186	45,332,658
Interest Bearing Loans and Borrowings	-	-	17,310,844	20,091,277
Trade and Other Payables	840	840	5,434,213	4,942,929
Other Non Financial Liabilities	-	-	1,182,504	1,130,209
Amounts Due To Related Parties	-	-	-	91,602
Dividend Payable	5,328	3,659	36,573	50,121
Employee Benefit Liabilities	1,776	1,776	1,072,596	1,115,519
Income Tax Liabilities	6,184	-	683,838	148,147
Deferred Tax Liabilities	3,602	3,602	667,549	608,386
Capital Grants	-	-	122,777	118,411
<b>Total Liabilities</b>	<b>17,731</b>	<b>14,359</b>	<b>82,456,444</b>	<b>80,405,643</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	569,919	126,322	6,889,970	5,328,082
	27,733,903	27,290,306	34,053,954	32,492,066
<b>Non Controlling Interest</b>	-	-	12,461,629	12,100,721
<b>Total Equity</b>	<b>27,733,903</b>	<b>27,290,306</b>	<b>46,515,583</b>	<b>44,592,787</b>
<b>Total Equity and Liabilities</b>	<b>27,751,634</b>	<b>27,304,665</b>	<b>128,972,026</b>	<b>124,998,431</b>

**Net Asset Per Share (Rs.)** 25.52 25.12 31.34 29.90

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  
13-Feb-15

Sgd.  
Director

**VALLIBEL ONE PLC**  
**STATEMENT OF INCOME**

For the Period ended 31st December	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	-	-	-	-	-	11,677,466	14,750,061	31,775,220	36,300,249	(12)
Cost of Sales	-	-	-	-	-	(6,935,681)	(9,564,140)	(19,114,243)	(25,064,778)	24
<b>Gross Profit</b>	-	-	-	-	-	4,741,786	5,185,921	12,660,976	11,235,472	13
Dividend income	58,763	-	519,396	350,915	48	2,362	150	18,593	14,322	30
Other operating income	-	-	144,183	-	100	92,210	(997,604)	366,172	(676,596)	154
Administrative Expenses	(27,541)	(21,035)	(71,645)	(57,002)	(26)	(1,388,264)	(1,308,274)	(2,994,386)	(3,013,293)	1
Distribution Expenses	-	-	-	-	-	(824,361)	(739,132)	(2,244,041)	(1,845,655)	(22)
Other Operating Expenses	-	-	-	-	-	(513,432)	(261,854)	(2,273,734)	(1,259,914)	(80)
Gain / (loss) on Gold auction	-	-	-	-	-	(19,555)	(378,937)	(204,557)	(1,132,641)	82
<b>Results from Operating activities</b>	<b>31,222</b>	<b>(21,035)</b>	<b>591,935</b>	<b>293,913</b>	<b>101</b>	<b>2,090,746</b>	<b>1,500,272</b>	<b>5,329,024</b>	<b>3,321,695</b>	<b>60</b>
Finance Cost	-	(17,193)	-	(42,050)	100	(317,187)	(551,722)	(981,088)	(1,603,440)	39
Finance Income	35,814	72,780	188,588	226,646	(17)	19,655	78,300	190,449	195,148	(2)
<b>Net Finance cost</b>	<b>35,814</b>	<b>55,587</b>	<b>188,588</b>	<b>184,597</b>	<b>2</b>	<b>(297,532)</b>	<b>(473,422)</b>	<b>(790,638)</b>	<b>(1,408,292)</b>	<b>44</b>
Share of results of equity accounted Investees	-	-	-	-	-	195,811	159,771	573,858	385,342	49
<b>Profit Before Value Added Tax</b>	<b>67,035</b>	<b>34,551</b>	<b>780,523</b>	<b>478,510</b>	<b>63</b>	<b>1,989,025</b>	<b>1,186,621</b>	<b>5,112,244</b>	<b>2,298,745</b>	<b>122</b>
Value Added Tax on Financial Services	-	-	-	-	-	(97,652)	(27,639)	(237,034)	(66,128)	(258)
<b>Profit Before Tax</b>	<b>67,035</b>	<b>34,551</b>	<b>780,523</b>	<b>478,510</b>	<b>63</b>	<b>1,891,373</b>	<b>1,158,982</b>	<b>4,875,210</b>	<b>2,232,617</b>	<b>118</b>
Income Tax Expense	(12,109)	(5,990)	(39,269)	(40,661)	3	(454,925)	(302,207)	(1,295,908)	(719,568)	(80)
<b>Profit for the Period from Continuing Operation</b>	<b>54,926</b>	<b>28,562</b>	<b>741,253</b>	<b>437,849</b>	<b>69</b>	<b>1,436,448</b>	<b>856,775</b>	<b>3,579,302</b>	<b>1,513,049</b>	<b>137</b>
<b>Discontinued Operation</b>										
Loss after tax for the period from Discontinued Operations	-	-	-	-	-	-	-	(143,641)	-	(100)
<b>Net Profit for the period</b>	<b>54,926</b>	<b>28,562</b>	<b>741,253</b>	<b>437,849</b>	<b>69</b>	<b>1,436,448</b>	<b>856,775</b>	<b>3,435,661</b>	<b>1,513,049</b>	<b>127</b>
<b>Attributable to :</b>										
Equity holders of the Parent	54,926	28,562	741,253	437,849	69	763,998	398,167	1,955,385	823,939	137
Non - Controlling Interests	-	-	-	-	-	672,450	458,608	1,480,276	689,110	115
	<b>54,926</b>	<b>28,562</b>	<b>741,253</b>	<b>437,849</b>	<b>69</b>	<b>1,436,448</b>	<b>856,775</b>	<b>3,435,661</b>	<b>1,513,049</b>	<b>127</b>
Earnings Per Share (Rs.)	0.05	0.03	0.68	0.40		0.70	0.37	1.80	0.76	

**VALLIBEL ONE PLC**  
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31st December	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	
<b>Other Comprehensive Income</b>										
<b>Net Profit for the Period</b>	54,926	28,562	741,253	437,849	69	1,436,448	856,775	3,435,661	1,513,049	127
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	(152,143)	180,099	(191,358)	246,522	178
Income tax effect	-	-	-	-	-	29,888	-	31,589	-	-
Net Gain/(Loss) on Available for sale Financial Assets	(43,870)	(4,103)	218,389	(34,323)	736	(40,753)	35,307	306,095	(2,281)	13520
Income tax effect	-	-	-	-	-	13,836	-	-	-	(100)
Actuarial Loss on Defined Benefit Plans	-	-	-	-	-	3,750	-	11,249	-	100
Exchange difference on translation of foreign operations	-	-	-	-	-	-	(58,954)	(12,661)	(27,085)	53
<b>Other Comprehensive Income for the period, net of tax</b>	(43,870)	(4,103)	218,389	(34,323)	736	(145,422)	156,451	144,914	217,644	33
<b>Total Comprehensive Income for the period, net of tax</b>	11,056	24,459	959,642	403,526	138	1,291,026	1,013,226	3,580,575	1,730,693	107
<b>Total Comprehensive income attributable to :</b>										
Equity holders of the Parent	11,056	24,459	959,642	403,526	138	620,760	866,357	2,065,454	1,339,782	54
Non - Controlling Interests	-	-	-	-	-	670,266	146,869	1,515,121	390,911	288
	<b>11,056</b>	<b>24,459</b>	<b>959,642</b>	<b>403,526</b>	138	<b>1,291,026</b>	<b>1,013,226</b>	<b>3,580,575</b>	<b>1,730,693</b>	107

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

For the period ended 31st December	Stated Capital Rs.'000	Available for Sale Reserve Rs.'000	Retained Earnings/ (Losses) Rs.'000	Total Rs.'000
<b>Balance as at 01st April 2013</b>	27,163,984	(202,472)	682,460	27,643,972
Profit for the period	-	-	437,849	437,849
Other Comprehensive Income	-	(34,323)	-	(34,323)
Dividend Paid	-	-	(760,592)	(760,592)
<b>Balance as at 31st December 2013</b>	<u>27,163,984</u>	<u>(236,795)</u>	<u>359,717</u>	<u>27,286,906</u>
<b>Balance as at 01st April 2014</b>	27,163,984	(255,623)	381,945	27,290,306
<b>Restatement</b>	-	-	(81,421)	(81,421)
<b>Restated Balance</b>	<u>27,163,984</u>	<u>(255,623)</u>	<u>300,523</u>	<u>27,208,884</u>
Profit for the period	-	-	741,253	741,253
Other Comprehensive Income	-	218,389	-	218,389
Dividend Paid	-	-	(434,624)	(434,624)
<b>Balance as at 31st December 2014</b>	<u>27,163,984</u>	<u>(37,234)</u>	<u>607,153</u>	<u>27,733,903</u>

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

For the period ended 31st December Rs.'000

	Stated Capital	Treasury Shares	Capital Reserves		Other Component of Equity			Revenue Reserve		Hedge Reserve	Actuarial Gain/ (Loss)	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										
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.					
<b>Balance as at 01st April 2013</b>	27,163,984	(66,372)	455,904	263,175	(832,781)	155,398	81,962	50,179	3,371,929	4,971	14,349	30,662,699	5,684,101	36,346,800
Profit for the period	-	-	-	-	-	-	-	-	823,939	-	-	823,939	689,110	1,513,049
<b>Other Comprehensive Income</b>														
Share of other comprehensive income of equity accounted investees	-	-	-	-	137,520	-	198,514	-	(49,885)	-	-	286,148	-	286,148
Exchange difference on translation of foreign operations	-	-	-	-	-	(13,542)	-	-	-	-	-	(13,542)	(13,542)	(27,085)
Net Gain/(Loss) on Available for sale	-	-	-	-	(13,736)	-	-	-	-	-	-	(13,736)	11,455	(2,281)
<b>Total other Comprehensive Income</b>	-	-	-	-	123,784	(13,542)	198,763	-	(49,885)	-	(39,626)	219,492	(1,848)	217,644
Disposal of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	5,944,048	5,944,048
Adjustment due to Change in Holding	-	-	-	-	-	-	-	-	(76,686)	-	-	(76,686)	(927,608)	(1,004,294)
Transfers	-	-	116,124	200,830	-	-	-	18,564	(335,518)	-	-	-	14,372	14,372
Dividend Paid	-	-	-	-	-	-	-	-	(759,043)	-	-	(759,043)	(159,176)	(918,219)
<b>Balance as at 31st December 2013</b>	27,163,984	(66,372)	572,028	464,005	(708,997)	141,856	280,725	70,188	2,974,736	4,971	(25,277)	30,871,847	11,242,998	42,114,845
<b>Balance as at 01st April 2014</b>	27,163,984	(67,672)	628,232	378,196	(753,125)	158,817	721,252	50,179	4,262,037	(49,706)	(126)	32,492,066	12,100,721	44,592,787
<b>Restatement</b>	-	-	-	-	-	-	-	-	(81,421)	-	-	(81,421)	-	(81,421)
<b>Restated Balance</b>	27,163,984	(67,672)	628,232	378,196	(753,125)	158,817	721,252	50,179	4,180,616	(49,706)	(126)	32,410,645	12,100,721	44,511,366
Profit for the Period	-	-	-	-	-	-	-	-	1,955,385	-	-	1,955,385	1,480,276	3,435,661
<b>Other Comprehensive Income</b>														
Share of other comprehensive income of equity accounted investees	-	-	-	-	(78,535)	-	-	-	-	(81,234)	-	(159,769)	-	(159,769)
Exchange difference on translation of foreign operations	-	-	-	-	-	(6,330)	-	-	-	-	-	(6,330)	(6,330)	(12,661)
Net Gain/(Loss) on Available for Sale	-	-	-	-	274,740	-	-	-	-	-	-	274,740	31,355	306,095
Actuarial Gain/(Loss)	-	-	-	-	-	-	-	-	-	1,429	-	1,429	9,820	11,249
<b>Total other Comprehensive Income</b>	-	-	-	-	196,205	(6,330)	-	-	-	(79,805)	-	110,069	34,845	144,914
Disposal of Subsidiary	-	21,850	-	-	-	(152,486)	-	-	152,486	-	-	21,850	(586,532)	(564,682)
Transfers	-	-	349,463	(348,061)	-	-	-	677,548	(678,949)	-	-	-	-	-
Effect on changes in holding	-	-	-	-	-	-	-	-	(9,817)	-	-	(9,817)	(56,375)	(66,193)
Dividend Paid	-	-	-	-	-	-	-	-	(434,178)	-	-	(434,178)	(511,306)	(945,484)
<b>Balance as at 31st December 2014</b>	27,163,984	(45,822)	977,694	30,135	(556,921)	-	721,252	727,727	5,165,542	(129,511)	(126)	34,053,954	12,461,629	46,515,583

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

For the period ended

**CASH FLOWS FROM OPERATING ACTIVITIES**

	Company		Group	
	31.12.2014 Rs.'000	30.12.2013 Rs.'000	31.12.2014 Rs.'000	31.12.2013 Rs.'000
Net Profit/ (Loss) before Taxation	780,523	478,510	4,875,210	2,232,617
Profit/ (Loss) Before Tax from Discontinued Operations	-	-	(143,641)	-
<b>ADJUSTMENTS FOR</b>				
Profit / Loss on sale of Property, Plant & equipment	-	-	55,687	(46,567)
Depreciation	6,789	6,446	1,150,993	1,124,959
Provision For Fall in Value of Investments	(31,462)	35,026	(129,557)	82,366
Amortization	-	-	15,419	30,241
Share of results of equity accounted investees	-	-	(573,858)	(385,342)
Net (gain) / loss on foreign exchange	-	7,111	(12,661)	(66,711)
Provision for impairment of assets	-	-	61,623	461,402
Provision For Defined Benefit Plan Costs	-	-	152,448	176,534
Amortization of Capital Grants	-	(15,624)	(3,490)	-
Profit/ (Loss) from sale of Available for Sale Financial Assets	(144,183)	-	(32,778)	-
Gain on disposal of subsidiary	-	-	(71,581)	-
(Profit) / Loss from sale of FVTP&L	(16,878)	-	(12,147)	-
Dividend Received	-	-	(17,379)	(15,903)
Finance Cost	-	-	981,088	1,568,414
Finance Income	(140,247)	(210,623)	(190,449)	(195,148)
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>454,541</b>	<b>300,846</b>	<b>6,104,926</b>	<b>4,966,863</b>
(Increase)/Decrease in Loans and Advances	-	-	(3,168,670)	(1,247,063)
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments	(7,435)	(3,329)	203,125	(1,133,646)
(Increase)/Decrease in Other Financial Assets	-	-	1,607,535	(4,243,782)
(Increase)/Decrease in Lease Rental Receivable	-	-	(1,381,882)	(2,072,202)
Increase/(Decrease) in Other Financial Liabilities	-	-	-	464,360
(Increase)/Decrease in Other Non Financial Assets	-	-	80,154	154,979
Increase/(Decrease) in Due to Banks	-	-	1,329,778	(2,823,368)
Increase/(Decrease) in Due to Customers	-	-	2,158,528	6,837,065
Increase/(Decrease) in Trade & Other Payables	-	961	1,259,832	(1,462,217)
Increase/(Decrease) in Other Non Financial Liabilities	-	-	52,296	567,180
(Increase)/Decrease in Inventories	-	-	(909,732)	(814,256)
Increase/(Decrease) in Amounts Due to Related Companies	-	(25)	(91,602)	(499)
Increase/(Decrease) in Amounts Due from Related Companies	(58,858)	(5,199)	(9,316)	5,014
<b>Cash Generated from Operations</b>	<b>388,248</b>	<b>293,252</b>	<b>7,234,971</b>	<b>(801,572)</b>
Retirement Benefits Liabilities paid	-	-	(61,965)	(53,817)
Interest Received	138,195	227,740	190,449	195,148
Finance Cost Paid	-	-	(981,088)	(1,568,414)
Taxes Paid - Continuing Operations	(112,859)	(61,458)	(750,394)	(763,844)
<b>Net Cash from/(Used in) Operating Activities</b>	<b>413,584</b>	<b>459,535</b>	<b>5,631,974</b>	<b>(2,992,500)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment	(2,123)	(2,111)	(1,303,428)	(1,733,476)
Proceeds from Sale of Property, Plant & Equipment	-	-	33,587	131,852
Acquisition of Intangible Assets	-	-	(12,855)	(918,339)
(Purchase) / Proceeds from short term investment	(609,288)	658,500	(605,319)	309,912
Net Proceeds of Fair Value through Profit and Loss Financial Assets	12,515	(91,862)	251,732	(52,307)
Investment on Associate	(125,431)	-	(125,431)	-
Acquisition of Subsidiary	-	-	-	(3,597,150)
Disposal of Subsidiary (Note 12)	748,547	-	748,547	-
Net Proceeds (Purchase) of AFS	-	-	862,990	(820,735)
Dividend Received	-	-	201,110	253,689
Proceeds from leasehold right on Mining	-	-	1,227	-
<b>Net Cash used in Investing Activities</b>	<b>24,220</b>	<b>564,527</b>	<b>52,160</b>	<b>(6,426,554)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issue of Shares to NCI	-	-	-	14,372
Proceeds from Interest Bearing Loans & Borrowings	-	-	15,716,213	13,704,433
Increase in Interest in Subsidiary	-	-	(66,193)	(127,513)
Repayment of Interest Bearing Loans & Borrowings	-	-	(14,040,124)	(7,266,437)
Capital Grant Received	-	-	7,856	4,857
Dividend Write Back	-	-	-	1,446
Dividend Paid	(432,955)	(756,597)	(959,032)	(924,299)
<b>Net Cash from Financing Activities</b>	<b>(432,955)</b>	<b>(756,597)</b>	<b>658,720</b>	<b>5,406,857</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>4,849</b>	<b>267,466</b>	<b>6,342,855</b>	<b>(4,012,198)</b>
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>28,930</b>	<b>(397)</b>	<b>(241,160)</b>	<b>2,140,071</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>33,779</b>	<b>267,069</b>	<b>6,101,694</b>	<b>(1,872,127)</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 December 2014 is 1,086,559,353 (31st March 2014- 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 2014 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 2014. 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 company paid Rs.0.40 (forty Cents) per share, interim dividend on 12th September 2014
- 8 No other circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.
- 9 The Consolidated Financial Statements of the Company for the quarter ended 31st December 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 (disposed 11th August 2014)

**Associate Companies**

Sampath Bank PLC  
Waskaduwa Beach Resort PLC  
The Fortress Resorts PLC

**10 Changes in accounting policies**

**SLFRS 10 Consolidated Financial Statements**

*SLFRS 10 establishes a single control model that applies to all entities including special purpose entities.*

SLFRS 10 replaces the parts of previously existing LKAS 27 Consolidated and Separate Financial Statements that dealt with the consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. SLFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in SLFRS 10, all three criteria must be met, they include:

- (a) an investor has power over an investee;
- (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

SLFRS 10 has had no impact on the consolidation of investments held by the Group.

***SLFRS 12 Disclosure of Interests in Other Entities***

SLFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable to the interim condensed consolidated financial statements, unless significant events and transactions in the interim period require that they are disclosed. Accordingly, the Group has not made any such disclosures.

***SLFRS 13 Fair Value Measurement***

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS when fair value is required or permitted. The application of SLFRS 13 has not materially impacted the fair value measurements carried out by the Group.



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

**11 Related Party Transactions**

	<b>2014</b>	<b>2013</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
For the period ended 31st December		
<b>Subsidiaries</b>		
Loan Interest Received / (Paid)	1,356	7,292
Fixed Deposits (FD) - (Investment) / Withdrawals	(3,970)	(363,000)
FD Interest Received / (Paid)	50,585	102,850
Fund Transfers	52,176	37,500
Dividend received	319,634	206,629
Operating Expenses	-	11,776
<b>Associates</b>		
Dividend received	182,746	132,509
Equity Investments	125,431	-
<b>Key management personnel (KMP)</b>		
Directors Remuneration	5,400	5,400
<b>Companies controlled / jointly controlled / significantly influenced by KMP and their close family members</b>		
Fixed Deposits - (Investment) / Withdrawals	(69,250)	(22,050)
FD Interest Received / (Paid)	85,491	91,475
Dividend Received	13,608	9,822
Repo	19,000	261,100
Equity Investments	20,923	120,735

**12 Disposal of controlling interest during interim period**

In August 2014 the Company has disposed of its interest in one of its subsidiary, namely Orit Apparels Lanka (Private) Limited for Rs. 748 Mn. The resultant gain of Rs. 71Mn has been reflected in the consolidated income statement

**Value recognised on disposal**

	<b>Rs.'000</b>
<b>Assets</b>	
Cash and cash equivalents	1,490,514
Receivables and prepayments	1,336,258
Financial assets at fair value through Profit and loss	35,422
Inventories	1,784,946
Deferred tax assets	20,769
Intangible assets	24,110
Property, plant and equipment	1,919,219
	<u>6,611,239</u>
<b>Liabilities</b>	
Borrowings	(4,456,522)
Defined benefit obligations	(122,157)
Deferred tax liabilities	(515)
Trade and other payables	(768,547)
	<u>(5,347,741)</u>
<b>Total identifiable net assets</b>	1,263,498
Non controlling interest	(586,532)
Net asset directly associated with disposal group	676,965
Profit on disposal of non current investment	71,581
Net cash inflow on disposal of non current investment	<u>748,547</u>

**13 Investment during the interim period**

The Company acquired an additional 5.68% of voting shares of "The Fortress Resorts PLC" by paying a cash consideration of Rs.125 Mn, increasing its share ownership to 18.02%. From the date of transaction, "The Fortress Resorts PLC" treated as an associate of Vallibel One PLC due to availability of significant influence over The Fortress Resorts PLC.

The carrying value of the net assets of The Fortress Resort PLC, at the subsequent acquisition date was Rs. 1.25 Bn, and the carrying value of the additional interest acquired was Rs. 71 Mn. The difference between the consideration and the carrying value of the interest acquired of Rs. 179 Mn has been included in investment in associate according to the equity method.

**VALLIBEL ONE PLC**

**14 Operating Segment information  
For the period ended 31st December  
Rs'000**

	Investment 2014	2013	Tiles 2014	2013	Sanitary wear 2014	2013	Plantation 2014	2013	Bank & Finance 2014	2013	Leisure 2014	2013
Revenue	-	-	10,606,402	9,205,729	932,998	690,486	1,648,179	1,561,794	10,862,491	11,176,536	-	-
Cost of Sales	-	-	(6,382,396)	(5,842,858)	(604,354)	(458,484)	(1,522,297)	(1,356,609)	(4,494,674)	(5,284,596)	-	-
<b>Gross Profit/ (Loss)</b>	-	-	4,224,006	3,362,871	328,643	232,003	125,882	205,185	6,367,817	5,891,940	-	-
Dividend income	17,015	11,777	473	-	-	-	-	-	741	2,395	-	-
Other income & gains	71,581	-	65,017	(5,905)	228	(2,509)	4,829	867	108,455	(1,027,525)	32,778	-
Administrative Expenses	(71,645)	(57,002)	(778,134)	(707,414)	(16,975)	(9,078)	(66,041)	(65,806)	(1,379,976)	(1,224,223)	(13,923)	(8,046)
Distribution Expenses	-	-	(1,539,303)	(1,319,980)	(38,068)	(27,307)	-	(13,628)	-	-	-	-
Other Operating Expenses	-	-	(18,880)	(18,880)	-	-	-	-	(2,254,854)	(1,227,770)	-	-
Finance Cost	-	(42,050)	(530,725)	(826,674)	(31,340)	(37,600)	(30,655)	(38,818)	-	-	(35)	(19)
Finance Income	136,647	112,546	19,641	26,109	-	-	-	-	-	(112)	153	176
Provision for fall in value of Investments	-	-	-	-	-	-	-	-	(204,557)	(1,132,641)	-	-
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	596,878	386,573	(23,020)	(1,231)
<b>Profit Before Value Added Tax</b>	153,598	25,271	1,442,096	510,127	242,489	155,509	34,015	87,800	3,234,506	1,668,637	(4,046)	(9,120)
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	(237,034)	(66,128)	-	-
<b>Profit / (loss) Before Tax</b>	153,598	25,271	1,442,096	510,127	242,489	155,509	34,015	87,800	2,997,472	1,602,509	(4,046)	(9,120)
Income Tax Expense	(84,286)	(85,678)	(258,377)	(206,722)	(9,880)	(12,589)	(11,410)	(16,375)	(886,794)	(389,535)	(1,491)	(14)
Loss after tax for the period from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit / (Loss) for the period</b>	69,312	(60,407)	1,183,719	303,405	232,609	142,920	22,605	71,425	2,110,678	1,212,974	(5,537)	(9,134)

**15 Segment Assets and Liabilities**

<b>Total Assets</b>	10,097,371	9,491,789	27,543,286	25,842,190	3,004,033	2,952,083	2,988,244	2,802,112	74,062,016	66,056,901	439,154	421,248
<b>Total Liabilities</b>	18,377	261,390	13,859,316	14,270,700	417,594	738,040	1,730,766	1,565,564	59,368,287	53,612,617	766	11,669

**16 Other Segment Information**

Total cost incurred during the period to acquire Property, Plant & Equipment	2,123	2,111	638,920	826,751	89,382	121,703	233,160	270,104	184,777	235,365	26,560	41,627
Depreciation	6,789	6,446	612,874	473,064	75,408	72,495	87,967	71,320	253,024	244,696	61	20
provision for retirement benefit Liability	-	-	38,816	38,727	1,440	2,419	65,112	51,160	29,701	32,374	225	-

**VALLIBEL ONE PLC**

**14 Operating Segment information  
For the period ended 31st December  
Rs'000**

	Consumer		Life style		Heath care		Apparel		Other		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	2,123,471	1,432,657	1,043,029	972,164	1,260,044	866,458	-	7,395,653	3,298,606	2,998,772	31,775,220	36,300,249
Cost of Sales	(1,726,176)	(1,142,788)	(773,446)	(711,557)	(1,018,037)	(726,259)	-	(7,068,396)	(2,592,863)	(2,473,231)	(19,114,243)	(25,064,778)
<b>Gross Profit/ (Loss)</b>	<b>397,295</b>	<b>289,869</b>	<b>269,583</b>	<b>260,607</b>	<b>242,007</b>	<b>140,199</b>	<b>-</b>	<b>327,257</b>	<b>705,743</b>	<b>525,540</b>	<b>12,660,976</b>	<b>11,235,472</b>
Dividend income	364	-	-	-	-	-	-	150	-	-	18,593	14,322
Other income & gains	257	2,527	12,387	17,007	4,542	5,283	-	189,792	66,096	143,867	366,172	(676,596)
Administrative Expenses	(98,765)	(114,866)	(99,044)	(116,988)	(41,528)	(51,328)	-	(350,477)	(428,355)	(308,065)	(2,994,386)	(3,013,293)
Distribution Expenses	(291,411)	(221,122)	(97,959)	(86,805)	(114,723)	(56,604)	-	(12,831)	(162,577)	(107,378)	(2,244,041)	(1,845,655)
Other Operating Expenses	-	-	-	-	-	(1,664)	-	-	-	(11,600)	(2,273,734)	(1,259,914)
Finance Cost	(162,336)	(145,764)	(41,411)	(55,585)	(43,520)	(28,296)	-	(219,589)	(141,067)	(209,045)	(981,088)	(1,603,440)
Finance Income	4,668	(159)	2,449	2,223	81	-	-	25,104	26,811	29,261	190,449	195,148
Provision for fall in value of Investments	-	-	-	-	-	-	-	-	-	-	(204,557)	(1,132,641)
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	-	-	573,858	385,342
<b>Profit Before Value Added Tax</b>	<b>(149,928)</b>	<b>(189,516)</b>	<b>46,005</b>	<b>20,458</b>	<b>46,858</b>	<b>7,590</b>	<b>-</b>	<b>(40,593)</b>	<b>66,651</b>	<b>62,581</b>	<b>5,112,244</b>	<b>2,298,745</b>
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	-	-	(237,034)	(66,128)
<b>Profit / (loss) Before Tax</b>	<b>(149,928)</b>	<b>(189,516)</b>	<b>46,005</b>	<b>20,458</b>	<b>46,858</b>	<b>7,590</b>	<b>-</b>	<b>(40,593)</b>	<b>66,651</b>	<b>62,581</b>	<b>4,875,210</b>	<b>2,232,617</b>
Income Tax Expense	-	-	(300)	(130)	-	-	-	-	(43,370)	(8,525)	(1,295,908)	(719,568)
Loss after tax for the period from Discontinued Operations	-	-	-	-	-	-	(143,641)	-	-	-	(143,641)	-
<b>Profit / (Loss) for the period</b>	<b>(149,928)</b>	<b>(189,516)</b>	<b>45,705</b>	<b>20,328</b>	<b>46,858</b>	<b>7,590</b>	<b>(143,641)</b>	<b>(40,593)</b>	<b>23,281</b>	<b>54,056</b>	<b>3,435,661</b>	<b>1,513,049</b>

**15 Segment Assets and Liabilities**

<b>Total Assets</b>	1,884,387	1,514,792	957,827	975,586	1,545,987	1,023,016	-	5,855,835	6,449,719	5,446,562	128,972,026	122,382,117
<b>Total Liabilities</b>	2,183,538	1,716,392	555,703	609,713	1,152,439	871,625	-	4,388,928	3,169,657	2,220,634	82,456,444	80,267,271

**16 Other Segment Information**

Total cost incurred during the period to acquire Property, Plant & Equipment	5,427	821	12,532	12,535	2,933	2,501	-	169,421	107,614	50,536	1,303,428	1,733,476
Depreciation	2,331	1,580	9,208	9,158	1,168	1,267	-	174,640	102,162	70,274	1,150,993	1,124,959
provision for retirement benefit Liability	2,305	1,575	2,757	2,829	689	847	-	36,037	11,403	10,567	152,448	176,534

**VALLIBEL ONE PLC**  
SHARE INFORMATION

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

	<u>2014</u> Rs.	<u>2013</u> Rs.
Highest	27.90	17.50
Lowest	21.70	15.60
Closing	23.60	16.50

**2 Directors Shareholding**

Name	No of shares as at 31st December 2014	No of shares as at 31st December 2013
Mr. K D D Perera	689,726,471	689,726,471
Mr. W D N H Perera	Nil	Nil
Mr. S H Amarasekera -Shares held in the following manner		
Pan Asia Banking Corporation PLC / Mr. S H Amarasekara	1,000,000	1,000,000
Mr. J A S S Adhihetty	100,000	100,000
Ms. K Fernando	800,000	800,000
Mr. R N Asirwatham	800	800

**3 Twenty Major Shareholders as at 31st December 2014.**

	No of Shares	(%)
1 Mr. K D D Perera	689,726,471	63.478
2 Employees Provident Fund	98,585,461	9.073
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	6,393,388	0.588
6 Mercantile Investments and Finance PLC	5,176,000	0.476
7 Rosewood (Pvt) Limited-Account No.2	4,303,300	0.396
8 National Savings Bank	3,330,000	0.306
9 Mes Mellon Bank N. A. -UPS Group Trust	2,800,000	0.258
10 Merrill J Fernando & Sons (Pvt) Limited	2,299,000	0.212
11 Mr. A N Esufally	2,090,000	0.192
12 Mr. H R S Wijeratne	2,069,000	0.190
13 Mr. A M Weerasinghe	2,000,000	0.184
14 Wickramaratnes (Pvt) Limited	1,865,000	0.172
15 First Capital Markets Ltd / Mr. S N Kumar	1,760,000	0.162
16 Employees Trust Fund Board	1,722,140	0.158
17 Prof M.T.A Furkhan	1,672,000	0.154
18 Bank of Ceylon No. 1 Account	1,567,604	0.144
19 Mr A Sithampalam	1,567,000	0.144
20 Bartleet Asset Management (Pvt) Ltd	1,314,000	0.121
	1,014,135,878	93.335
Others	72,423,475	6.665
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 December 2014 being 19.265% comprising of 13,058 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**

09 th June 2010

**Company Registration Number**

PB 3831 PQ

**Nature of the Business**

Diversified holding company with strategic investments.

**Board of Directors**

Mr. K D D Perera – Chairman / Managing Director  
Mr. W D N H Perera - Executive Deputy Chairman  
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**

Sampath Bank PLC  
Waskaduwa Beach Resort PLC  
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