Colombo Land
& Development Company PLC

Annual Report 2013

Colombo Land and Development Company PLC is a real estate development company, primarily engaged in leasing out investment property under operating leases and the development of investment properties in Sri Lanka. We also work in renting out developed properties and cultivating mahogany trees. The company was incorporated in 1981 and is based in Colombo, Sri Lanka.

Projects underway

Liberty Plaza Extension and Renovation

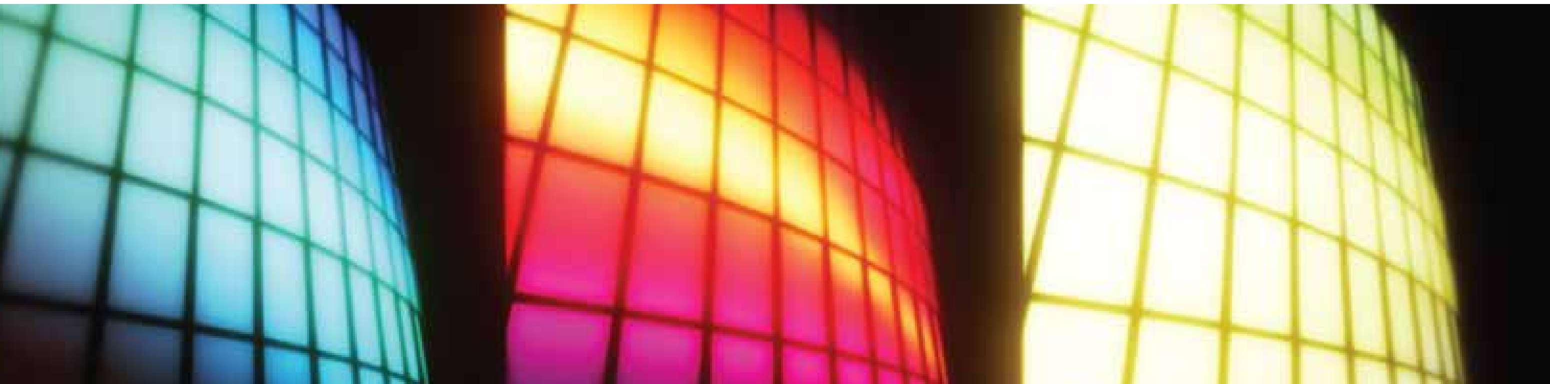
One of the first shopping malls of Sri Lanka, Liberty Plaza, is being renovated and extended to give it a fresh new look, transforming itself into a premier retail destination. A new building skin, with integrated multimedia and LED lighting wraps around the dated shopping podium block, transforming it into a visual icon in the heart of the city.

Liberty Arcade

The Liberty Arcade is a continuation of the Liberty Plaza legacy and combines innovative and exciting Retail and F&B opportunities across 4 floors. With a high footfall the Liberty Arcade, promises a brand new shopping experience that combines big name retail brands and premium F&B outlets.

Liberty Square

The Liberty Square proposes a complete urban renewal to an area of Colombo that would have a dramatic impact not only on the site itself, but also on the surrounding urban landscape.



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New entrances and public plazas, with cafes, glass canopies, greenery and seating would completely revitalize the surroundings. The entire retail experience is uplifted with new public spaces, upgraded interiors, fresh bathrooms, and unique ceiling and lighting designs. Several exciting new retail spaces will be added to Liberty Plaza.


HSBC

Additional retail spaces, new public circulation paths and new elevators and escalators, facilitate intuitive way-finding and improved pedestrian circulation and would enable customers to not only seamlessly move within the shopping mall, but directly connect to the adjoining hotel and mixed development sites, similar to other world class integrated city developments.

Liberty Arcade has added 30,000 sq.ft additional retail space to the entire complex, which will comprise of retail spaces and food and beverage outlets. Pictured here is the brand new Food Court.

The quaint and the modern blend to offer an interesting flavour to Colombo city as it gains prominence on the global tourist map. It is fast becoming a hub for international retail brands coupled with epicurean dining options that tantalize the senses. There is an unmistakable sense of optimism and heightened economic activity that gives the city a vibrant energy that is so infectious. Colombo is truly a city that offers serenity for those who seek solitude and high adrenalin recreational options for others. The city offers a timeless portal through which to embark on an exploration of the rich wonders of the emerald isle.

Visionary. Synonymous with Quality. Innovative.

Colombo Land & Development Company PLC (CLDC) is all this and more.

Since its inception in 1981, the company has demonstrated its unfailing ability to design and build projects ahead of their time. These projects have set impressive benchmarks for other real estate developers to emulate.

A company ahead of its time, it was established as a joint venture between Clarissa (Private) Ltd of Singapore and the UDA to undertake urban development activities in Sri Lanka. Envisioned as an entity that would bring new ideas to developing state-owned properties, CLDC delivered noteworthy projects in this realm:

- People's Park Phase 1 in Pettah is a 92,387 sq ft shopping complex with 383 shop units.
- The Liberty Plaza shopping mall in Colombo 3 set a high standard for other such developments.
- The development of a 13-acre, 32.41 perches land in Pettah identified by UDA for a major development project. CLDC is on the verge of commencing this historic project which will upgrade Pettah into an upscale location in the city.

CLDC is poised to reinforce its leadership in the real estate development sector with several new projects that will redefine and enhance leisure and recreation in the city of Colombo.

Financial Highlights

The long-term investments we are making will help contribute to the nation's economy, while creating sustained value for our stockholders, employees, business partners and the communities where we operate.

	Group			Company		
	2013 Rs'000	2012 Rs'000	Change %	2013 Rs'000	2012 Rs'000	Change %
Revenue	125,470	104,912	20	65,759	47,762	38
Profit / (Loss) From Operations	137,733	(16,340)	943	144,392	(23,749)	708
Net Finance (Cost)/Income	(20,215)	6,655	(404)	(20,215)	6,655	(404)
Revenue to Government	7,619	8,785	(13)	1,166	3,724	(69)
Profit / (Loss) before Tax	117,518	(9,685)	1,313	124,177	(17,094)	826
Profit / (Loss) for the Year	61,074	(89,969)	168	71,979	(91,366)	178
Non Current Assets	4,511,632	3,862,042	17	3,384,347	3,118,736	9
Current Assets	61,429	87,187	(30)	600,302	250,234	140
Total Assets	4,573,061	3,949,229	16	3,984,649	3,368,970	18
Shareholders Equity	2,756,625	2,696,077	2	2,413,799	2,342,931	3
No.of Employees (Persons)	27	28	(4)	20	21	(5)
Revenue per Employee	4,647	3,746	24	3,287	2,274	45
Profit / (Loss) per Employee	2,262	(3,213)	171	3,598	(4,350)	183
Per Share						
Earnings / (Loss) per Share (Rs.)	0.31	(0.45)	169	0.36	(0.46)	178
Net Asset per Share (Rs.)	13.80	13.48	2	12.08	11.72	3
Market Capitalization (Rs.000)	7,835,335	7,095,775	10	7,835,335	7,095,775	10
Ratios						
Profit / (Loss) for the year on Revenue (%)	48.68	(85.76)	156	109.46	(191.29)	157
Asset Turnover Ratio(%)	2.74	2.66	3	1.65	1.42	16
Return on Capital Employed (ROCE) (%)	2.22	(3.34)	166	2.98	(3.90)	177

Chairman's Message

"2013 was an exciting and eventful year for the Colombo Land & Development Company PLC in relation to progress and accomplishments of Liberty Plaza revamping project and consolidating our core business by expediting the planning process for implementation of the Liberty Square Project in Pettah."

Professor C. K. M. Deheragoda
Chairman

Dear Shareholders,

It is with great pleasure that on behalf of Colombo Land & Development Company PLC, I warmly welcome you to our 32nd Annual General Meeting. I am delighted to report that 2013 was an exciting and eventful year for the Colombo Land & Development Company PLC in relation to the progress and accomplishments of the Liberty Plaza revamping project, and consolidating our core business by expediting the planning process for implementation of the Liberty Square Project in Pettah. These projects would bring additional cash flow along with the value enhancements in the assets. It is also pertinent to note that our new retail addition “Liberty Arcade” is now fully operational with 85% occupancy. With these endeavours, we are proud to announce that we have joined the rejuvenating programme of the city of Colombo implemented by the government of Sri Lanka through one of our main shareholders; the UDA. With the aim to create more public spaces, we have created wider pathways in the refurbished Liberty Plaza Complex and have also undertaken to develop the Liberty Square project in Pettah.

Our task is to complete the ongoing Liberty Plaza development works and connect it with the hotels in close proximity, drawing more shoppers to the mall. This will also facilitate attraction of clients, from among the two million tourists that Colombo is aspiring to host within this year, as a result of the Government’s initiative to promote Colombo as a key tourism and business hub in the South Asian region. Today Sri Lanka is fast becoming one of the region’s most vibrant country with an ever improving “business” and economic environment, existence of peace and political stability in addition to investor friendly policies. The paradigm shift to a free market economy with a solid social welfare system has thrown open new vistas of opportunity for the creation of commercial, real estate, and residential properties, and infrastructure development. Thus scope for companies like Colombo Land & Development Company PLC to develop and thrive in this field is enormous.

As the new CLDC Management, we are constantly striving to transform and enhance the fortunes of our stakeholders and end users. It shall be my utmost effort and undertaking to make Colombo Land & Development Company PLC a better place both for the employees at work and our customers, and ensure that everyone associated with us continues to reap rich dividends. I wish to thank the Board of Directors for their guidance and counsel and I wish to thank the Management and employees of the Company for their dedication and commitment, and for sharing in the vision of the Board. I also wish to thank the business partners, from both the public and private sector, for their assistance at all times. And finally, I thank you our stakeholders, for your faith in the Company and its Board.

Sgd.
Prof. C. Krishan M. Deheragoda
Chairman

30th May 2014

Chief Operating Officer's Message

"The Company has demonstrated its confidence in the long term prospects of its business with heavy investment during the year and we expect the company to turnaround completely by 2015, by when we expect to accrue the benefits of this substantial investment. "

Mr Devadharshan Jayadeva
Chief Operating Officer

I am pleased to bring to your notice that our ambitious plans to diversify our real estate property portfolio and shape Colombo city's rapidly-evolving skyline are coming to fruition. The year 2013 was an eventful one marked by breathing life into our bold plans for growing the business. The company's large scale project - Liberty Arcade - threw its door open to the public during the year, offering an upscale shopping and recreational experience for discerning customers. An eclectic mix of speciality dining and branded retail outlets is attracting an increasing clientele and we are confident that this avant garde arcade will gain prominence in the months ahead. The tourism boom and the Government's emphasis on improving tourism infrastructure will together drive popularity of Colombo as a shopping and leisure destination in the region.

The demand for retail space in the new Liberty Arcade reaffirms our faith in our development goals. Liberty Plaza and Liberty Arcade are both strategically located in the epicentre of Colombo city's commercial and residential focus and the enhancement of the property has enabled us to more than double appreciation of the value of these assets from Rs. 230 Mn to Rs. 530 Mn. The Company is committed to creating value for its shareholders and the expansion activities undertaken during the financial year 2013 coupled with the further expansion plans ahead will drive greater profits for the Company and its stakeholders.

Along with developing Liberty Plaza and Liberty Arcade into upmarket retail spaces, we are also cognizant of the city hotels that will become operational in the immediate vicinity within the next couple of years. Pre-empting an uptick in demand for leisure options by tourists, the Company has entered into a strategic tie-up with the globally reputed Coffee Bean chain to set up an outlet on our premises so that we can attract tourists staying at the soon to be opened hotels nearby. Liberty Plaza and Liberty Arcade are being strategically repositioned in the retail market in tune with changing customer needs.

The planned massive Digital Video Wall which will adorn the Liberty Plaza curved frontage will be the first of its kind in Sri Lanka at 72 ft x 24 ft and has already piqued curiosity amongst potential advertisers. One more digital video wall is planned further down Duplication Road and together this technologically advanced advertising platform will create a modern ethos in Colombo.

Despite the plethora of new developments taking place through the year, the Company sustained its focus on existing retail customers by enhancing and upgrading the current retail space in Liberty Plaza, suitably modernizing facilities to remain one step ahead of other popular shopping spaces in the city. We are expecting a boom in our core business of rentals as a result of qualitative improvements undertaken during the year by the Company, thus positioning our rental customers favourably to achieve greater yields going ahead.

Our project to transform the Pettah area into a modern shopping hub with the construction of Liberty Square is on track and we have received most statutory licenses from relevant authorities. We are currently on the verge of getting the final approval for the project and we expect it will get off the ground soon.

The Company has demonstrated its confidence in the long term prospects of its business with heavy investment during the year and we expect the company to turnaround completely by 2015, by when we expect to accrue the benefits of this substantial investment.

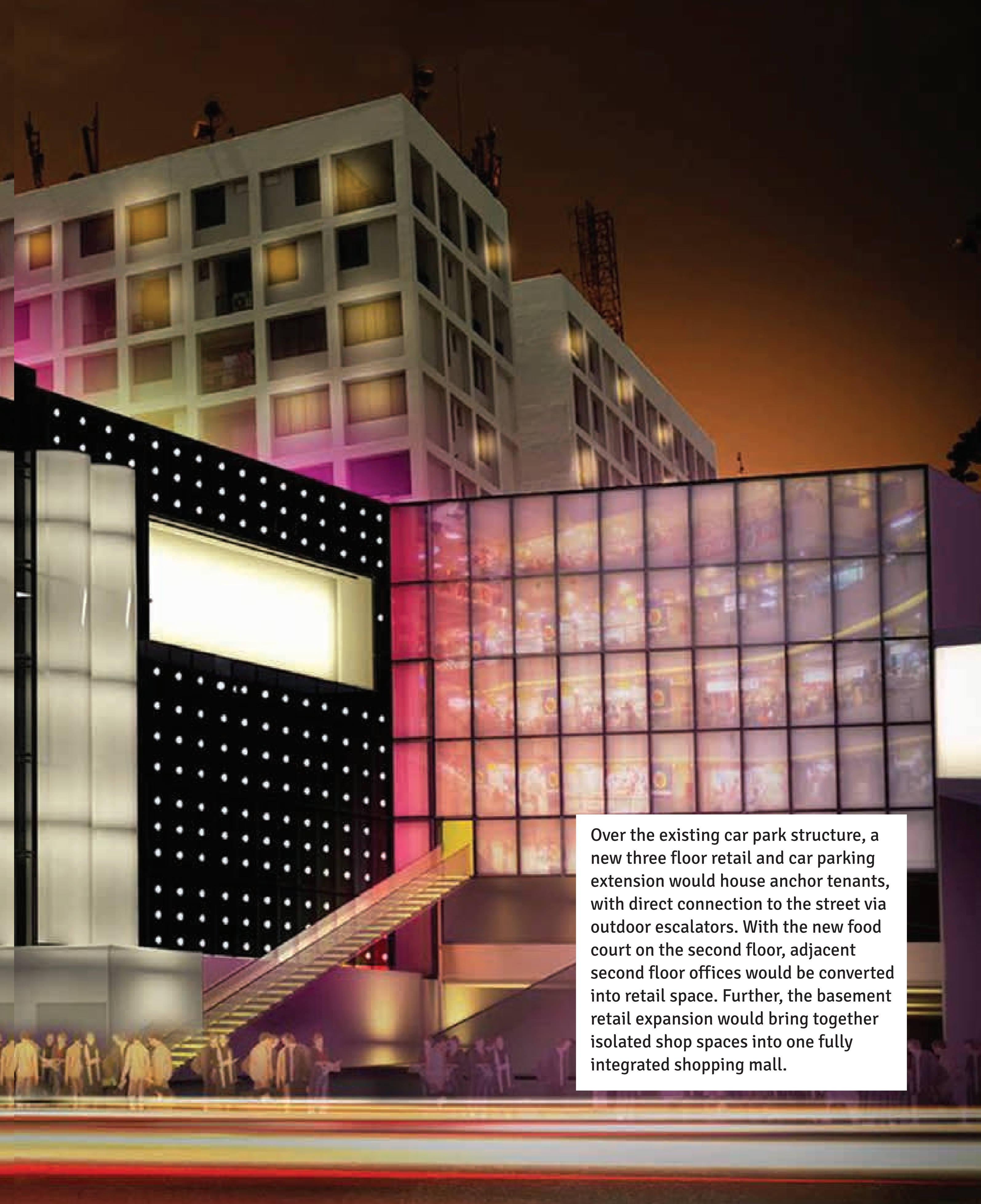
Acknowledgements

The Chairman and the Board of Directors has been a pillar of strength for the Company during this challenging period. I would like to extend my deepest appreciation to our tenants, residents of Liberty Plaza and other stakeholders who have been understanding and tolerant of ongoing construction activities and any delays which took place along the way. We truly value their faith in the Company. The UDA also needs to be commended for its support and guidance in helping us fulfill our development objectives.

Sgd.
Mr. Devadharshan Jayadeva
Chief Operating Officer

30th May 2014

The planned massive Digital Video Wall which will adorn the Liberty Plaza curved frontage will be the first of its kind in Sri Lanka at 72 ft x 24 ft and has already piqued curiosity amongst potential advertisers. One more digital video wall is planned further down Duplication Road and together this technologically advanced advertising platform will create a modern ethos in Colombo



Over the existing car park structure, a new three floor retail and car parking extension would house anchor tenants, with direct connection to the street via outdoor escalators. With the new food court on the second floor, adjacent second floor offices would be converted into retail space. Further, the basement retail expansion would bring together isolated shop spaces into one fully integrated shopping mall.

Board of Directors

Left to right: Mr. Ng Yew Tong, Mr. M U M Ali Sabry, Mr M D S Goonatilleke, Mr. D Jayadeva, Professor C. K. M. Deheragoda, Mr. S Ameresekere Admiral (Rtd.) W. K. J. Karannagoda, Mr. Ng Yao Xing, Mr. D. S. Jayaweera

Mr. Ng Yew Tong
(Non Executive Director)

Mr. Ng Yew Tong, a Singaporean Director and graduated with BBA (Hon) from Simon Fraser University (Vancouver, BC, Canada) 1984. He has worked in United Overseas Bank (Singapore) and CT Management Pte Ltd (Singapore). Currently he is Executive Director of Plaza Development (S) Pte Ltd which owns commercial properties in Singapore.

Mr. M U M Ali Sabry
(Non Executive Independent Director)

Mr. M. U. M. Ali Sabry President's Counsel is a well known civil law practitioner in the country with a voluminous practice both in original and appellate courts. He has in the recent past appeared in many landmark cases in civil, commercial, administrative and intellectual law arena.

Mr. Sabry has held many positions in both private and public companies. He had served as the Sri Lankan Counsel General in Saudi Arabia.

Mr. Sabry was awarded TOP young person's award in law and is the youngest President's Counsel in the country today.

He is also a member of the Law Commission of Sri Lanka.

Mr M D S Goonatilleke
(Non Executive Independent Director)

Mr Goonatilleke is a Financial Professional with over 25 years post qualification experience. He has held senior managerial positions in leading Public, Multinational and Private Companies during his career. He is an Associate Member of the Institute of Chartered Management Accountants (UK), since 1987 and also a Chartered Global Management Accountant . He is a passed finalist of the Institute of Chartered Accountants (Sri Lanka). Mr Goonatilleke has obtained a Post Graduate Diploma in Management from PIM of University of Sri Jayawardenapura . He currently services as a Group Executive Director of DSL Group of Companies. Mr Goonatilleke also serves as an independent Director of Vallibel Finance PLC , Hayleys PLC, Royal Ceramics PLC and Pan Asia Banking Corporation PLC.

Mr. Devadharshan Jayadeva
(Alternate Director to Mr. Ng Yao Xing)

Mr. Devadharshan Jayadeva is the Chief Operating Officer of Colombo Land & Development Company PLC. He joined CLDC in 2005 as the Group Finance Manager and subsequently in 2007 he was promoted as the Chief Operating Officer of the Company.

Prior to the joining of CLDC he was the Head of Finance at Lanka Indian Oil Company PLC. Also he has worked as the Finance Manager of United Parcels Services (Pvt.) Ltd. Further, he has worked in Uniliver PLC in UK and in Ernst & Young Sri Lanka.

Dharshan is a Fellow member of Chartered Institute of Management Accountants (CIMA) UK and a Fellow member of Association of Certified Chartered Accountants (ACCA) UK. Also he holds an MBA in University of Wales and a Bachelor degree in University of Durham.

Professor C. K. M. Deheragoda Chairman
(Non Executive Independent Director)

Professor C. Krishan M. Deheragoda has been appointed Chairman Colombo Land & Development Company PLC (CLDC) since September 2013. He has previously been the Chairman of CLDC from 1999 – 2002 and Vice Chairman from 2006 – 2010. He is also the Professor of Geography at the University of Sri Jayewardenepura and a Visiting Fellow at Centre for GIS & Spatial Analysis at University of Illinois, Urbana Champaign – USA. Prof. Deheragoda has held the Chairmanship in number of public and corporate sector institutions including the Sri Lanka Sustainable Energy Authority (2008-2010), Ceylon Shipping Corporation (2005-2007), Real Estate Exchange (Pvt.) Limited (REEL, 1999-2005), Urban Development Authority (1999 – 2002), Onali Holdings (Pvt.) Ltd. (1999-2002), Ocean View Development (Pvt.) Ltd. (1999-2002), Peliyagoda Warehouse Complex (Pvt.) Ltd. (1999-2002), Vice Chairman - Sri Lanka Ports Authority (2003-2006), Founder Project Director of the Special Projects Unit of Ministry of Finance and Planning (2006-2008) etc.

Prof. Deheragoda has served as an advisor to several Ministries: Ports & Aviation (2006-2007); Transport (2004-2006); Media & Information (2004-2006); Urban Development & Housing (2002-2004); Founder National Advisor to the Samurdhi Movement (1994-1995) etc. He was a member of over 30 Governing and Advisory Boards of both State and Private sector statutory and corporate institutions. Prof. Deheragoda has held over 20 Senior Academic positions during his 29 years long academic and research

Board of Directors

carrier and was the Consultant to the "Higher Education for Twenty First Century Project" of the Ministry of Higher Education (2012-2013). He was included in number of State Delegations to International Conventions and Forums such as UN Habitat General Assembly-NY-2001. Prof. Deheragoda had delivered a dozens of Key Note Addresses in several national and international scientific and professional gatherings.

Prof. Deheragoda holds a Ph.D. in Recreational Geography (Bulgaria), M.Sc. in Natural Resource Management (Sofia) and Post Graduate Diplomas in Urban and Regional Development Planning (Nagoya) and Resource Survey and Mapping (Colombo). He is a member of the International Association of Scientific Experts in Tourism, St. Galen (Since 1994 to date) and formally the President of Sri Lanka Association of Geographers. A Number of research and scientific works are to the credit of Prof. Deheragoda.

Sarva Ameresekere

(Alternate Director to Admiral (Rtd.) W. K. J. Karannagoda)

Sarva, Director/CEO of Triad is responsible for the day-to-day operations and management of one of Sri Lanka's leading advertising agencies. Under his purview, Triad together with its group of companies in the communication industry offer clients a comprehensive integrated business solution. Sarva is also involved in the macro management and strategic planning of a diversified portfolio strategic investments across many sectors. Qualified in both Business and Engineering, Sarva brings on board extensive local and foreign exposure including business, fund management, operations, research and analysis. Sarva holds a Masters in Engineering Management from the University of Southern California, Los Angeles and a Degree in Industrial and Operations Engineering from the University of Michigan, Ann Arbor.

Admiral (Rtd.) W. K. J. Karannagoda

(Non Executive Independent Director)

Ambassador Admiral Wasantha Karannagoda assumed the office of the Ambassador of Democratic Socialist Republic of Sri Lanka in Japan on 24th March 2011. Admiral Karannagoda was appointed as the National Security Advisor of Sri Lanka with effect from 16th July 2009 and in addition was appointed as the Secretary to the Ministry of Highways from 20th July 2009 by His Excellency the President.

Before assuming these two important appointments, he was the Commander of the Sri Lanka Navy from 1st September 2005 to 15th July 2009. He is the only Navy officer to be promoted to the Four Star Rank whilst in active service. He possesses Master's in Business Administration from the University of Colombo and Master's in Defence & Strategic Studies from the Quaid-i-Azam University in Islamabad, Pakistan. He was awarded an honorary Ph.D. from the University of Kelaniya. He is also an alumnus of National Defence University of Pakistan, Royal Naval College in UK, Asia Pacific Center for Security Studies in Hawaii in the USA as well as the Near-East South Asia Center for Strategic Studies at the National Defence University in Washington D.C.

Mr. Ng Yao Xing

(Non Executive Director)

Mr. Ng Yao Xing is a Singaporean Director. He is a graduate from a Canadian University. He comes from a family which has expertise in real estate development over three decades. He also holds several directorships in companies in Singapore and Malaysia.

Mr. D. S. Jayaweera

(Executive Director)

Dilith Susantha Jayaweera is the Chairman of the George Steuarts Group, Sri Lanka's oldest mercantile entity, and serves on the Boards of Citrus Leisure PLC, and Divasa Equity (Pvt) Ltd, through which he controls over 20 businesses in diverse areas such as communication, mass media, leisure, finance, property development and manufacturing.

Mr Jayaweera is synonymous with the communications industry, having founded Triad (Pvt) Ltd in 1993 and transforming it to become the largest and most awarded independent agency in Sri Lanka, with extensive diversification to offer integrated communication solutions.

Epitomising the spirit of the new generation of Sri Lankan entrepreneurs, Mr Jayaweera capitalised on the post-war boom, making aggressive investments that rapidly expanded his portfolio.

An attorney at law by profession, Mr. Jayaweera holds an LLB from the Faculty of Law, University of Colombo and an MBA from the University of Wales.

He was named one of LMD's Ten Business People of the Year 2011.

Operational Review

Growth in gross domestic product (GDP) rebounded to 7.3% in 2013 as compared to 6.4% in the previous year. The recovery reflected domestic demand strengthening and a pickup in exports and tourism. Faster growth in wholesale and retail trade, hotels and restaurants, transport, banking, insurance, and real estate lifted performance in the large service sector to 6.4% from 4.6% a year earlier, providing the impetus for the rebound. Industry grew by 9.9%, slightly less than a year earlier, while favourable weather helped maintain agriculture growth at a reasonable 4.7%. The Government's focus on infrastructure and post-conflict reconstruction and development has supported this expansion and will continue to drive growth in the medium term. The expansion in tourism and related construction has been noteworthy and is reflected in hotel and restaurant expansion, though modest scale limits the contribution to growth. As tourist numbers continue to rise rapidly and large hotel projects in the pipeline open their doors, economic growth and foreign exchange earnings from tourism will continue to be buoyant over the next several years.

Liberty Arcade Opens Its Doors

During the year under review, the Company successfully surmounted challenges on many fronts to forge ahead with its plans to construct, revamp and upgrade its retail properties. Liberty Arcade became operational during the year and showcases world-class branded retail outlets – offering jewellery, perfumes, clothing and party supplies outlets amongst others to pull in discerning customers. The Tea cafe, Japanese restaurant and other speciality cuisine outlets and restaurants were added to popularize the arcade further. We are satisfied with the initial response to the development and expect to see greater footfalls in the months ahead.

Liberty Plaza Undergoes Transformation

This famous landmark in Colombo underwent a massive upgrade during the year. Before the enhancement of the property, Liberty Plaza housed 97800 sq ft retail space. As a result of the revamping project constructing two floors of new retail space we have successfully added another 78000 sq ft. About 18000 sq ft of office space was converted for retail purposes. We have withheld another 20000 sq ft of retail space for development at a future date.

As is evident, the Company now poised to offer an extraordinary retail proposition to both its tenants and customers alike. Apart from revamping the interiors with improved, tiling, lighting, washroom and other facilities, the Plaza will also get a new glass frontage and escalators opening out onto the walkways so that customers can walk in off the road into the shopping centre. Canopies and other customer conveniences are planned to upgrade the overall look of the property.

Adequate car parks will be made available to cater to the envisioned increase in shoppers. There will be 300 car parking slots including the existing facility. We will be putting in place a unique system by which drivers are intimated about number of available parking slots for greater convenience before entering the car park. This proposed service is being negotiated with the municipal authorities. We have leveraged on the latest retail technology in our refurbishment efforts and this is expected to accrue dividends for our tenants and their customers.

Future Prospects

We envisage a bright future for the Company's core business of rentals and for the outlook of the newly created retail spaces. Once the proposed city hotels in the immediate vicinity and elsewhere in Colombo become operational, we expect these international brand names will boost inbound tourist numbers, fuelling the demand for exclusive retail spaces such as the ones we offer. Although Liberty Plaza has been a legend in the city's infrastructure, real estate and retail space, we were not able to mine its potential due to the almost three-decade conflict which marred economic prospects for the nation. However, our heavy investment is a testimony to the fact that we are now bullish about the prospects for the country's economy in the post-war period. The Company is poised to benefit from the Government's effort to achieve per capita income of USD4,000 by the year 2016 and is aligning its operations to be aptly positioned for growth and prosperity.

Report of the Directors on the State of Affairs of the Company

The Board of Directors is pleased to present their Report and the Audited Financial Statements of the Company and Group for the year ended 31st December 2013. The details set out herein provided pertinent information required by the Companies Act, No.7 of 2007, the Colombo Stock Exchange Listing Rules and are guided by recommended best accounting practices.

Review of the year

The Chairman's Review describes he Company's affairs and mentions important events of the year.

Principal Activity

Property Development continued to be the principal activity of the Company.

Financial Statements

The financial statements of the Company are given on pages 28 to 73.

Auditor's Report

The Auditor's report on the financial statements is given on page 27.

Accounting Policies

The accounting policies adopted in preparation of Financial Statements are given on pages 33 to 44 There were no material changes in the Accounting Policies adopted.

Director's Interest

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Notes 36 to the financial statements.

Directors Remuneration and Other Benefits

Directors remuneration in respect of the Company for the financial year ended 31st December 2013 is given in Note 36 to the financial statements.

Corporate Donations

Donations made by the Company amounted to Rs.317,580 2012 – Rs.40,000). No donations were made for political purposes.

Directors and their Shareholdings

Directors of the Company and their respective shareholding as at 31st December 2013.

Shareholding	As at 31.12.2013	As at 31.12.2012
Prof. C.K. Deheragoda	**Nil**	Nil
Mr. M.D.S. Goonatilleke	**Nil**	Nil
Mr. M.U.M. Ali Sabry	**Nil**	4,400
Mr. D.S. Jayaweera	**2,600**	2,600
Mr. Ng Yew Tong	**6,006,876**	6,006,876
Mr. Ng Yao Xing	**Nil**	Nil
Admiral (Rtd) W.K.J. Karannagoda	**Nil**	Nil
Mr. D. Jayadeva (Alternate to Mr. Ng Yao Xing)	**Nil**	Nil

In terms of Article 86 and 87 of the Articles of Association of the Company Mr. Ng Yew Tong and Mr. Ng Yao Xing retire by rotation and being eligible offer themselves for re-election.

Dr. N.H. Godahewa resigned as Director and Chairman of the Board with effect from 19th July 2013.

The Board wishes to place on record the Company's sincere appreciation to Dr. N.H. Godahewa for the valuable contribution extended to the Company as Director and Chairman during his tenure on Board.

Mr. D.S. Jayaweera was appointed an Executive Director of the Company with effect from 24th July 2013.

Mr. D. Jayadeva was appointed alternate to Director Mr. Ng Yao Xing with effect from 1st November 2013.

Mr. S.A. Ameresekere was appointed alternate to Director Admiral (Rtd) W.K.J. Karannagoda with effect from 7th January 2014.

Auditors

The financial statements for the year ended 31st December 2013 have been audited by Messrs PricewaterhouseCoopers, Chartered Accountants, who express their willingness to continue in office. In accordance with the Companies Act No.07 of 2007, a resolution relating to their re-appointment and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The Auditors Messrs PricewaterhouseCoopers were paid Rs.570,000 (2012 – Rs.500,000) as audit fees by the Company. In addition they were paid Rs.50,000 (2012 – Rs.80,000) by the Company for non-audit related work.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

Dividends

The Directors do not recommend a dividend for the financial year ended 31st December 2013.

Investments

Details of investments held by the Company are disclosed in Notes 18 to 21 to the financial statements.

Property, Plant and Equipment

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 17 to the financial statements.

Capital Commitments

Other than those disclose in Note 35 to the financial statements, there are no material capital commitments that would require disclosures in the financial statements.

Stated Capital

The Stated Capital of the Company is Rs. 341.602 Million. There was no change in the stated capital of the Company during the year.

Reserves

Total Group reserves as at 31st December 2013 amount to Rs.2,415,023 Million comprising of retained earnings. Movements are shown in the Statement of Changes in Equity in the Financial Statements.

Employment Policies

The Company is an equal opportunity employer without any discrimination.

Taxation

The tax position of the Company is given in Note 13 to the Financial Statements.

Disclosure as per Colombo Stock Exchange Rule No.7.6

	Shares	
	31.12.2013	**31.12.2012**
Market price per shares as at 31st December	**39.20**	35.50
Highest share price during the year	**56.80**	58.00
Lowest share price during the year	**29.10**	28.70

Shareholding

The number of registered shareholders of the Company as at 31st December 2013 was 3,676. The distribution and analysis of shareholdings are given on page 77.

Major Shareholders

The twenty largest shareholders of the Company as at 31st December 2013, together with an analysis are given on page 76.

Statutory Payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government and the employees have been made on time.

Report of the Directors on the State of Affairs of the Company

Environment, Health and Safety

All the laws and regulations in this regard are strictly adhered to.

Corporate Governance/Internal Control

The Company has put in place systems and procedures to ensure the implementation of sound corporate governance principles. The audit committee report and the remuneration committee report are given in pages 25 and 26.

Contingent Liabilities

There were no material contingent liabilities outstandings as at 31st December 2013 other than those disclosed in Note 34 to the financial statements.

Events after the end of reporting period

Subsequent to the date of the Statement of financial position no circumstances have arisen which would require adjustments to the accounts. Significant after the end of reporting period events which in the opinion of the Directors require disclosure are described in Note 37 to the financial statements.

Annual General Meeting

The 32nd Annual General Meeting of the Company will be held at the Raja Bojun (Roof Top), "Liberty Arcade" 282 R. A. de Mel Mawatha, Colombo 03 on Monday 30th June 2014 at 10.30 a.m.

For and on behalf of the Board of Directors of
COLOMBO LAND AND DEVELOPMENT COMPANY PLC

Sgd.	Sgd.	Sgd.
Director	**Director**	**S S P Corporate Services (Private) Limited, Secretaries**

30th May 2014

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Statement of the Directors' Responsibility for Financial Reporting

The responsibility of the Directors in relation to the financial statements of the Company and the Group, is set out in the following statement. The responsibility of the Auditors, in relation to the financial statements, prepared in accordance with the provisions of the Companies Act, No. 07 of 2007 [" the Act"], is set out in the Independent auditor's report on page 27.

The financial statements comprise:

- a consolidated statement of comprehensive income, which present a true and fair view of the profits and losses of the Company and the Group for the financial year; and
- a consolidated statement of financial position, which present a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and, which comply with the requirements of the Act.

The Directors have ensured that, in preparing these financial statements:

- appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- all applicable Sri Lanka Accounting Standards (LKASs / SLFRSs) issued by the Institute of Chartered Accountants of
  Sri Lanka, as relevant, have been followed; and
- judgements and estimates have been made which are reasonable and prudent.

The Directors have also ensured that the Company and the Group have adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements.

Further, the Directors have as part of their responsibility ensured that the Company and the Group maintain sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and the Group, and the financial statements presented comply with the requirements of the Act.

The Directors have also taken reasonable steps to safeguard the assets of the Company and the Group and in this regard, gave proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Company's and Group's internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company and the Group were consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company and the Group meets periodically with the internal auditors and the independent auditors to review the manner in which these auditors are performing their responsibilities, and to discuss auditing, internal controls and financial reporting issues. To ensure complete independence, the independent auditors and the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

The Directors have prepared the financial statements and provided the independent auditors with every opportunity to take whatever steps and undertake whatever inspections that may be considered to be appropriate to enable them to give the independent auditor's opinion.

Compliance report

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries at the statement of financial position date have been paid, or where relevant provided for, except as specified in Note 34 to the financial statements covering contingent liabilities.

By order of the Board of Directors of
Colombo Land and Development Company PLC

Sgd. **Director**	Sgd. **Director**

Colombo

30th May 2014

Report of the Board Audit Committee

Composition of the Audit Committee

The Audit Committee, appointed by Board of Directors of Colombo Land & Development Company PLC, comprises of three independent Non – Executive Directors, and is chaired by Mr. M.D.S. Goonatilleke, who is an Associate member of the Institute of Chartered Management Accountant (UK) and a passed finalist of the Institute of Chartered Accountants (Sri Lanka) who was appointed as a director on 1st June 2011.

The members of the Board Audit Committee are;

Mr. M.D.S. Goonatilleke	-	Chairman (Non Executive Independent)
Prof. C.K. Deheragoda	-	Member (Non Executive Independent)
Mr. M.U.M Ali Sabry	-	Member (Non Executive Independent)

The Chief Operating Officer functions as the Secretary to the Audit Committee.

Role of the Audit Committee

The key purpose of the Audit Committee of Colombo Land & Development Company PLC is to assist the Board of Directors in fulfilling its oversight responsibility for;

1. The integrity of financial statements in accordance with Sri Lanka Accounting Standards.
2. The compliance with legal and regulatory requirements.
3. The external Auditor's independence and performance.
4. The performance review of outsourced internal audit function to ensure Company's internal controls and risk management system is adequate.

Meetings

The Audit Committee met 04 times during the year. The Chief Operating Officer, Group Accountant also attended these meetings by invitation. The other executives and external auditors and outsourced Internal Audit service provider, Ms Ernst & Young, participated as and when required. The minutes of the Audit Committee meetings were tabled at the Board meetings.

The committee carried out the following activities.

Financial Reporting

As part of its responsibility to oversee the Company's financial reporting process on behalf of the Board of Directors, the committee has reviewed and discussed with the Management, the annual and the quarterly Financial Statements prior to their issuance, including the extent of compliance with the Sri Lanka Accounting standards and the Companies Act No. 07 of 2007.

External Audit

The Committee met with the External auditor during the year to discuss their audit approach and procedures, including matters relating to the scope of the audit. In addition, the annual evaluation of the independence and objectivity of the External Auditor and the effectiveness of the audit process was also undertaken.
The Committee reviewed the Management letter issued by the External auditor together with the management responses thereto.

The Audit Committee has recommended to the board of Directors that M/s PricewaterhouseCoopers, Chartered Accountants, be reappointed as auditors of the company for the financial year ending 31.12.2014, subject to approval by the shareholders at the Annual General Meeting.

Internal Audit

During the year, the Audit Committee reviewed the quarterly internal audit reports presented by Ms Ernst & young to whom the internal audit function is outsourced by the management.

Conclusion

The Audit committee is of the view that adequate controls are in place to safeguard company's assets and to ensure that the financial position and the results disclosed are free from any material misstatements.

Sgd
Mr. M D S Goonatilleke
Chairman
Audit Committee
30th May 2014

Remuneration Committee Report

Colombo Land & Development Company PLC. being a Real Estate Company, receives expertise of the Remuneration Committee. Colombo Land & Development Company PLC has complied with policies and procedures set out by the Remuneration Committee.

The Remuneration Committee consists of three non-executive Directors namely;

Prof. C K M Deheragoda	-	Chairman (Non-Executive Independent)
Mr. M U M Ali Sabry	-	Member (Non – Executive Independent)
Mr. Ng Yew Tong	-	Member (Non –Executive)

The Group's policy on remuneration is to attract the best available talent and also to motivate & retain the services of the star performers in the group. The policy ensures internal equity and fairness between various employees is maintained; no discrimination is practiced on account of gender, age, ethnicity or religion. The Group also recognizes the importance to keep the employees contended & the compensation packages therefore "take into account the cost of living and inflation as well" as industry norms.

No Director involved in deciding his or her own remuneration.

Sgd.
Prof. C K M Deheragoda
Chairman
Remuneration Committee

30th May 2014

Independent Auditor's Report

To the members of Colombo Land and Development Company PLC and its Subsidiaries
Report on the Financial Statements

1 We have audited the accompanying financial statements of Colombo Land and Development Company PLC ("the Company"), the consolidated financial statements of the Company and its subsidiaries, which comprise the statement of financial position as at 31 December 2013, and the statements of comprehensive income, changes in equity and the cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out in pages 28 to 73.

Management's Responsibility for the Financial Statements

2 Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

4 In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 December 2013 and the financial statements give a true and fair view of the Company's state of affairs as at 31 December 2013 and of its results and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS).

5 In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 December 2013 and of the results and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS), of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Emphasis of Matter

6 Without qualifying our opinion we draw attention to Note 34(a) to the financial statements. The Company is the defendant in a lawsuit in respect of a claim made by a former occupant who has appealed against the order for ejectment and is claiming Rs 105 million as damages together with interest and costs. The Company is contesting the claim. The ultimate outcome of the matter cannot presently be determined and no provision for liability, if any, that may result has been made in the financial statements.

Report on Other Legal and Regulatory Requirements

7 These financial statements also comply with the requirements of Sections 151(2) and 153(2) to 153(7) of the Companies Act, No. 07 of 2007.

Sgd.
Chartered Accountants

Colombo
30th May 2014

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Consolidated Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees thousands)	Notes	Year ended 31 December			
		Group		Company	
		2013	2012	2013	2012
Revenue	7	**125,470**	104,912	**65,759**	47,762
Direct expenses	10	**(47,680)**	(31,946)	**(18,375)**	(11,154)
Net rental income		**77,790**	72,966	**47,384**	36,608
Net gain from fair value adjustment on investment property	16	**153,625**	5,001	**153,625**	5,001
Selling and marketing costs	10	**(3,328)**	(2,411)	**(2,349)**	(2,014)
Administrative expenses	10	**(91,606)**	(77,872)	**(60,960)**	(54,316)
Other losses - net	8	**(805)**	(16,203)	**(805)**	(16,203)
Other income	9	**2,057**	2,179	**7,497**	7,175
Operating profit / (loss)		**137,733**	(16,340)	**144,392**	(23,749)
Finance income	12	**777**	7,476	**777**	7,476
Finance cost	12	**(20,992)**	(821)	**(20,992)**	(821)
Finance (cost) / income - net	12	**(20,215)**	6,655	**(20,215)**	6,655
Profit / (loss) before income tax		**117,518**	(9,685)	**124,177**	(17,094)
Income tax expense	13	**(56,444)**	(80,284)	**(52,198)**	(74,272)
Net profit / (loss) for the year		**61,074**	(89,969)	**71,979**	(91,366)
Other comprehensive income:					
Actuarial (losses) / gains on retirement benefit obligations	29	**(1,604)**	2,116	**(1,543)**	1,943
Deferred tax attributable to actuarial losses / (gains) on retirement benefit obligations		**433**	(592)	**432**	(544)
Deferred tax on depreciation of revalued assets		**98**	98	**Nil**	Nil
Total other comprehensive (loss) / income for the year		**(1,073)**	1,622	**(1,111)**	1,399
Total comprehensive income / (loss) for the year		**60,001**	(88,347)	**70,868**	(89,967)
Profit / (loss) attributable to:					
- Owners of the parent		**61,604**	(89,753)	**71,979**	(91,366)
- Non-controlling interests		**(530)**	(216)	**Nil**	Nil
		61,074	(89,969)	**71,979**	(91,366)
Total comprehensive income / (loss) attributable to:					
- Owners of the parent		**60,548**	(88,131)	**70,868**	(89,967)
- Non-controlling interests		**(547)**	(216)	**Nil**	Nil
		60,001	(88,347)	**70,868**	(89,967)
Basic earnings / (loss) per share (Rs)	14	**0.31**	(0.45)	**0.36**	(0.46)

The notes on pages 33 to 73 form an integral part of these consolidated financial statements
Report of the independent auditor's on page 27.

Consolidated Statement of Financial Position

(all amounts in Sri Lanka Rupees thousands)		Group		Company	
		31 December		31 December	
	Notes	2013	2012	2013	2012
Assets					
Non-current assets					
Investment property	16	**4,032,779**	3,765,717	**3,175,791**	2,899,356
Property, plant and equipment	17	**478,839**	94,080	**5,357**	13,949
Investment in subsidiary companies	18	**Nil**	Nil	**200,000**	200,000
Investment in associate company	20	**Nil**	Nil	**3,199**	3,199
Trade and other receivables	23	**14**	2,245	**Nil**	2,232
		4,511,632	3,862,042	**3,384,347**	3,118,736
Current assets					
Inventories	22	**190**	442	**Nil**	Nil
Investment in preference shares held-to-maturity	19	**Nil**	Nil	**112,670**	127,570
Financial assets at fair value through profit or loss	21	**2,294**	22,808	**2,294**	22,808
Trade and other receivables	23	**55,021**	36,216	**483,147**	76,078
Cash and cash equivalents	25	**3,924**	27,721	**2,191**	23,778
		61,429	87,187	**600,302**	250,234
Total assets		**4,573,061**	3,949,229	**3,984,649**	3,368,970
Equity and liabilities					
Equity attributable to shareholders of the Company					
Stated capital	31	**341,602**	341,602	**341,602**	341,602
Revaluation reserve	32	**42,764**	43,018	**Nil**	Nil
Retained earnings		**2,372,259**	2,311,457	**2,072,197**	2,001,329
		2,756,625	2,696,077	**2,413,799**	2,342,931
Non-controling interests		**(763)**	(216)	**Nil**	Nil
Total equity		**2,755,862**	2,695,861	**2,413,799**	2,342,931
Non-current liabilities					
Borrowings	27	**458,772**	173,328	**458,772**	173,328
Deferred income tax liabilities	28	**1,043,510**	990,714	**855,396**	803,771
Retirement benefit obligations	29	**4,934**	2,441	**4,265**	2,049
		1,507,216	1,166,483	**1,318,433**	979,148
Current liabilities					
Trade and other payables	26	**33,271**	21,615	**10,283**	10,150
Current tax liabilities		**2,571**	1,074	**5,369**	5,232
Borrowings	27	**201,133**	27,302	**201,133**	27,302
Tenant deposits	30	**73,008**	36,894	**35,632**	4,207
		309,983	86,885	**252,417**	46,891
Total liabilities		**1,817,199**	1,253,368	**1,570,850**	1,026,039
Total equity and liabilities		**4,573,061**	3,949,229	**3,984,649**	3,368,970

The Board of Directors is responsible for the preparation and presentation of these financial statements. The financial statements were authorised for issue by Board of Directors on

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No.07 of 2007.

Sgd.
Director

Sgd.
Director

Sgd.
Chief Operating Officer

Signed on behalf of the board on 30th May 2014.
The notes on pages 33 to 73 form an integral part of these consolidated financial statements
Report of the independent auditor's on page 27.

Statement of changes in equity

(all amounts in Sri Lanka Rupees thousands)	Notes	Attributable to owners of the Company			Non-controling interests	Total
		Stated capital	Revaluation reserve	Retained earnings		
Group						
Balance at 1 January 2012		341,602	43,272	2,399,334	Nil	2,784,208
Loss for the year		Nil	Nil	(89,753)	(216)	(89,969)
Other comprehensive (loss) / income for the year		Nil	(254)	1,876	Nil	1,622
Total comprehensive loss		Nil	(254)	(87,877)	(216)	(88,347)
Balance at 31 December 2012		341,602	43,018	2,311,457	(216)	2,695,861
Balance at 1 January 2013		341,602	43,018	2,311,457	(216)	2,695,861
Profit for the year		Nil	Nil	61,604	(530)	61,074
Other comprehensive loss for the year		Nil	(254)	(802)	(17)	(1,073)
Total comprehensive (loss) / income		Nil	(254)	60,802	(547)	60,001
Balance at 31 December 2013		341,602	42,764	2,372,259	(763)	2,755,862

The notes on pages 33 to 73 form an integral part of these consolidated financial statements
Report of the independent auditor's on page 27.

(all amounts in Sri Lanka Rupees thousands)	Notes	Stated capital	Retained earnings	Total
Company				
Balance at 1 January 2012		341,602	2,091,296	2,432,898
Loss for the year		Nil	(91,366)	(91,366)
Other comprehensive income for the year		Nil	1,399	1,399
Total comprehensive loss		Nil	(89,967)	(89,967)
Balance at 31 December 2012		341,602	2,001,329	2,342,931
Balance at 1 January 2013		341,602	2,001,329	2,342,931
Profit for the year		Nil	71,979	71,979
Other comprehensive loss for the year		Nil	(1,111)	(1,111)
Total comprehensive inocme		Nil	70,868	70,868
Balance at 31 December 2013		341,602	2,072,197	2,413,799

The notes on pages 33 to 73 form an integral part of these consolidated financial statements
Report of the independent auditor’s on page 27.

Consolidated statement of cash flows

(all amounts in Sri Lanka Rupees thousands)	Notes	Year ended 31 December			
		Group		Company	
		2013	2012	2013	2012
Cash flows from operating activities					
Cash used in operations	33	**(13,451)**	(49)	**(403,875)**	(15,654)
Interest paid	12	**(35,408)**	(6,369)	**(35,408)**	(6,369)
Interest received		**2**	7,476	**2**	6,248
Income tax paid		**Nil**	(2,118)	**Nil**	(1,000)
Tenant deposits received	30	**46,354**	11,278	**31,425**	1,257
Tenant deposits paid	30	**(10,240)**	(9,604)	**Nil**	Nil
Retirement benefit obligations paid	29	**Nil**	(237)	**Nil**	(237)
Net cash (used in) / generated from operating activities		**(12,743)**	377	**(407,856)**	(15,755)
Cash flows from investing activities					
Purchase of investment property	16	**Nil**	(221,280)	**Nil**	(221,280)
Subsequent expenditure on investment property	16	**(113,168)**	(65,121)	**(107,935)**	(57,978)
Purchase of property, plant and equipment	17	**(388,255)**	(12,395)	**(2,698)**	(11,575)
Purchase of listed shares	21	**(9,903)**	(48,135)	**(9,903)**	(48,135)
Proceeds from disposal of property, plant and equipment		**323**	228	**271**	51
Proceeds from disposal of investment property		**14,000**	Nil	**Nil**	Nil
Proceeds from disposal of listed shares		**29,612**	40,111	**29,612**	40,111
Proceeds from notes receivables		**5,000**	5,000	**5,000**	5,000
Dividends received	9	**58**	574	**5,743**	6,532
Net cash used in investing activities		**(462,333)**	(301,018)	**(79,910)**	(287,274)
Cash flows from financing activities					
Proceeds from redemptions of preference shares	19	**Nil**	Nil	**14,900**	Nil
Proceeds from borrowings		**467,577**	206,668	**467,577**	206,668
Repayments of borrowings		**(44,004)**	(6,668)	**(44,004)**	Nil
Net cash generated from financing activities		**423,573**	200,000	**438,473**	200,000
Net decrease in cash and cash equivalents		**(51,503)**	(100,641)	**(49,293)**	(103,029)
Cash and cash equivalents at the beginning of the year		**27,091**	127,732	**23,148**	126,177
Cash and cash equivalents at end of year	25	**(24,412)**	27,091	**(26,145)**	23,148

The notes on pages 33 to 73 form an integral part of these consolidated financial statements
Report of the independent auditor's on page 27.

Notes to the consolidated financial statements

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

1 General information

Colombo Land and Development Company PLC was incorporated under the Companies Ordinance No. 51 of 1938 on 23 December 1981 and re-registered on 19 September 2007 under the Companies Act, No. 07 of 2007, that came into effect on 3 May 2007. The registered office of the Company is situated at No. 250 - 3/8, (3rd Floor) Liberty Plaza, R A De Mel Mawatha, Colombo 3. The Company is a public limited liability company incorporated and domiciled in Sri Lanka, which has its listing on the Colombo Stock Exchange.

The principal business of the Company involves the development and leasing out of investment property under operating leases.

All companies in the Group have a common financial year, which ends on 31 December.

These consolidated financial statements have been approved for issue by the Board of Directors on 30th May 2014.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and adoption of Sri Lanka Financial Reporting Standards

The Group and Company's prepare its financial statements in accordance with Sri Lanka Accounting Standards (LKASs / SLFRSs) issued by the Institute of Chartered Accountants of Sri Lanka.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, investment property, financial assets and liabilities at fair value. The preparation of financial statements in conformity with LKASs / SLFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The Group has elected to present a single statement of comprehensive income and presents its expenses by function.

2.2 Changes in accounting policy and disclosures

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2013 and do not have a material impact on the Company:

(i) LKAS 19, 'Employee benefits' was revised which effective from 1 January 2013. The changes on the Company's accounting policy is to eliminate the corridor approach. The adoption of this standard did not have any impact as the previous accounting policy of the Company was in line with the requirements of the revised standard.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2013 and not early adopted.

(i) SLFRS 13, 'Fair Value Measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across SLFRSs. The management is yet to assess the full impact and intends to adopt SLFRS 13 no later than the accounting period on or after 2015.

(ii) SLFRS 10, 'Consolidated Financial Statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. No impact on the financial statements is expected as a result of adoption of SLFRS 10.

(iii) SLFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. SLFRS 9 replaces the parts of LKAS 39 that relate to the classification and measurement of financial instruments. SLFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the LKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. The Group is yet to assess SLFRS 9's full impact and intends to adopt SLFRS 9 no later than the accounting period beginning on or after 1 January 2015.

(iv) SLFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess SLFRS 12's full impact and intends to adopt SLFRS 12 no later than the accounting period beginning on or after 1 January 2014.

There are no other SLFRSs or IFRICs interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors collectively, who make strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operates (the 'functional currency'). The consolidated financial statements are presented in Sri Lanka Rupees, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within 'finance income/(costs)-net'.

2.5 Consolidation

(a) Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Investments in subsidiaries are accounted at cost as per LKAS 27; Investments in Subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Interests in subsidiaries in the separate financial statements are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividends received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the investee's net assets including goodwill.

(b) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in statement of comprehensive income in respect of that entity are accounted for as if the Group / Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted in separate financial statements at cost.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit / (loss)' of associates in the statement of comprehensive income.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is classified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movement is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs and subsequently measured at fair value if the fair value is considered to be reliably determinable (See Note 2.18).

Investment properties under construction for which the fair value cannot be determined reliably, but for which the company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on investment property under construction is only applied if the fair value is considered to be reliably measurable.

Management considers the following factors to determine reliably the fair value of the investment property under construction, among others:

- The provisions of the construction contract;
- The stage of completion;
- Whether the project / property is standard (typical for the market) or non-standard;
- The level of reliability of cash inflows after completion;
- The development risk specific to the property;
- Past experience with similar constructions; and
- Status of construction permits.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in the statement of comprehensive income. Investment properties are derecognised when they have been disposed.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net gain / loss from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of revalued owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of the item at the date of transfer is treated in the same way as a revaluation under LKAS 16; Property, Plant and Equipment. Accordingly, the surplus on revaluation is recognised in the statement of comprehensive income to the extent that it reverses a previous impairment loss. Further, any resulting decrease in the carrying amount of the property is initially charged in the statement of comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss. The effect of depreciation on revalued property is also reversed within the statement of comprehensive income.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2.7 Property, plant and equipment (PPE)

(a) Recognition

Property, plant and equipment are recognised if it is probable that future economic benefit associated with the assets will flow to the Group and the cost of the assets can be reliably measured.

(b) Measurement

Property, plant and equipment, other than land and buildings, are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land and buildings are shown at fair value, based on valuations by qualified valuers, less subsequent depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amounts of the asset, and the net amount is restated to the revalued amount of the asset.

Cost of an item of property, plant and equipment includes its purchase price and any direct attributable costs and excludes the costs of day-to-day servicing of an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance expenses are charged to the statement of comprehensive income during the financial period in which they are incurred.

Identifiable interest cost on borrowings to finance the Constructions of property, plant and equipments are capitalised during the period of time that is required to complete and prepare the assets for its intended use.

(c) Depreciation

Depreciation, is calculated using the straight-line method to allocate the cost or revalued amount of assets over their estimated useful lives, as follows:

Buildings	50 years
Office equipment	4 - 8 years
Plant and machinery - agricultural	4 years
Fixtures and fittings and flooring for rented units	4 years
Motor vehicles	4 years
Furniture and fittings	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

(d) Disposals / derecognition

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

(e) Impairment

The carrying value of plant and equipment is reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying value exceeds the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognised in the income statement (Note 2.8).

2.8 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Leases

(a) A group company is the lessee in an operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases and payments, charged to statement of comprehensive income on a straight-line basis over the period of the lease. Properties leased out under operating leases are included in investment properties. See Note 2.6 for the accounting policy relating to land held on an operating lease and used as investment property.

(b) A group company is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the statement of financial position (Note 16). See Note 2.22 for the recognition of rental income.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. These includes investments in quoted shares. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position. (Note 2.13 and 2.14)

(iii) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(b) Recognition and measurement of financial asset

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'other (losses) / gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

Held-to-maturity financial assets are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method. Held-to-maturity investments consist of investment in preference shares.

(c) Impairment of financial assets

Assets carried at amortised cost

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

Dividend on held-to-maturity investments is included in the statement of comprehensive income and reported as 'dividend income' under other income. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the statement of comprehensive income as 'Net gains/(losses) on investment securities'.

2.11 Financial liabilities

The Group classifies its financial liabilities as financial liabilities at fair value through profit or loss or other financial liabilities, as appropriate. At the reporting date there were no financial liabilities at fair value through profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other financial liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction cost) and the redemption value is recognised in the statement of comprehensive income over the period of borrowings using the effective interest rate method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, such as tenant deposits, discounting is omitted.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Inventories

Produce stocks manufactured up to the statement of financial position date and sold since then are valued at since realised price. The balance stocks are valued at estimated selling price. The prices are net of all attributable expenses relating to the public auction.

Nurseries are stated at the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

Inventories other than produce stocks and nurseries are stated at the lower of cost and net realisable value. Cost is determined by the First-In First-Out (FIFO) method.

2.13 Trade and other receivables

Trade receivables are rental collections due from tenants in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment [Note 2.10 (b) and 2.10 (c)].

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, shown net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.15 Stated capital

(a) Classification

Ordinary shares with discretionary dividends are classified as equity when there is no obligation to transfer cash or other assets.

(b) Dividend to shareholders of the Company

Dividend distribution to the Group shareholders is recognised as a liability in the Group financial statements in the period in which the dividends are approved by the Group shareholders.

2.16 Trade and other payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business. These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The Group capitalises borrowing costs on qualifying investment properties. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax.

(a) Current taxes

Tax is recognised in the statement of comprehensive income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The provision for current income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the tax laws enacted or substantially enacted at the statement of financial position date.

(b) Deferred income taxes

Deferred tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred income tax. It is probable that the temporary difference will not reverse in the foreseeable future.

The principal temporary differences arise from fair value adjustment of investment property, revaluation and depreciation on property, plant and equipment and retirement benefit obligations.

The carrying value of the investment property is expected to be realised through rental income stream during the period of use and the tax rate applied is that which would apply on profits of the business. The deferred tax then calculated based on the tax consequences arising from recovery through use and resulting temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

(a) Defined benefit plan - Gratuity

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plan define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit plan comprises the gratuity provided under the Act, No 12 of 1983.

The liability recognised in the statement of financial position in respect of gratuity is the present value of the defined benefit obligation at the statement of financial position date together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by the Group using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long term government bonds, as there is no deep market on high quality corporate bonds in Sri Lanka.

Past-service costs are recognised immediately in income statement, unless the changes to the defined benefit plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The assumptions based on which the results of the actuarial valuation was determined are included in Note 29 to the financial statements.

(b) Defined contribution plans

Defined contribution plan is a plan under which the companies within the Group pay a fixed contribution into a separate entity. All employees of the Group in Sri Lanka are members of the Employees' Provident Fund and Employees' Trust Fund, to which the companies contributes 12% and 3% respectively, of employees' basic or consolidated wage or salary. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

(c) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Group activities. Revenue is recorded at invoiced value net of brokerage, selling expenses and other levies related to turnover.

(a) Rental income

Rental income includes rental income from properties leased out to tenants under operating leases and income from providing car parking facilities. Rental income from operating leases is recognised on a straight-line basis over the lease term while car park income is recognised on an earned basis.

(b) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Revenue in plantation industry

Revenue and profit or loss on sale of timber is recognised in the financial period of harvesting. Revenue is recorded at invoiced value net of brokerage, selling expenses and other levies related to turnover.

(e) 3D designing income

3D design income recognised when the 3D services provided to its customers.

2.23 Expenditure

The expenses are recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining property plant and equipment in a state of efficiency is charged against income in arriving at the results for the year.

For the purpose of presentation of the statement of income statement information, nature of expense method is used to classify expenses.

2.24 Permanent land development cost

Permanent land development cost relates to cost of developing agricultural land and includes costs incurred in making major infrastructure development and building new access roads.

2.25 Biological assets - immature plantations

The cost of land preparation, rehabilitation, new planting, re-planting, crop diversification, inter - planting and fertilising, etc. incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are carried at cost less accumulated impairment losses as their fair value cannot be readily determined without undue cost or effort. No depreciation is provided to immature plantation.

The cost of areas coming into bearing are transferred to mature plantation and depreciated over the period of useful life.

2.26 Comparatives

- Deferred tax attributable to actuarial gains / (losses) on retirement benefit obligations previously disclosed under administrative expenses are now shown under the other comprehensive income.

Management believes that the above re-classification gives a fairer presentation.

3 Financial risk management

3.1 Financial risk factors

Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk and liquidity risk. The primary objectives of financial risk management are to establish risk limits, and ensure that exposure to risks stays within these limits.

Risk management is carried out by the finance department under policies approved by the Board of Directors.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be accepted, which are monitored on a monthly basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates to primarily to the Company's long-term debt obligations with floating rates. The Group manages its interest rate risk by daily monitoring and managing cash flows, keeping borrowings to a minimum, negotiating favourable rates on borrowings and deposits.

Sensitivity analysis

If interest rates had been higher by 10 basis points and all other variables were held constant, the Group Profit before tax for the year ended 31 December 2013 would decrease by Rs 2,504,547 This is mainly attributable to the Group exposure to interest rates on variable rate of interest.

	2013	
	Interest income / (expense)	Group profit before tax
Borrowings	(20,215)	117,518

(ii) Price risk

The Group is exposed to equity securities price risk due to investments held by the Company and classified on the under statement of financial position as 'fair value through profit or loss'. To manage its price risk arising from such securities, the Group diversifies its portfolio.

The investments in equity of other entities that are publicly traded are included in the All Share Price Index (ASPI) and S&P Sri Lanka 20 (S&P SL 20).

The table below summarises the impact of increase/decrease of the equity indices on the Group's profit after tax for the year. The analysis is based on the assumptions that the equity indices had increased/decreased by 5% with all other variables held constant:

	Impact on Group profit after tax 2013
ASPI	201,363
S&P SL 20	128,749

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property rentals risk.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks and trade receivables, including rental receivables from lessees. The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty. Credit risk is managed on a group basis. The Group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the Group does not monitor the credit quality of receivables on an ongoing basis.

The Group's maximum exposure to credit risk by class of financial asset is as follows:

	Group		Company	
	2013	2012	2013	2012
Rent receivables from lessees (Note 23)	20,531	9,621	13,079	782
Other financial assets	25,845	20,309	462,607	69,794
Cash and cash equivalents (Note 25)	3,924	27,721	2,191	23,778
	50,300	57,651	477,877	94,354

Deposits refundable to tenants may be withheld by the Group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

The fair value of cash and cash equivalents at 31 December 2013 approximates the carrying value. There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Group holds accounts in a number of financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. The Group's finance department aims to maintain flexibility in funding by keeping committed credit lines available.

The Group's liquidity position is monitored on a monthly basis by the management and is reviewed quarterly by the Board of Directors. A summary table with maturity of financial liabilities is presented below. The amounts disclosed below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position as the impact of discounting is not significant.

The maturity analysis of financial liabilities at 31 December 2013:

	On demand and less than 1 month		From 1 to 12 months		From 2 to 5 years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Group								
Liabilities								
Borrowings	Nil	Nil	201,133	27,302	458,772	173,328	659,905	200,630
Tenant deposits	Nil	Nil	73,008	36,894	Nil	Nil	73,008	36,894
Trade and other payables (excluding statutory liabilities)	Nil	Nil	32,482	15,894	Nil	Nil	32,482	15,894
Company								
Liabilities								
Borrowings	Nil	Nil	201,133	27,302	458,772	173,328	659,905	200,630
Tenant deposits	Nil	Nil	35,632	4,207	Nil	Nil	35,632	4,207
Trade and other payables (excluding statutory liabilities)	Nil	Nil	9,646	6,354	Nil	Nil	9,646	6,354

As the amount of contractual undiscounted cash flows related to bank borrowings is based on variable rather than fixed interest rates, the amount disclosed is determined by reference to the conditions existing at the reporting date- that is, the actual spot interest rate effective as of 31 December 2012 and 2013 is used for determining the related undiscounted cash flows.

3.2 Fair value estimation

The Group's financial assets and liabilities include trade and other receivables, cash and cash equivalents and trade and other payables. The carrying amounts of these assets and liabilities approximate their fair values. The fair values for both financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows.

As of 31 December 2013	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables (excluding prepayments and statutory receivables)	46,308	46,308	466,959	466,959
Investment in preference shares held-to-maturity (Note 19)	Nil	Nil	112,670	112,670
Financial assets at fair value through profit or loss (Note 21)	2,294	2,294	2,294	2,294
Cash and cash equivalents (excluding bank overdrafts) (Note 25)	3,924	3,924	2,191	2,191
Borrowings (Note 27)	659,905	659,905	659,905	659,905
Tenant deposits (Note 30)	73,008	73,008	35,632	35,632
Trade and other payables (excluding statutory liabilities)	32,482	32,482	9,646	9,646
	817,921	817,921	1,289,297	1,289,297

3.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group represents equity attributable to owner of the Group, comprising issued share capital, revaluation reserves and retained earnings.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by the Group as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios at 31 December 2013 was as follows:

	Group		Company	
	2013	2012	2013	2012
Total borrowings (Note 27)	**659,905**	200,630	**659,905**	200,630
Less: cash and cash equivalents (Note 25)	**(3,924)**	(27,721)	**(2,191)**	(23,778)
Net debt	**655,981**	172,909	**657,714**	176,852
Total equity	**2,755,862**	2,695,861	**2,413,799**	2,342,931
Total capital employed	**3,411,843**	2,868,770	**3,071,513**	2,519,783
Gearing ratio	**19%**	6%	**21%**	7%

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Principal assumptions underlying management's estimation of fair value Of investment property

The valuation on investment property and buildings was determined principally using discounted cash flow projections based on estimates of future cash flows, supported by the terms of any existing lease, and by external evidence such as current (at the statement of financial position date) land sale prices for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The future rental rates were estimated depending on the actual location, type and quality of the properties, and taking into account market data and projections at the valuation date.

In addition investment properties with a carrying value of Rs 393,100,633 were not in use as of 31 December 2013 as they were in the process of construction. The completion date of development may vary depending on, among other factors, timeliness of obtaining approvals and construction delays.

(b) Revaluation of property, plant and equipment

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at end of the reporting date. Any increase in value, on revaluation, is credited to equity under the "revaluation reserve" unless it offsets a previous decrease in value recognised in the statement of comprehensive income in respect of the same asset. A decrease in value is recognised in the statement of comprehensive income to the extent it exceeds an increase previously recognised in equity in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and credit to retained earnings. Upon disposal of a revalued asset, any related revaluation surplus is transferred from equity to retained earnings and is not taken into account in calculating the gain or loss on disposal.

(c) Estimated useful lives of property, plant and equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation charge and decrease the property, plant and equipment balance.

(d) Defined benefit plan - Gratuity

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for gratuity include the discount rate. Any changes in these assumptions will impact the carrying amount of gratuity obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for gratuity obligations are based in part on current market conditions, additional information is disclosed in Note 29.

4.2 Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entity's accounting policies.

5 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors collectively, who make strategic decisions.

The reportable segments derive their revenue primarily from the rental income which consists of "commercial unit income" and "car park income" and from 3D designing income.

Although the 3D designing segment is a separate operating segment, it does not generate a material income to meet the quantitative thresholds required by SLFRS 8.

6 Summarised financial information of subsidiaries

During the year ended 31 December 1994 the Company acquired the entirety of the share capital (with the exception of the two subscriber shares) of Liberty Holdings (Private) Limited. Liberty Holdings (Private) Limited carries on, inter-alia, the leasing of properties developed by the Company. The results, assets and liabilities of Liberty Holdings (Private) Limited, have been included in these financial statements using the purchase method.

Colombo Land and Development Company PLC and Liberty Holdings (Private) Limited jointly hold 49% and 51% respectively of the share capital of Agrispice (Private) Limited. Agrispice (Private) Limited carries on, inter-alia, the business of cultivating plantations of teak and mahogany trees. The results, assets and liabilities of Agrispice (Private) Limited have been included in the consolidated financial statements of the Group using the purchase method.

On 11 February 2011, the Company transferred shares in two associate companies, Uni Walker Packaging Limited and Uni Walker Packaging Exports (Private) Limited to EDNA group of companies for a total consideration of Rs 22,500,000 payable in installments.

During the year ended 31 December 2012, the fully owned subsidiary LHPL acquired 70% of the share capital of Anantya Global Solutions (Private) Limited which carries on the business of IT solutions, software development and e-marketing. The results, assets and liabilities of the Company have been included in the consolidated financial statements using the purchase method.

During the year ended 31 December 2013, the Company acquired entirety of the share capital of Liberty Developers (Private) Limited which carries on the business of leasing of properties developed by the Company. The results, assets and liabilities of the Company have been included in the consolidated financial statements using the purchase method.

Set out below are the summarised financial information for each subsidiary.

Summarised statement of financial position:

	Liberty Holdings (Private) Limited		Agrispice (Private) Limited		Anantya Global Solutions (Private) Limited		Liberty Developers (Private) Limited	
	2013	2012	2013	2012	2013	2012	2013	2012
Current								
Assets	**51,122**	17,488	**676**	906	**515**	166	**90**	Nil
Liabilities	**(208,897)**	(181,976)	**(42,276)**	(38,747)	**(2,922)**	(888)	**(394,755)**	Nil
Total current net assets	**(154,775)**	(164,488)	**(41,600)**	(37,841)	**(2,407)**	(722)	**(394,665)**	Nil
Non-current								
Assets	**887,531**	896,941	**54,959**	54,667	**Nil**	Nil	**393,101**	Nil
Liabilities	**(188,585)**	(187,292)	**(63)**	(42)	**(138)**	Nil	**Nil**	Nil
Total non-current net assets	**698,946**	709,649	**54,896**	54,625	**(138)**	Nil	**393,101**	Nil
Net assets	**541,171**	545,161	**13,296**	16,784	**(2,545)**	(722)	**(1,564)**	Nil
Revenue	**60,646**	57,688	**Nil**	Nil	**1,740**	600	**Nil**	Nil
Profit / (loss) before income tax	**162**	11,541	**(3,488)**	(3,410)	**(1,767)**	(721)	**(1,565)**	Nil
Income tax expense	**(4,247)**	(6,012)	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil
Post-tax (loss) / profit from continuous operations	**(4,085)**	5,530	**(3,488)**	(3,410)	**(1,767)**	(721)	**(1,565)**	Nil
Other comprehensive income / (expense)	**95**	223	**Nil**	Nil	**(57)**	Nil	**Nil**	Nil
Total comprehensive (loss) / income	**(3,990)**	5,753	**(3,488)**	(3,410)	**(1,824)**	(721)	**(1,565)**	Nil

During the year, Liberty Holdings (Private) Limited, Agrispice (Private) Limited, Anantya Global Solutions (Private) Limited and Liberty Developers (Private) Limited incurred losses of Rs 3,990,266 (2012 - profit of Rs 5,753, 216), Rs 3,488,350 (2012 - Rs 3,410,750), Rs 1,824,432 (2012 - Rs 721,415) and Rs 1,564,546 (2012 - Rs Nil) respectively.

7 Revenue

Revenue consists of the following

	Group		Company	
	2013	2012	2013	2012
Rental income				
- Commercial units	**107,318**	86,565	**41,512**	22,491
- Car park	**33,214**	31,784	**33,214**	31,784
3D designing income	**1,740**	600	**Nil**	Nil
Value Added Tax	**(16,802)**	(14,037)	**(8,967)**	(6,513)
Net revenue	**125,470**	104,912	**65,759**	47,762

8. Other losses - net

Financial assets at fair value through profit or loss

	Group		Company	
	2013	2012	2013	2012
- Fair value losses	**(3,560)**	(22,572)	**(3,560)**	(22,572)
- Fair value gains	**2,755**	6,369	**2,755**	6,369
	(805)	(16,203)	**(805)**	(16,203)

9. Other income

	Group		Company	
	2013	2012	2013	2012
Dividend income [See Note (a) below]	**58**	574	**5,743**	6,532
Sundry income	**1,999**	1,605	**1,754**	643
	2,057	2,179	**7,497**	7,175

(a) Dividend income of the Company mainly consists of preference share dividends from fully owned subsidiary Liberty Holdings (Private) Limited amounting to Rs 5,685,489 (2012 - Rs 5,957,519).

10 Expenses by function

The following items have been charged / (credited) in arriving of operating profit / (loss) for the year:

	Group		Company	
	2013	2012	2013	2012
Director's emoluments	**11,431**	8,783	**11,431**	8,783
Auditor's remuneration - external audit	**1,115**	889	**620**	500
Professional fees - internal audit	**362**	126	**121**	126
Depreciation on property, plant and equipment (Note 17)	**2,968**	2,626	**1,418**	1,124
Service and management charges	**31,033**	22,690	**Nil**	2,108
Repairs and maintenance expenditure	**6,891**	5,103	**2,144**	2,598
(Reversal of provision) / provision for impairment of trade receivables [Note 23 (c)]	**(1,259)**	275	**(1,632)**	(54)
Loss on sale of property, plant and equipment	**205**	119	**205**	119
Loss on investment property	**606**	Nil	**Nil**	Nil
Operating lease rentals - properties	**1,478**	1,449	**1,478**	1,449
Rates expenses	**4,072**	4,504	**1,223**	1,199
Legal fees	**6,150**	8,440	**5,200**	3,742
Employee benefit expense (Note 11)	**22,403**	17,481	**17,770**	15,138
Other expenses	**55,159**	39,744	**41,706**	30,652
Total direct expenses, selling and marketing costs and Administrative expenses	**142,614**	112,229	**81,684**	67,484

11 Employee benefit expense

	Group		Company	
	2013	**2012**	**2013**	**2012**
Salaries, wages and other fringe benefits	**18,792**	14,655	**14,915**	12,599
Defined contribution plans	**2,722**	2,028	**2,182**	1,842
Retirement benefit obligations (Note 29)	**889**	798	**673**	697
	22,403	17,481	**17,770**	15,138

Average monthly number of persons employed by the Group / Company during the year:				
Full time	**28**	29	**23**	24

12 Finance income and cost

	Group		Company	
	2013	**2012**	**2013**	**2012**
Interest expense on bank overdraft	**(2,488)**	(821)	**(2,488)**	(821)
Interest expense on bank loan	**(18,504)**	Nil	**(18,504)**	Nil
Capitalised borrowing costs (Note 16)	**(14,875)**	(5,548)	**(14,875)**	(5,548)
Total finance costs	**(35,867)**	(6,369)	**(35,867)**	(6,369)
Less: Capitalised borrowing costs (Note 16)	**14,875**	5,548	**14,875**	5,548
Finance cost	**(20,992)**	(821)	**(20,992)**	(821)
Interest income on short term deposits	**Nil**	6,246	**Nil**	6,246
Interest income on Treasury Bills	**2**	2	**2**	2
Interest income on financial assets measured at fair value	**775**	1,228	**775**	1,228
Finance income	**777**	7,476	**777**	7,476
Finance income - net	**(20,215)**	6,655	**(20,215)**	6,655

13 Income tax expense

The charge for taxation solely consists of income tax payable on profits from ordinary activities of the Group and the Company.

	Group		Company	
	2013	**2012**	**2013**	**2012**
Current tax	**3,117**	4,047	**141**	1,137
Deferred tax charge / (release) (Note 28)	**53,327**	76,237	**52,057**	73,135
	56,444	80,284	**52,198**	74,272

The tax on the Group and Company's profit / (loss) before tax differs from the theoretical amount that would arise using the tax rate applicable to profit / (loss) of the Group and Company as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Profit / (loss) before tax	**117,518**	(9,685)	**124,177**	(17,094)
Tax calculated at a tax rate of 28% (2012 - 28%)	**32,905**	2,712	**34,770**	4,786
Income not subject to tax	**(2,369)**	(4,789)	**(2,369)**	(3,937)
Expenses not deductible for tax purposes	**7,957**	5,958	**1,514**	1,688
Fair value gain recognised during the year	**(43,015)**	(1,400)	**(43,015)**	(1,400)
Effect of different tax rates	**(1,603)**	1,566	**Nil**	Nil
Adjustment due to change in estimated Deferred tax base in previous years	**62,569**	76,237	**61,298**	73,135
Tax charge	**56,444**	80,284	**52,198**	74,272

As per the provision of the Inland Revenue Act, No. 38 of 2000 duly amended by the Inland Revenue (Amendment) Act No. 8 of 2005, all limitations on carry forward of losses have been removed. Accordingly, tax losses incurred by the Company and Group could be carried forward indefinitely. However, set off such losses is subject to a maximum limit of 35% of the statutory income from the same source.

The tax losses available for carry forward as at 31 December 2013 by the Group subsequent to set-off in the current year amounted to Rs 211,012,303 (2012 - Rs 218,819,569)

Deferred tax

Further information about deferred tax is provided in Note 28.

14 Earnings / (loss) / per share

Basic earnings / (loss) per share is calculated by dividing the profit / (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2013	**2,012**	**2013**	**2012**
Net profit / (loss) attributable to equity holders of the Company	**61,604**	(89,753)	**71,979**	(91,366)
Weighted average number of ordinary shares in issue (thousands) (Note 31)	**199,881**	199,881	**199,881**	199,881
Basic earnings / (loss) per share - (Rs)	**0.31**	(0.45)	**0.36**	(0.46)

15 Dividends

The Board of Directors have not paid or declared any dividend for the year ended 31 December 2013 (2012 - Rs Nil).

16 Investment property

	Group		Company	
	2013	**2012**	**2013**	**2012**
Balance at the beginning of the year	**3,765,717**	3,468,767	**2,899,356**	2,609,549
Additions:				
- Direct acquisitions of investment property [See Note (a) below]	**Nil**	221,280	**Nil**	221,280
- Subsequent expenditure on investment property	**113,168**	65,121	**107,935**	57,978
Capitalised borrowing costs [Note 12 and Note (g) below]	**14,875**	5,548	**14,875**	5,548
Disposal during the year [see Note (h) below]	**(14,606)**	Nil	**Nil**	Nil
Net gain from fair value adjustments on investment property [See Note (e) below].	**153,625**	5,001	**153,625**	5,001
Balance at the end of the year	**4,032,779**	3,765,717	**3,175,791**	2,899,356

(a) Investment property consists of leasehold land and unsold commercial units given on rental in buildings constructed on leasehold land at Pettah and Kolpetty obtained from the Urban Development Authority on 99 year leases commencing from 1981. The Company also acquired investment property consisting of land with an extent of 36.88 perches, and building, on R A De Mel Mawatha on 25 October 2012 at valuation of Rs 221,280,000.

(b) The Directors have adopted as its accounting policy the fair value model of accounting for investment property effective at 31 December 2005.

(c) In July 2001 the Company received physical possession of a part of land in Pettah leased to the Company in 1981 by the UDA. The area of the land thus received by the Company amounted to 2A-3R-11P and was formerly occupied by Colombo Gas Company. The Company currently runs a temporary car park on this land and the value of such land had been included as part of cost of investment property at the time of receiving physical possession. The land was most recently revalued during the year ended 31 December 2011.

(d) The Company also has legal possession of the balance land 9A-2R-2P which the Company has no physical possession. The fair value of such land has not been accounted as land held for development under investment property due to the Company's inability to have physical possession of the land for development. The Company intends to recognise the fair value of any part of the land for which alternative land will be provided for development by the Urban Development Authority, as investment property.

(e) In line with the requirements of LKAS 40, *Investment Property,* investment property acquired in 2013 and under construction is measured at cost since fair value is not reliably determinable until completion of construction. All the other investment properties were revalued effective 31 December 2011 on the basis of valuation by an independent professionally qualified valuer who holds a recognised relevant professional qualification and recent experience in the locations and categories of the investment properties valued. The Directors are of the opinion that no changes in market conditions have occurred since that date and have therefore, adopted the same valuation for 31 December 2013 except for the valuation of the Liberty Arcade, which had not been subject to fair valuation previously, by a professionally qualified valuer on 4 September 2013. The fair values as of 31 December 2013, 31 December 2012 amounted to Rs. 212,525,774 and Rs 58,900,774 respectively.

(f) Bank borrowings are secured over investment property to the value of Rs 541,109,917 (2012 - Rs 200,000,000) (Note 27).

(g) During the year, the Company and the Group has capitalised borrowing costs amounting to Rs 14,874,514 (2012 - Rs 5,547,671) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of its general borrowings of 16%.

(h) During the year, the Company disposed a unit of Liberty Plaza at a price of Rs 14,000,000 (Note 36).

17 Property, plant and equipment

17.1 Group

	Land	Buildings	Plant and machinery	Office equipment	Motor Vehicles	Furniture and fittings	Tools and utensils	Permanent land & development cost	Immature plantation	Capital work in progress	Total
Year ended 31 December 2012											
Opening net book amount	40,800	26,901	4	3,108	135	2,827	84	2,287	8,512	Nil	84,658
Additions	Nil	226	Nil	1,501	Nil	882	21	Nil	369	9,396	12,395
Disposals - cost	Nil	Nil	Nil	(2,251)	Nil	(48)	Nil	Nil	(177)	Nil	(2,476)
Disposals - accumulated depreciation	Nil	Nil	Nil	2,081	Nil	48	Nil	Nil	Nil	Nil	2,129
Depreciation charge (Note 12)	Nil	(650)	(4)	(1,051)	(41)	(880)	Nil	Nil	Nil	Nil	(2,626)
Closing net book amount	40,800	26,477	Nil	3,388	94	2,829	105	2,287	8,704	9,396	94,080
At 31 December 2012											
Cost / valuation	40,800	32,865	58	7,638	290	9,396	105	2,287	8,704	9,396	111,539
Accumulated depreciation	Nil	(6,388)	(58)	(4,250)	(196)	(6,567)	Nil	Nil	Nil	Nil	(17,459)
Net book amount	40,800	26,477	Nil	3,388	94	2,829	105	2,287	8,704	9,396	94,080
Year ended 31 December 2013											
Opening net book amount	40,800	26,477	Nil	3,388	94	2,829	105	2,287	8,704	9,396	94,080
Additions	Nil	10	7	2,226	Nil	1,914	14	68	311	383,705	388,255
Disposals - cost	Nil	Nil	Nil	(430)	Nil	(2,043)	(45)	Nil	Nil	Nil	(2,518)
Disposals - accumulated depreciation	Nil	Nil	Nil	135	Nil	1,855	Nil	Nil	Nil	Nil	1,990
Depreciation charge (Note 10)	Nil	(655)	(2)	(1,347)	(41)	(923)	Nil	Nil	Nil	Nil	(2,968)
Closing net book amount	40,800	25,832	5	3,972	53	3,632	74	2,355	9,015	393,101	478,839
At 31 December 2013											
Cost / valuation	40,800	32,875	65	9,434	290	9,267	74	2,355	9,015	393,101	497,276
Accumulated depreciation	Nil	(7,043)	(60)	(5,462)	(237)	(5,635)	Nil	Nil	Nil	Nil	(18,437)
Net book amount	40,800	25,832	5	3,972	53	3,632	74	2,355	9,015	393,101	478,839

17.2 Company

	Office equipment	Motor vehicles	Furniture and fittings	Capital work in progress	Total
Year ended 31 December 2012					
Opening net book amount	2,142	135	1,391	Nil	3,668
Additions	1,414	Nil	765	9,396	11,575
Disposals - cost	(2,251)	Nil	(48)	Nil	(2,299)
Disposals - accumulated depreciation	2,081	Nil	48	Nil	2,129
Depreciation charge (Note 10)	(756)	(41)	(327)	Nil	(1,124)
Closing net book amount					
At 31 December 2012	2,630	94	1,829	9,396	13,949
Cost	6,013	166	2,990	9,396	18,565
Accumulated depreciation	(3,383)	(72)	(1,161)	Nil	(4,616)
Net book amount					
Year ended 31 December 2013	2,630	94	1,829	9,396	13,949
Opening net book amount	2,630	94	1,829	9,396	13,949
Additions	2,070	Nil	628	Nil	2,698
Disposals - cost	(374)	Nil	(618)	(9,396)	(10,388)
Disposals - accumulated depreciation	79	Nil	437	Nil	516
Depreciation charge (Note 10)	(1,043)	(41)	(334)	Nil	(1,418)
Closing net book amount					
At 31 December 2013	3,362	53	1,942	Nil	5,357
Cost	7,709	166	3,000	Nil	10,875
Accumulated depreciation	(4,347)	(113)	(1,058)	Nil	(5,518)
Net book amount	3,362	53	1,942	Nil	5,357

17.3

	Group		Company	
	2013	2012	2013	2012
The total cost of fully depreciated property, plant and equipment still in use	**5,944**	7,176	**2,587**	2,369

17.4 Immature plantation

Immature plantation costs are wholly incurred by the subsidiary company, Agrispice (Private) Limited, on land preparation, rehabilitation, new planting, crop diversification and fertilising.

17.5 Other explanatory notes

(a) Depreciation expense of Group Rs 2,967,627 (2012 - Rs 2,626,073), Company Rs 1,418,488 (2012 - Rs 1,124,444) have been charged in administrative expenses.

(b) Capital (construction) work in progress as at 31 December 2013 wholly consists of the costs incurred on new building being constructed in Kolpetty [Liberty Developers (Private) Limited].

(c) The Group's land and buildings were revalued on 20 December 2011 by Messers, Ariyathilake & Company, an independent professional firm on a depreciated replacement cost basis and a revaluation surplus of Rs 7,637,360 was transferred to the revaluation reserve.

(d) If land and buildings were stated under historical basis the amounts would be as follows:

	Group	
	2013	**2012**
Cost	**43,041**	43,031
Accumulated depreciation	**(6,597)**	(5,736)
	36,444	37,295

18 Investment in subsidiary companies

	Company	
	2013	**2012**
Unlisted ordinary shares		
Opening cost	**200,000**	200,000
Closing cost	**200,000**	200,000

(a) Details of the companies incorporated in Sri Lanka, in which the Group / Company had control as at 31 December 2013 are set out below:

Name of Company	Group Holding	Company Holding	Nature of Business
Liberty Holdings (Private) Limited	100%	100%	Renting out developed property
Agrispice (Private) Limited	100%	49%	Cultivating plantation of Teak and Mahogany trees
Anantya Global Solutions (Private) Limited	70%	0%	IT solutions, software development and e-marketing
Liberty Developers (Private) Limited	100%	100%	Renting out developed property

19 Investment in preference shares held-to-maturity

	Company	
	2013	2012
Opening cost	**127,570**	127,570
Redemption of preference shares	**(14,900)**	Nil
Closing cost	**112,670**	127,570

Financial assets wholly comprise of investment in preference shares of Liberty Holdings (Private) Limited, a subsidiary, which were due to be redeemed commencing from year 2013. Preference shares are redeemable and bear an interest rate of 4.67% per annum. During the year, 1490 preference shares were redeemed at value of Rs. 10 per share.

20 Investments in associates company

(a) Investments in associate companies

	Company	
	2013	2012
Opening and closing net book amount	**3,199**	3,199

(b) Details of the associate incorporated in Sri Lanka are set out below:

Name of the company	No. of shares	Percentage holding	Principle business
Agrispice (Private) Limited	489,999 ordinary shares	49%	Cultivating plantation of Teak and Mahogany trees

(c) Financial information relating to associate company is as follows:

	2013	2012
Revenue	**Nil**	Nil
(Loss)	**(3,488)**	(3,410)
Current assets	**676**	906
Non-current assets	**54,959**	54,667
Current liabilities	**42,276**	38,747
Non-current liabilities	**63**	42

21 Financial assets at fair value through profit or loss

	Group		Company	
	2013	**2012**	**2013**	**2012**
Listed securities - held for trading				
At beginning of year	**22,808**	30,987	**22,808**	30,987
Additions	**9,903**	48,135	**9,903**	48,135
Disposals	**(33,031)**	(61,490)	**(33,031)**	(61,490)
Fair value gains [see Note (b) below]	**2,614**	5,176	**2,614**	5,176
At end of year	**2,294**	22,808	**2,294**	22,808

Group / Company	2013		2012	
	No. of shares	**Market value**	**No. of shares**	**Market value**
ACME Printing & Packaging PLC	**Nil**	**Nil**	77	1
Agstar Fertilizer PLC	**100,297**	**471**	Nil	Nil
Aitken Spence Hotel Holdings PLC	**Nil**	**Nil**	198,800	14,453
Browns Beach Hotels PLC	**Nil**	**Nil**	137,206	2,483
Central Investments and Finance PLC	**Nil**	**Nil**	159	1
Citrus Leisure PLC	**Nil**	**Nil**	2,300	586
City House & Real Estate Company PLC	**Nil**	**Nil**	960	15
East West Properties PLC	**151,853**	**1,746**	Nil	Nil
Expolanka Holdings PLC	**Nil**	**Nil**	60,000	426
Equity One PLC	**414**	**11**	Nil	Nil
Hikkaduwa Beach Resort PLC	**3,000**	**66**	Nil	Nil
John Keells Holdings PLC	**Nil**	**Nil**	94	21
Pegasus Hotels of Ceylon PLC	**Nil**	**Nil**	45,990	1,840
Sampath Bank PLC	**Nil**	**Nil**	14,836	2,982
	255,564	**2,294**	460,422	22,808

(a) Financial assets at fair value through profit or loss are presented within "operating activities" in the statement of cash flows (Note 33).

(b) Changes in fair value of financial assets at fair value through profit or loss during the year are recorded in 'other losses - net' in the statement of comprehensive income (Note 8).

(c) The fair value of all equity securities is based on their current market prices in an active market.

22 Inventories

Inventories of the group wholly consist of consumable items, tea and rubber nurseries held by the subsidiary companies.

23 Trade and other receivables

	Group		Company	
	2013	2012	2013	2012
Trade receivables				
- Rent receivable				
from lessees	**21,401**	54,343	**13,197**	33,651
Less: provision for impairment of				
trade receivables				
[See Note (c) below]	**(870)**	(44,722)	**(118)**	(32,869)
Trade receivables - net	**20,531**	9,621	**13,079**	782
Receivable from subsidiaries				
[Note 36 (i) (a)]	**Nil**	Nil	**393,252**	10,603
Receivable from associate				
company [Note 36 (i) (b)]	**Nil**	Nil	**41,645**	38,413
Receivable from related companies				
[Note 36 (i) (c)]	**227**	297	**2,113**	787
Notes receivables	**2,232**	6,457	**2,232**	6,457
Prepayments	**8,645**	6,286	**7,461**	5,502
Deposits	**1,252**	1,983	**1,252**	1,983
Staff loans [See Note (f) below]	**5,340**	4,169	**5,304**	4,135
Other receivables	**16,808**	9,648	**16,809**	9,648
Total trade and other receivables	**55,035**	38,461	**483,147**	78,310
Less: non current portion				
Staff loans	**14**	13	**Nil**	Nil
Notes receivables	**Nil**	2,232	**Nil**	2,232
Total non current portion	**14**	2,245	**Nil**	2,232
Current portion	**55,021**	36,216	**483,147**	76,078

(a) All non-current receivables are due within five years from the end of the reporting period.

(b) Trade receivables by credit quality:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Neither past due nor impaired:				
- Receivable from shops and offices	**8,775**	3,641	**4,396**	390
- Receivables from individual tenants	**712**	695	**71**	NIL
Total neither past due nor impaired	**9,487**	4,336	**4,467**	390
Past due but not impaired:				
- 90 to 180 days overdue	**2,645**	3,695	**2,214**	228
- 180 to 300 days overdue	**1,550**	1,321	**Nil**	164
- Over 300 days overdue	**6,849**	269	**6,398**	NIL
Total past due but not impaired	**11,044**	5,285	**8,612**	392
Individually determined to be impaired (gross):				
- 30 to 90 days overdue	**164**	2,060	**Nil**	294
- 90 to 180 days overdue	**Nil**	4,491	**Nil**	1,867
- 180 to 300 days overdue	**321**	3,256	**Nil**	2,289
- Over 300 days overdue	**385**	34,915	**118**	28,419
Total Individually determined to be impaired (gross):	**870**	44,722	**118**	32,869
Less: Impairment provision	**(870)**	(44,722)	**(118)**	(32,869)
Total trade receivables, net of provision for impairment	**20,531**	9,621	**13,079**	782

The past due but not impaired balance relates to a number of independent tenants for whom there is no recent history of default.

(c) The individual impaired receivables mainly relate to rent receivable from vacated tenants, net of tenant deposit held. Movement in the provision for impairment losses of trade receivables is as follows;

	Group		Company	
	2013	**2012**	**2013**	**2012**
At 1 January	**44,722**	44,447	**32,869**	32,923
Written off of trade and other receivables	**(42,593)**	Nil	**(31,119)**	Nil
(Reversal of provision) / provision for impairment	**(1,259)**	275	**(1,632)**	(54)
At 31 December	**870**	44,722	**118**	32,869

(d) The creation and release of provision for impaired receivables have been included in 'selling and marketing costs' in the statement of comprehensive income. Amounts charged to the provision for impaired receivables account are generally written off when there is no expectation of recovering additional cash.

(e) The classes within trade and other receivables do not contain impaired assets.

(f) Staff loans are due at the date of statement of financial position represent loans given to staff on fixed repayment terms and are unsecured. These loans are given at a concessionary rate of 5% (2012 - 5%). Fair value of loans given to staff equals their carrying amount, as the impact of discounting is not significant.

(g) The carrying amounts of the trade and other receivables are denominated in Sri Lankan rupees only.

(h) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral security other than tenant deposits.

24 Financial instruments by category

(a) Financial assets

	2013						
	Group				Company		
	Loans and receivables	Assets at fair value through profit or loss	Total	Assets at held - to - maturity	Loans and receivables	Assets at fair value through profit or loss	Total
Financial assets at fair value through profit or loss (Note 21)	Nil	2,294	2,294	Nil	Nil	2,294	2,294
Investment in preference shares held-to-maturity (Note 19)	Nil	Nil	Nil	112,670	Nil	Nil	112,670
Trade and other receivables excluding prepayments and statutory receivables	46,308	Nil	46,308	Nil	466,959	Nil	466,959
Cash and cash equivalents (Note 25)	3,924	Nil	3,924	Nil	2,191	Nil	2,191
	50,232	2,294	52,526	112,670	469,150	2,294	584,114

(b) Financial liabilities - other financial liabilities at amortised cost

	Group	Company
Tenant deposits (Note 30)	73,008	35,632
Trade and other payables (excluding statutory liabilities)	32,482	9,646
Borrowings (Note 27)	659,905	659,905
	765,395	705,183

(c) **Credit quality of financial assets**

The credit quality of financial assets can be assessed by reference to historical information.

Cash and cash equivalents excluding cash in hand as of 31 December 2013:

	Group	Company
AAA	857	732
AA+	2,934	1,382
	3,791	2,114

25 Cash and cash equivalents

	Group		Company	
	2013	**2012**	**2013**	**2012**
Cash at bank and in hand	**2,542**	6,389	**809**	2,446
Short term deposits	**1,382**	21,332	**1,382**	21,332
	3,924	27,721	**2,191**	23,778

The weighted average effective interest rate on short term deposit was 4% (2012 -14%).

For the purposes of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Cash in hand and bank	**3,924**	27,721	**2,191**	23,778
Bank overdraft (Note 27)	**(28,336)**	(630)	**(28,336)**	(630)
	(24,412)	27,091	**(26,145)**	23,148

26 Trade and other payables

	Group		Company	
	2013	**2012**	**2013**	**2012**
Other payables	**526**	1,220	**488**	1,207
Accrued expenses	**7,664**	6,875	**5,948**	5,581
Payable to related companies				
[Note 36 (i) (d)	**21,234**	8,954	**Nil**	Nil
Rent received in advance	**3,847**	4,566	**3,847**	3,362
	33,271	21,615	**10,283**	10,150

27 Borrowings

	Group		Company	
	2013	**2012**	**2013**	**2012**
Non-current				
Bank borrowings	**458,772**	173,328	**458,772**	173,328
	458,772	173,328	**458,772**	173,328
Current				
Bank borrowings	**172,797**	26,672	**172,797**	26,672
Bank overdraft (Note 25)	**28,336**	630	**28,336**	630
	201,133	27,302	**201,133**	27,302
Total borrowings	**659,905**	200,630	**659,905**	200,630

(a) Bank overdraft of the Group and Company are unsecured.

(b) The interest rate exposure of the Company at weighted average effective interest rates is as follows:

	2013	2012
Bank overdrafts	**12%**	25.50%
Bank borrowings	**16%**	17.00%

(c) Bank borrowings mature until 2018 and bear average coupons of 16% annually.

(d) The exposure of the Group and Company borrowings to interest rate changes and the contractual repricing date at the end of the reporting period are as follows:

	2013	2012
6 months or less	**28,336**	630
6 - 12 months	**172,797**	26,672
1 - 5 years	**458,772**	173,328
	659,905	200,630

(e) The carrying amount and fair value of the non-current borrowings are as follows:

	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank borrowings	**458,772**	**458,772**	**173,328**	**175,050**

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant. The fair value is based on the cash flows discounted using a rate based on the borrowing rate of 16% (2012 - 17%).

(f) Bank borrowings are secured over investment property to the value of Rs 541,109,917 [Note 16 (f)].

(g) The carrying amount of the borrowings are denominated in Sri Lankan Rupees only.

28 Deferred income tax liabilities

Deferred taxes are calculated on all temporary differences under the liability method using the tax rate of 28% (2012 - 28%) as at the statement of financial position date.

The gross movement on the deferred tax (assets) / liabilities is as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Balance at the beginning of the year	**990,714**	913,983	**803,771**	730,092
Deferred tax impact on depreciation of revalued assets	**(98)**	(98)	**Nil**	Nil
Deferred tax impact on actuarial (losses) / gain on retirement benefit obligations	**(433)**	592	**(432)**	544
Income statement charge (Note 13)	**53,327**	76,237	**52,057**	73,135
Balance at the end of the year	**1,043,510**	990,714	**855,396**	803,771

The analysis of deferred tax assets and deferred tax liabilities is as follows:

28.1 Group

	2013	**2012**
Deferred tax assets		
- Deferred tax assets to be recovered after more than 12 months	**(60,409)**	(61,942)
Deferred tax liabilities		
- Deferred tax liabilities to be recovered after more than 12 months	**1,103,711**	1,052,497
- Deferred tax liabilities to be recovered within 12 months	**208**	159
	1,103,919	1,052,656
Deferred tax liabilities (net)	**1,043,510**	990,714

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances, is as follows:

Deferred tax assets

	Tax losses	Retirement benefit obligations	Total
As of 1 January 2012	(62,836)	(1,113)	(63,949)
Charged / (credited) to income statement	1,566	(151)	1,415
Charged to statement of other comprehensive income	Nil	592	592
As of 31 December 2012	(61,270)	(672)	(61,942)
Charged / (credited) to income statement	2,186	(220)	1,966
Credited to statement of other comprehensive income	Nil	(433)	(433)
As of 31 December 2013	(59,084)	(1,325)	(60,409)

Deferred tax liabilities

	Fair value gains on property plant and equipment	Accelerated tax depreciation	Increases in fair value of investment properties	Total
As of 1 January 2012	3,248	2,911	971,773	977,932
Charged / (credited) to income statement	Nil	2,331	72,491	74,822
Deferred tax impact on depreciation of revalued assets (Note 32)	(98)	Nil	Nil	(98)
As of 31 December 2012	3,150	5,242	1,044,264	1,052,656
Charged to income statement	Nil	1,678	49,683	51,361
Deferred tax impact on depreciation of revalued assets (Note 32)	(98)	Nil	Nil	(98)
As of 31 December 2013	3,052	6,920	1,093,947	1,103,919

28.2 Company

Deferred tax assets

	2013	2012
- Deferred tax assets to be recovered after more than 12 months	**(1,194)**	(574)
	(1,194)	(574)
Deferred tax liabilities		
- Deferred tax liabilities to be recovered after more than 12 months	**856,438**	804,318
- Deferred tax liabilities to be recovered within 12 months	**152**	27
	856,590	804,345
Deferred tax liabilities (net)	**855,396**	803,771

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances, is as follows:

Deferred tax assets

	Retirement benefit obligations	Total
As of 1 January 2012	(989)	(989)
Credited to income statement	(129)	(129)
Charged to statement of other comprehensive income	544	544
As of 31 December 2012	(574)	(574)
Credited to income statement	(188)	(188)
Credited to statement of other comprehensive income	(432)	(432)
As of 31 December 2013	(1,194)	(1,194)

Deferred tax liabilities

	Accelerated tax depreciation	Increases in fair value of investment properties	Total
As of 1 January 2012	(111)	731,192	731,081
Credited to income statement	401	72,863	73,264
As of 31 December 2012	290	804,055	804,345
(Credited) / charged to income statement	(17)	52,262	52,245
As of 31 December 2013	273	856,317	856,590

29 Retirement benefit obligations

	Group		Company	
	2013	**2012**	**2013**	**2012**
Statement of financial position obligations for:				
Gratuity benefits	4,934	2,441	4,265	2,049

	Group		Company	
	2013	**2012**	**2013**	**2012**
Statement of comprehensive income charge:				
Gratuity benefits (Note 11)	**889**	798	**673**	697
Other comprehensive income				
Actuarial losses / (gains)	**1,604**	(2,116)	**1,543**	(1,943)

(a) The movement in the retirement benefit obligations over the year is as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
At 1 January	**2,441**	3,996	**2,049**	3,532
Current service cost	**604**	345	**435**	302
Interest cost	**285**	453	**238**	395
Actuarial losses / (gains)	**1,604**	(2,116)	**1,543**	(1,943)
Benefits paid	**Nil**	(237)	**Nil**	(237)
At 31 December	**4,934**	2,441	**4,265**	2,049

(b) The amounts recognised in the statement of comprehensive income are as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Current service cost	**604**	345	**435**	302
Interest cost	**285**	453	**238**	395
Total included in the employee benefit expense (Note 11)	**889**	798	**673**	697

(c) As stated in accounting policy 2.20 an actuarial valuation was carried out by the Company using the projected unit credit method at 31 December 2013 as per recommendations made in the LKAS 19; Employee Benefits.

The principal actuarial assumptions used were as follows.

	Group		Company	
	2013	**2012**	**2013**	**2012**
Discount rate	**12%**	12%	**12%**	12%
Rate of future salary increases	**10%**	6%	**10%**	6%
Staff turnover factor	**18%**	17%	**18%**	17%

The provision is not externally funded.
The sensitivity of the retirement benefit obligation to changes in the weighted principal assumptions is:

	Impact on retirement benefit obligations		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	1%	(4.42%)	4.65%
Future salary increase	1%	4.66%	(4.50%)
Staff turnover factor	1%	0.23%	(0.26%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the retirement benefit obligations to significant actuarial assumptions the same method (present value of the retirement benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied.

Maturity profile of the retirement benefit obligations.

(d) Expected maturity analysis of undiscounted retirement benefit obligations :

	2014
Over 5 years	4,264,270

30 Tenant deposits

	Group		Company	
	2013	**2012**	**2013**	**2012**
At 1 January	**36,894**	35,220	**4,207**	2,950
Additions	**46,354**	11,278	**31,425**	1,257
Repayments	**(10,240)**	(9,604)	**Nil**	Nil
At end of year	**73,008**	36,894	**35,632**	4,207

31 Stated capital

Group / Company

	Number of shares in'000's	Total Rs '000's
At 31 December 2012	199,881	341,602
At 31 December 2013	199,881	341,602

All issued shares are fully paid.

32 Revaluation reserve

	Group	
	2013	**2012**
At 1 January	**43,018**	43,272
Depreciation transfer on revaluation of land and buildings	**(352)**	(352)
Deferred tax impact on depreciation of revalued assets (Note 28.1)	**98**	98
At end of year	**42,764**	43,018

Revaluation reserve of Group includes revaluation of land and buildings owned by the subsidiaries, Agrispice (Private) Limited and Liberty Holdings (Private) Limited valued on 20 December 2011 by an independent professional valuer.

33 Cash used in operations

	Group		Company	
	2013	**2012**	**2013**	**2012**
Profit / (loss) before income tax	**117,518**	(9,685)	**124,177**	(17,094)
Adjustments for:				
Depreciation of property, plant and equipment (Note 17)	**2,968**	2,626	**1,418**	1,124
Net gain from fair value adjustment on investment property (Note 16)	**(153,625)**	(5,001)	**(153,625)**	(5,001)
Net fair value losses of financial assets at fair value through profit or loss (Note 8)	**805**	16,203	**805**	16,203
Loss on sale of property, plant and equipment (Note 10)	**205**	119	**205**	119
Loss on sale of investment property (Note 10)	**606**	Nil	**Nil**	Nil
(Reversal of provision) / provision for doubtful impairment of Trade receivables (Note 10)	**(1,259)**	275	**(1,632)**	(54)
Dividends income (Note 9)	**(58)**	(574)	**(5,743)**	(6,532)
Interest income (Note 12)	**(777)**	(7,476)	**(777)**	(7,476)
Interest expense (Note 12)	**20,992**	821	**20,992**	821
Changes in working capital:				
- Inventories	**252**	133	**Nil**	Nil
- Trade and other receivables	**(26,083)**	(2,121)	**(398,034)**	(1,661)
- trade and other payables	**24,116**	3,833	**7,666**	3,200
Retirement benefit obligations (Note 29)	**889**	798	**673**	697
Cash used in operations	**(13,451)**	(49)	**(403,875)**	(15,654)

Notes to the consolidated financial statements

34 Contingencies

(a) No provision has been made in the financial statements for contingent liabilities in respect of legal action and other claims against the Company, estimated at Rs 105 million in respect of a claim made by a former occupant who has appealed against the order for ejectment and is claiming Rs 105 million as damages together with interest and costs. The Company is contesting the claim, having denied liability, and the appeal continues to be pending as hearing had been postponed.

(b) The Company was a defendant together with the Urban Development Authority in an action that had been instituted by a tenant at People's Park for damages caused to the stock in trade in his shop as a result of flooding. The damages claimed amounts to Rs 3,712,768 with further damages at the rate of Rs 7,500 per day from 4 June 1992 till payment of the claimed amount. The Company has denied liability and on the death of the plaintiff the substituted plaintiff has appealed against the order by the court to dismiss the action with costs. The substituted plaintiffs appeal against the order of the court was also dismissed due to the failure to deposit monies in court to meet the cost of the Brief in respect of the demand.

In the opinion of the directors, after taking appropriate legal advice, there are no other legal actions against or instituted by the Company, the outcome of which will give rise to significant losses.

35 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2013	2012
Investment property	307,611	600,000
	307,611	600,000

Financial commitments

(a) Under the agreement between the Company and the Urban Development Authority, on completion of the development of the People's Park Complex the Company is liable to meet the under mentioned commitments on relocation of Gas Works, Bus Terminal and Electrical Sub-Station.

- A relocation cost amounting to Rs 30 Million to be incurred, provided it does not exceed 50% of the relocation cost of the Gas Works.

- A built-up space of not more than 5,000 Sq.ft. at an estimated cost of Rs 7.018 Million to be provided free of charge by the Company for an electrical sub-station.

- An estimated relocation cost of Rs 20 Million to be incurred for the construction of bus bays for the new Bus Terminal.

- A further sum of Rs 11.5 Million is payable to the Urban Development Authority of Sri Lanka, spread over Phase II of the People's Park (Pettah) Project.

(b) The balance land in Pettah includes a land approximately 2 Acres in extent, occupied by the Colombo Municipal Council. The Company released eighty four perches of this land to the Urban Development Authority upon request to construct a temporary shopping promenade, and operate for six years, on the condition that it will be returned free of encumbrances at the end of this period.

(c) The Company pays a monthly rental and service charge of Rs 204,664 to Liberty Holdings (Private) Limited for the use of two units in the Liberty Plaza.

(d) Under the 99 year operating lease lands, obtained from UDA, the Company will incur lease rentals of Rs 149,832,288 for the remaining lease period.

Operating commitments

There are no material operating commitments that would require disclosures in the financial statements.

36 Directors' interests in contracts with the Company and related party transactions

The Company has interests in contracts in the normal course of business with the following companies, where some of the Directors of the Company are also Directors of the said companies:

Liberty Holdings (Private) Limited and Liberty Developers (Private) Limited are wholly owned subsidiaries of the Company. Agrispice (Private) Limited becomes a wholly owned subsidiary of the Company through 49% direct holding and 51% holding by Liberty Holdings (Private) Limited.

The transactions in which Directors of the Company have interest due to positions held by them in the respective companies during the year are given in the next page.

36. Directors' interests in contracts with the Company and related party transactions (Contd)

Company	Names of Directors	Position	Nature of transactions	Value of transaction received / (paid) 2013	2012
Liberty Holdings (Private) Limited	Prof C.K.M. Deheragoda (Appointed on 19 July 2013)	Chairman	Preference dividend received	**5,685**	5,958
	Mr D S Jayaweera (Appointed on 1 June 2011)	Director	Office rent and service charge paid for Representation at Board meetings and reimbursement of expenses	**(2,200)**	(2,200)
	Mr D Jayadeva (Appointed on 1 June 2011)	Director	Director fees paid	**1,500**	Nil
	Dr N Godahewa (Resigned on 19 July 2013	Chairman			
Agrispice (Private) Limited	Prof C.K.M. Deheragoda (Appointed on 19 July 2013)	Chairman	Representation at Board meetings and reimbursement of expenses	**Nil**	Nil
	Mr D S Jayaweera (Appointed on 1 June 2011)	Director			
	Mr D Jayadeva (Appointed on 1 June 2011)	Director			
	Dr N Godahewa (Resigned on 19 July 2013	Chairman			
Anantya Global Solutions (Private) Limited	Mr C.K.M. Deheragoda (Appointed on 19 July 2013)	Chairman	Start up expense / Management fee	**900**	690
	Mr D S Jayaweera (Appointed on 1 June 2011)	Director			
	Mr D Jayadeva (Appointed on 19 July 2013)	Director			
Liberty Developers (Private) Limited	Mr C.K.M. Deheragoda (Appointed on 19 July 2013)	Chairman	Startup expenses	**391,628**	Nil
			Management fee	**1,050**	Nil
	Mr D S Jayaweera	Director			
	Mr D Jayadeva	Director			
George Steuart Finance PLC	Mr D S Jayaweera	Director	Investment in fixed deposit	**Nil**	20,000
Triad (Private) Limited	Mr D S Jayaweera	Director	Imagine expenses for innovation	**Nil**	(465)

(i) Outstanding balances arising from sales / purchase of services from related companies:

(a) Receivable from subsidiaries:

	Company	
	2013	**2012**
Liberty Developers (Private) Limited	**391,628**	Nil
Liberty Holdings (Private) Limited	**1,624**	10,603
	393,252	10,603

(b) Receivable from associate company:

	Company	
	2013	**2012**
Agrispice (Private) Limited	**41,645**	38,413

(c) Receivable from related companies:

	Group		Company	
	2013	**2012**	**2013**	**2012**
Anantya Global Solutions (Private) Limited	**Nil**	Nil	**2,086**	690
Liberty Plaza Management Corporation	**227**	297	**27**	97
Uniwalker Packaging Limited	**Nil**	Nil	**Nil**	Nil
Peoples' Park Management Corporation	**Nil**	Nil	**Nil**	Nil
	227	297	**2,113**	787

(d) Payable to related companies:

	Group	
	2013	**2012**
Liberty Plaza Management Corporation	**21,234**	8,943
Peoples' Park Management Corporation	**Nil**	11
	21,234	8,954

Key management personnel including directors have been paid Rs. 14,428,585 (2012 - Rs. 13,318,296) for discharge of their duties in respect of the Group's operations during the year.

During the year, the subsidiary company, Liberty Holdings (Private) Limited, sold a unit at Liberty Plaza which had a value of Rs 14,606,000 to a Director at a price of Rs 14,000,000 (Note 16).

The Company incurs common expenses on behalf of the group companies for which no service charge to the subsidiary companies is made.

There were no other related party transactions other than disclosed above.

37 Events after the end of reporting period

No events have occurred since the date of statement of financial position which would require adjustments to, or disclosure in the financial statements.

Ten Year Summary

	2004	2005	2006	2007	2008	2009	2010	2011	2011	2012	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Restate	Rs.'000	Rs.'000
Trading Results											
Turnover	693,460	687,636	728,166	87,041	92,403	90,408	88,863	94,752	94,752	104,912	**125,470**
Operating Income	120,068	130,178	140,814	61,376	64,483	58,960	57,553	63,827	65,317	72,966	**77,790**
Operating Expenses	(105,234)	(117,181)	(201,888)	(58,948)	(57,309)	(71,143)	(78,937)	(128,356)	(129,624)	(80,283)	**(94,934)**
Operating Profit/(Loss)	14,834	16,808	185,185	3,967	8,468	(11,504)	(16,838)	(32,088)	277,273	(16,340)	**137,733**
Non Operating Income	9,013	3,811	246,259	1,539	1,294	679	4,546	32,441	2,076	2,179	**2,057**
Net Finance Income/(Cost)	(27,934)	(34,472)	(62,508)	1,734	17,509	13,975	7,887	11,137	12,769	6,655	**(20,215)**
Share of results of associates	(4,545)	300	Nil	(8,518)	(17,348)	(16,710)	Nil	Nil	Nil	Nil	**Nil**
Profit/(Loss)before Tax	(8,632)	(17,364)	122,677	82,711	8,629	166	491,363	306,309	290,042	(9,685)	**117,518**
Income Tax	(12,548)	(14,018)	(6,099)	(7,252)	(3,553)	(2,507)	(5,931)	(2,078)	44,993	(80,284)	**(56,444)**
Profit(Loss)after Tax	(21,180)	(31,382)	116,578	75,459	5,076	(2,341)	485,432	304,231	335,035	(89,969)	**61,074**
Minority Interest	2,754	Nil	5,240	Nil	Nil	Nil	Nil	Nil	Nil	(216)	**(530)**
Profit /(Loss) of the Year	(18,426)	(31,382)	121,818	75,459	5,076	(2,341)	485,432	304,231	335,035	(89,753)	**61,604**

Glossary of Financial Terms

Earnings/(Loss) per Share

Profit/(Loss)attribute to ordinary shareholders for the year divided by the weighted average number of ordinary shares outstanding during the year.

Net Asset

Total Asset minus Liabilities

Net Asset per Share

Net Asset divided by number of shares

Dividend per Share

Total dividend divided by number of shares

Market Capitalisation

Number of ordinary shares in issue multiplied by market value per share

Asset Turnover Ratio

Total revenue divided by Total Assets

Capital Employed

Stated capital plus Reserves

Return on Capital Employed

Profit/(Loss) for the year divided by Capital Employed

Investor Information

List of 20 major shareholders based on their shareholding as at 31st December 2013

No.	Name	No. of Shares	%
1	Mr. Ng Eng Ghee / Mrs. Ng Siew Luan	46,900,000	23.46
2	Kalpitiya Beach Resort Limited	40,413,200	20.22
3	Urban Development Authority of Sri Lanka	34,872,675	17.45
4	Mr. Ng Yew Tong	6,006,876	3.01
5	Mr. Ng Eng Soon	4,945,716	2.47
6	Mr. Ng Yew Chuan	4,715,502	2.36
7	Bank of Ceylon A/C Ceybank Unit Trust	3,274,628	1.64
8	Pan Asia Banking Corporation PLC/Dream Lagoon (Pvt) Ltd.	2,368,702	1.19
9	Seylan Bank PLC/N. H. Godahewa	2,301,000	1.15
10	Mr. Kang Poay Hong	2,251,625	1.13
11	Seylan Bank PLC/Capital Trust Holdings (Pvt) Ltd	2,137,013	1.07
12	Mr. Ng Yew Hui	1,920,000	0.96
13	Pan Asia Banking Corporation PLC/ Nawaloka Construction Co (Pvt) Ltd	1,810,460	0.91
14	Mr. Ng Yew Khim Dennis	1,605,600	0.80
15	Est of Late Radhakrishnan (Deceased)	1,500,000	0.75
16	Pan Asia Banking Corporation PLC/ U. H. Dharmadasa	1,430,047	0.72
17	Mr. Teruaki Ono	1,185,501	0.59
18	Waldock Mackenzie Ltd/Hi-Line Trading (Pvt) Ltd	1,148,551	0.57
19	Mr. Amirally Lukmanjee	1,017,680	0.51
20	Commercial Bank of CeylonPLC/ Capital Trust Holdings (Pvt) Ltd	1,009,656	0.51

Directors Shareholdings	No. of Shares
Mr. D. S. Jayaweera	2,600
Mr. Yew Tong Ng	6,006,876

Over 10% Shareholdings	No. of Shares
Mr. Ng Eng Ghee	46,900,000
Kalpitiya Beach Resort Limited	40,413,200
Urban Development Authority of Sri Lanka	34,872,675

Public Holding - Shares 35.51%

Analysis of shareholders according to the number of shares as at 31-Dec-2013

Shareholdings	Resident			Non - Resident			Total		
	Number of shareholders	No of shares	Percentages %	Number of shareholders	No of shares	Percentages %	Number of shareholders	No of shares	Percentages %
1 to 1000 shares	1,909	735,457	0.37	17	8,800	0.00	1,926	744,257	0.37
1001 to 10,000 shares	1,187	4,699,625	2.35	26	101,525	0.05	1,213	4,801,150	2.40
10,001 to 100,000 shares	422	12,914,931	6.46	20	671,703	0.34	442	13,586,634	6.80
100,001 to 1,000,000 shares	69	16,239,107	8.12	6	1,695,428	0.85	75	17,934,535	8.97
Over 1,000,000 shares	12	93,283,612	46.67	8	69,530,820	34.79	20	162,814,432	81.46
	3,599	127,872,732	63.97	77	72,008,276	36.03	3,676	199,881,008	100.00

Categories of Shareholders	No of Shareholders	No of Shares
Individual	3,443	98,293,906
Institutional	233	101,587,102
	3,676	199,881,008

Notice of Meeting

NOTICE is hereby given that the Thirty Second Annual General Meeting of Colombo Land and Development Company PLC will be held at the Raja Bojun (Roof Top), “Liberty Arcade” 282 R. A. de Mel Mawatha, Colombo 03 on Monday 30th June 2014 at 10.30 a.m.

AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31st December 2013 with the Report of the Auditors thereon.

2. To re-elect Mr. Ng Yew Tong who retires by rotation in terms of Article 86 and 87 of the Articles of Association of the Company.

3. To re-elect Mr. Ng Yao Xing, Eugene who retires by rotation in terms of Article 86 and 87 of the Articles of Association of the Company.

4. To re-appoint M/s. PricewaterhouseCoopers, Chartered Accountants as Auditors to the Company and authorise the Directors to determine their remuneration.

5. To authorise the Directors to determine donations for the year 2014.

By Order of the Board of Directors of
Colombo Land and Development Company PLC
S S P Corporate Services (Private) Limited
Secretaries

Colombo
Date : 30 th May 2014

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such Proxy need not be a member of the Company.

2. A Form of Proxy accompanies this notice.

3. The completed Form of Proxy should be deposited at the Registered Office of the Company, 3rd Floor, Liberty Plaza, 250, R A De Mel Mawatha, Colombo 3 not later than 48 hours before the time appointed for the meeting.

4. Shareholders attending the meeting are kindly requested to bring with them their National Identity Card or other similar form of identification for production at the reception desk.

Form of Proxy

I/We*.. (NIC No. ....)

....being a member/*members of Colombo Land and Development Company PLC hereby appoint

Prof. Chandrakumar Krishan Manohara Deheragoda	of Colombo or failing him
Mr. Dilith Susantha Jayaweera	of Colombo or failing him
Mr. Mohamed Uvaise Mohamed Ali Sabry	of Colombo or failing him
Mr. Mestiyage Don Saddhamangala Goonetilleke	of Colombo or failing him
Admiral (Rtd) Wasantha Kumara Jayadewa Karannagoda	of Colombo or failing him
Mr. Ng Yew Tong	of Singapore or failing him
Mr. Ng Yao Xing	of Singapore or failing him
Mr. Devadharshan Jayadeva (Alternate to Mr. Ng Yao Xing)	of Colombo or failing him
Mr. Sharvajana Anandaraj Ameresekere (Alternate to Admiral (Rtd) W.K.J. Karannagoda)	of Colombo or failing him

Mr/Ms .... (NIC No. ....)

of .... as my/*our Proxy to represent me/*us and to vote as indicated below on my/*our behalf at the Annual General Meeting of the Company to be held on the Monday 30th June 2014 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

		FOR	AGAINST
1.	To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Consolidated Financial Statements for the year ended 31st December 2013 with the Report of the Auditors thereon.		
2.	To re-elect Mr. Ng Yew Tong who retires by rotation in terms of Article 86 and 87 of the Articles of Association of the Company.		
3.	To re-elect Mr. Ng Yao Xing, Eugene who retires by rotation in terms of Article 86 and 87 of the Articles of Association of the Company.		
4.	To re-appoint M/s. PricewaterhouseCoopers, Chartered Accountants as Auditors to the Company and authorise the Directors to determine their remuneration.		
5.	To authorise the Directors to determine donations for the year 2014.		

As witness my/our hand/this .... day of .... Two Thousand and Fourteen.

Signature ....

Note:

Instructions as to completion appear on the reverse hereto. Please delete the inappropriate words, and mark 'X' in the appropriate cages to indicate your instructions as to voting.

A proxy need not be a member of the Company.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, your instructions as to voting, by signing in the space provided and filling in the date of signature.

2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given the Proxy in his/her discretion may vote as he/she thinks fit.

3. The completed Form of Proxy should be deposited at the Registered Office of the Company, 3rd Floor. Liberty Plaza, 250 R A De Mel Mawatha Colombo 3 not less than 48 hours before the time appointed for holding the meeting.

4. If the form of proxy is signed by an attorney, the relative power of attorney should accompany the completed form of proxy for registration. If such power of attorney has not already been registered with the Company.

Note:

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No. 07 of 2007 applies to shareholders of Colombo Land and Development Company PLC and Section 138 provides for representation of Companies at meeting of other Companies. A corporation, whether a Company within the meaning of this Act or not, may where it is a member of another corporation, being a company within the meaning of this, Act by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an Individual shareholder of that other Company.

Corporate Information

Name of the Company
Colombo Land and Development Company PLC

Registered Office
3rd Floor, Liberty Plaza,
250, R. A. De Mel Mawatha,
Colombo 03.
Tel No. 2575935-7 Fax: 2573111
E-mail: info@colomboland.com

Board of Directors
Prof. C. K. M. Deheragoda
Mr. M. D. S. Goonatilleke
Mr. M. U. M. Ali Sabry
Mr. D. S. Jayaweera
Mr. Ng Yew Tong
Mr. Ng Yao Xing
Admiral W. K. J. Karannagoda
Mr. D. Jayadeva (Alternate Director to Mr. Ng Yao Xing)
Mr. Sharvajana Anandaraj Ameresekere (Alternate to Admiral (Rtd) W.K.J. Karannagoda)

Secretaries
S S P Corporate Services (Private) Limited
101, Inner Flower road,
Colombo – 3.
Telephone: 2573894, 2576871

Lawyers
Nithi Murugesu & Associates
Attorneys-at-law & Notaries public
28 (Level 2) W A D Ramanayaka Mawatha,
Colombo 02.

Julius & Creasy
Attorney-at-Law & Notaries Public
41, Janadhipathi Mawatha, Colombo 1.

Auditors
PricewaterhouseCoopers
Chartered Accountants
100, Braybrooke Place, Colombo 2.

Bankers
People's Bank
Nations Trust Bank PLC
Sampath Bank PLC
The Hongkong and Shanghai Banking Corporation
Commercial Bank of Ceylon PLC

Subsidiary Companies
Liberty Holdings (Private) Limited
Agrispice (Private) Limited
Anantya Global Solutions (Private) Limited
Liberty Developers (Private) Limited

Designed & Produced by emagewise
Digital Plates Imageline (Pvt) Ltd
Printed by Printage (Pvt) Ltd

Colombo Land & Development Company PLC
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