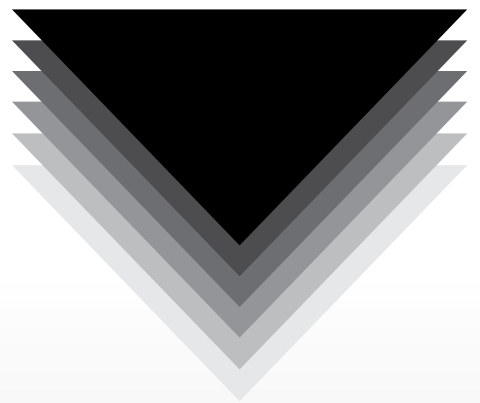




ANNUAL REPORT 2013/14



ASCOT Holdings PLC

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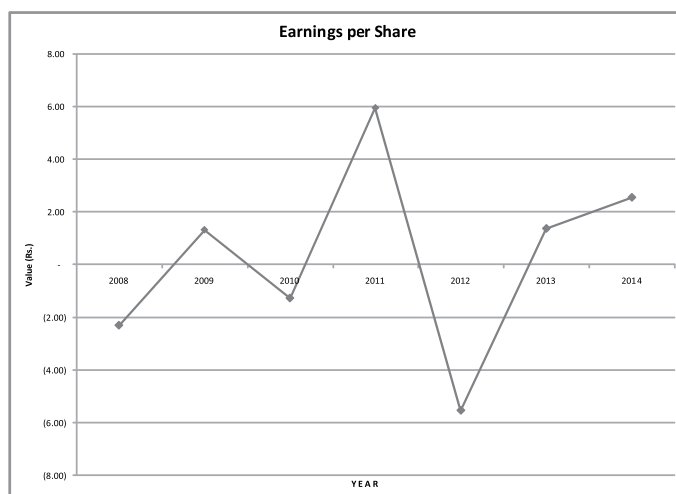
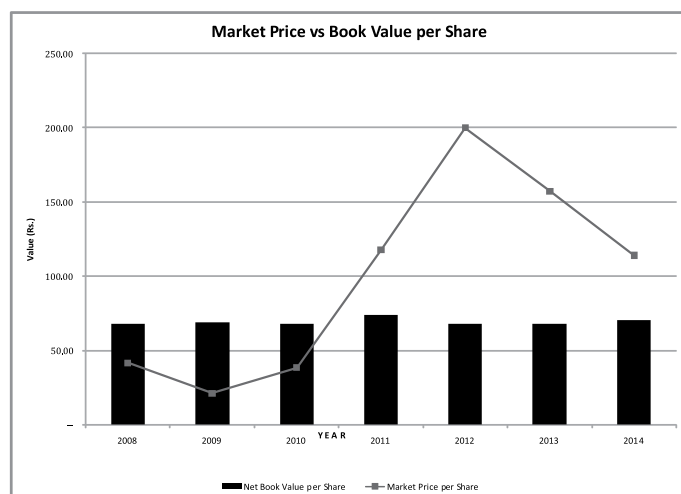
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Financial Highlights

Earning Highlights & Ratios			
	2013/14 Rs.'000	2012/13 Rs.'000	YOY Change %
Operating Profit / (Loss)	92,612	74,224	25
Profit / (Loss) Before Tax	37,154	19,621	89
Net Profit / (Loss) Attributable to Shareholders of the Group	20,253	10,871	86
Earnings / (Loss) per Share -(Rs.)	2.54	1.36	87
Return on Equity -(%)	3.61	2.01	80

Financial Position Highlights & Ratios			
Total Assets	1,339,532	1,234,541	9
Total Debts	448,408	383,540	17
Shareholders' Funds	560,799	540,494	4
Net Book Value per Share -(Rs.)	70.23	67.68	4
Debt / Equity -(%)	71	61	17

Market / Shareholder Information			
Market Price -Rs.	114.00	157.30	(28)
Market Capitalisation	910,348	1,256,120	(28)
Price Earnings Ratio (No. of Times)	45	116	(61)



Chairman's Statement

I welcome you to the 44th Annual General Meeting of the Company and on behalf of the Board of Directors take pleasure in presenting the Annual Report and Audited Accounts of ASCOT Holdings PLC for the year ended 31st March 2014.

The Group performance recorded a massive increase of 134% in revenue and 194% in Profit after tax compared to the previous year. The profit attributable to the parent Company recorded Rs. 20.2 mn as opposed to Rs. 10.8 mn recorded in the previous year. The administrative costs were maintained with a marginal increase of Rs. 5 mn (10%) despite the two fold increase in the revenue. The finance expense has been maintained at the previous year's figures representing 16% of revenue as against to 37% of revenue in the previous year.

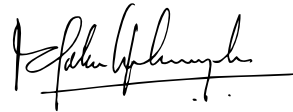
The increase in revenue is mainly attributable to the newly acquired subsidiaries, Amtrad Limited and the expansion of L & A Quarries (Private) Limited in the north of Sri Lanka. Amtrad Limited will continue with the improvements to the main factory in Pasyala with the intention of further improving quality and the cost effectiveness of newer technology. We see an enormous potential in Amtrad considering the rapid development taking place in the country in the infrastructure and construction segment.

We have been successful in restructuring the financial liabilities of ASCOT Developments (Private) Limited to match the cash flows of the Company. In keeping with our focused strategic investments, we have been successful in gaining entry in to the leisure sector to reap the benefits of the boom in the tourism industry.

It has been overall a year with tremendous growth in the Group and your Board of Directors will continue to invest and further expand on strategic investments to add to our portfolio.

In conclusion, I welcome Mr. Upali Mendis who joined the Directorate in July 2014 and wish to thank Mr. A G Weerasinghe our former chairman who presided over the affairs of the Company during the last two years for an excellent job done.

I will end this short message by expressing my gratitude to our shareholders for the confidence placed in the management of the Company, the staff, my fellow Board members for their invaluable support, our customers, bankers and other stake holders for their cooperation.



Mohan Ratnayake
Chairman

Board of Directors

Mr. Mohan Ratnayake

Chairman / Non-Executive Director

Mr. Ratnayake is a Chartered Management Accountant by profession and he currently functions as the Managing Director of Colonial Motors PLC, also serving as the Deputy Chairman of Multi Finance PLC - a publicly listed financial institution in Sri Lanka. Mr. Ratnayake was the Chairman of the Committee to float the 1st Internationally Listed Bond for the expansion of Mobitel and SLT - a top telecom services provider in Sri Lanka and also to obtain an international Rating for SLT. Mr. Ratnayake has an M.B.A. from the University of Washington and is a Fellow of the Chartered Institute of Management Accountants (UK).

Mr. Rohan Iriyagolle

Director / General Manager

Mr. Iriyagolle holds a B.Sc in Engineering from the University of Missouri, U.S.A. He possesses more than sixteen years work and has held positions in Asia Capital and fixed income specialists in Ceylinco Shriram Securities (CSS) and MB Financial Services (Pvt) Ltd.

As Head of Trading of Fixed Income Securities at CSS, Mr. Iriyagolla was responsible for the entire trading operation, with a portfolio exceeding Rs.4 billion.

Mr. Niroshan Dakshina Gunaratne

Executive Director

Mr. Gunaratne is an Associate Member of the Chartered Institute of Management Accountants (UK). He has over twenty years experience in the field of finance and accounting and has held positions in MB Financial Services (Pvt) Ltd., a primary dealer appointed by the Central Bank of Sri Lanka and Jewelknit, a subsidiary of Mast Industries, U.S.A. He is a member of the team that evaluates new investment opportunities for the Company. He also serves as an Independent Director of Access Engineering PLC.

Mr. Asoka Weerasooriya

Non-Executive / Independent Director

Mr. Weerasooriya is an Attorney-at-Law by profession and served in the Attorney General's Department from 1988 to 1993, going into commenced private practice in 1993. He has handled corporate, criminal, labour tribunal, civil work and customer related work on behalf of individuals and leading Sri Lankan and international companies like DCSL, Daya Group of Companies, CIC Agri foods and Maliban Biscuits. He has extensive experience and expertise in all areas of the law and advisor for ASCOT Holdings PLC on all legal and regulatory matters.

Mr. Denzil Jayalath Gunaratne PC

Non-Executive / Independent Director

Mr. Gunaratne is an Attorney at Law by profession since 1973, and served in the Attorney-General's Department as a State Counsel. Joined the judiciary as a Magistrate in 1979 and served in Kebethigollewa, Matara and Kegalle. He has practiced as a defense Counsel since resigning from the judiciary in 1984 and was appointed a President's Council in 2007. Mr. Gunaratne was appointed Chairman of the Employee's Trust Fund Board and Dankotuwa Porcelain Ltd in 1994. He was made a Director on the Board of Sampath Bank in the same year. He resigned from the Board of Directors of Sampath Bank and the ETF in 1996 and rejoined the Board of Directors of Sampath Bank in 1998 and held the position until his retirement in the F/Y ended 2011/2012. Currently, he is also the Chairman of Bibile Trading & Forwarding Agency (Pvt) Ltd, United Eastern Agencies (Pvt) Ltd, SC Securities (Pvt) Ltd and holds a Directorship in Windys (Pvt) Ltd.

Ms. Sujani Bogollagama

Non-Executive / Independent Director

Ms. Bogollagama holds a MSc in Corporate Finance from University of Aberdeen in UK and BSc in Mathematics with Business Studies from University of Surrey in UK and LLB from University of London. She has extensive local and foreign experience in financial related products and Product Development.

Mr. Upali Mendis

Non-Executive / Independent Director

Mr. Mendis is a Senior Banker and served as the Senior Operations Manager, Abu Dhabi Commercial Bank, U A E and also, as the Head of the Central Processing Department and the Senior Officer – Head Office at Operations Division.

He has extensive experience in centralization of branch activities, drafting branch policies and procedures for implementation, preparations of workflow charts, monitoring breach performances, anti money laundering activities and fraud prevention activities.

Corporate Governance

Corporate Governance at ASCOT Holdings PLC is designed to create and enhance shareholder wealth, whilst safeguarding the rights of multiple stakeholders.

Board of Directors

The Board provides leadership to achieve the Company's strategic goals and compliance with generally accepted corporate governance practices, the requirements under the listing rules of the Colombo Stock Exchange and the Code of Best Practices issued by the Institute of Chartered Accountants of Sri Lanka.

As at the Financial Reporting date, the Board comprised of two Executive and five Non-Executive Directors.

The Board meets formally every quarter as a matter of routine. Ad hoc meetings are held as and when necessary to maintain regular communication to discuss relevant business issues and any matter directed to the Board are decided by Resolutions in writing. Prior to every meeting the Directors are provided with the relevant information and background material relevant to the agenda.

The Board meeting attendance of the Directors during the year was as follows:

Member		Attended
R M M J Ratnayake*	NED/IND	5/5
A G Weerasinghe (resigned w.e.f 15.05.2014)	NED	5/5
R A Iriyagolle	ED	5/5
N D Gunaratne	ED	5/5
D J Gunaratne PC	NED/IND	5/5
M D A Weerasooriya	NED/IND	4/5
C P S Bogollagama	NED/IND	2/5
M T U Mendis**	NED/IND	0/5

NED = Non-Executive Director,

ED = Executive Director,

IND = Independent Director

* Chairman

** M T Upali Mendis (Non Executive Independent Director) has been appointed a Director of the Company with effect from 23rd July 2014.

Company Secretary

SSP Corporate Services (Pvt) Ltd acts as the Company Secretary. The Company Secretary maintains minutes of all Board and Audit Committee meetings and attends to Shareholder related matters. The Company Secretary assists in ensuring Board procedures are followed.

Board Committees

The Board has three committees, namely the Audit Committee, Remuneration Committee and Investment Committee, which have clearly defined mandates with regard to their duties and responsibilities. The Board also delegates its authority to various sub-committees as and when necessary.

The activities of the Remuneration Committee and the Audit Committee are detailed in page numbers 11 and 12 respectively.

Investment Committee

The responsibility of the committee is evaluation of proposals and identifying the optimal risk-return of the projects. The Committee consists of the Chairman, Executive Directors and the Finance Manager. Post implementation monitoring and reviews are carried out by the committee and reports on the performance and progress of the projects.

Human Resources

The Company considers its employees as its greatest asset to achieve the group's vision. Processes and systems are in place to ensure effective recruitment, development and retention.

The HR functions of the Group has been further strengthened with independent professional advice and enabling accessibility to all employees for constant dialogue and facilitation relating to work related issues as well as matters pertaining to general interests.

All efforts are made to ensure fairness in formulating salary and benefit packages at all levels of employment, which are comparable with those of the best corporate entities within the industry.

The Company provides safe, secure and a conducive environment to its employees that allow freedom of association and prohibits discrimination.

Corporate Governance Contd...

Risk Management

The Management of business risks is given due attention with an effective system of financial, operational and other controls put in place to mitigate same.

The Board is briefed of the reviews conducted by the Audit Committee, which includes the evaluation of the effectiveness of the internal controls. The implemented Enterprise Resource Planning System further strengthens the controls in place.

The main responsibility for implementing and ensuring compliance with the policies and guidelines are vested with the Director /General Manager and the Finance Director. The Management ensures the day to day activities are carried out within the guidelines set out in the financial and operational manual adapted by the Board.

Strategic Risk

Strategic risk is the inability of the Group to achieve its set targets and objectives due to unfavorable environmental changes. The occurrences of such incidents are low considering the investments the Group has made. However, due consideration is made at the point of making strategic decisions and corrective action is taken through continuous evaluation of such investments.

Interest Risk

The interest rate risks of the Group are managed through structuring the long term debt at interest rates based on WAPLR.

Liquidity Risk

Management of the liquidity risk is a key component of the business. The Company manages the working capital of the Group at a healthy level of liquidity and monitors its net operating cash flow. The Long Term Debt structured at the subsidiary ASCOT Development is being evaluated for further restructuring to meet its operational obligations.

Laws and Regulations

All necessary steps have been taken by the Board and the Management to ensure compliance with all relevant laws and regulations. The services of Lawyers, Auditors and other Consultants are obtained whenever it is necessary.

Going Concern

The Directors are satisfied that the Company has adequate resources to continue its operations for the foreseeable future and has adapted the going concern principal in preparing the financial statements.

Compliance with the Colombo Stock Exchange on Corporate Governance

The table below indicates the level of compliance with Section 7.10 of the Continuing Listing Requirements on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange.

Rule No	Criteria	Compliant	Level of Compliance
7.10.1 (a)	Board should consist of at least two Non Executive Directors or such number should be equivalent to one third of the total number of Directors.	Yes	As at Financial Reporting Date, of the seven Directors, five are Non-Executive Directors.
7.10.2 (a)	Where Board of Directors include only two Non-Executive Directors in terms of 7.10.1 (a) above, both such Non-Executive Directors shall be Independent. In all other instances two or one third of Non-Executive Directors appointed to the Board of Directors, whichever is higher shall be Independent.	Yes	All Five Non-Executive Directors were independent.
7.10.2 (b)	The Board shall require each Non Executive Director to submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria.	Yes	All NEDs have submitted their confirmations on independence, which is in line with the regulatory requirements.
7.10.3 (a)	Company shall make an annual determination as to the independence/non-independence of the Non-Executive Directors based on the above declaration and disclose the names of such Directors determined to be 'Independent'.	Yes	The Board has determined the following Directors as Independent; Mr. R M M J Ratnayake Mr. A G Weerasinghe (resigned w.e.f 15.05.2014) Mr. M D A Weerasooriya Mr. D J Gunaratne PC Ms. C P S Bogollagama Mr. M T U Mendis (appointed w.e.f 23.07.2014)
7.10.3 (b)	If a Director does not qualify as an 'Independent' Director but the Board is of the opinion that he is nevertheless Independent specify the criteria not met and the basis for determination.	Not Applicable	-
7.10.3 (c)	Company shall publish a brief resume of each Director.	Yes	Please refer page 4.
7.10.5 (a)	Remuneration Committee shall comprise a minimum of two Independent Non-Executive Directors or majority of Independent Non-Executive Directors.	Yes	Committee consist of the following Non-Executive Independent Directors Mr. D J Gunaratne PC Mr. A G Weerasinghe (resigned w.e.f 15.05.2014) Mr. M D A Weerasooriya
7.10.5 (a)	One Non Executive Director shall be appointed as Chairman of the Committee.	Yes	As at Financial Reporting Date, Remuneration Committee is headed by Mr. A G Weerasinghe who is an Independent Non Executive Director.
7.10.5 (b)	Functions of the Remuneration Committee.	Yes	Please refer to the Remuneration Committee Report on page 11.
7.10.5 (c)	Annual Report shall disclose the names of the Remuneration Committee, its policy and aggregate remuneration paid to the Directors.	Yes	Please refer to the Remuneration Committee Report on page 11. The Total remuneration paid to Directors is given on page 47.
7.10.6 (a)	The Audit Committee shall compromise a minimum of two Independent Non Executive Directors or Non-Executive Directors a majority of whom shall be Independent.	Yes	As at Financial Reporting Date the Audit Committee comprises of three Non-Executive Independent Directors.
7.10.6 (a)	One Non Executive Director shall be appointed the Chairman of the Audit Committee.	Yes	Mr. R M M J Ratnayake who is an Independent Non Executive Director functions as the Chairman.
7.10.6 (a)	CEO and the CFO shall attend all Audit Committee Meetings.	Yes	Audit Committee meetings are attended by both the CEO and the Finance Manager.
7.10.6 (a)	Chairman or one member of the Audit Committee shall be a member of a recognized professional body.	Yes	Mr. R M M J Ratnayake who is a Fellow member of Chartered Institute of Management Accountants (UK), is a member of the Audit Committee.
7.10.6 (b)	Functions of the Audit Committee.	Yes	Please refer to the Audit Committee Report on page 12.
7.10.6 (c)	Annual Report shall disclose the names of the Audit Committee.	Yes	Please refer to the Audit Committee Report on page 12.
7.10.6 (c)	Audit Committee shall make a determination on the independence of the Auditors.	Yes	Please refer to the Audit Committee Report on page 12.
7.10.6 (c)	Annual Report shall contain a Report by the Audit Committee setting out compliance with the above.	Yes	Please refer to the Audit Committee Report on page 12.

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

The Directors have great pleasure in presenting their report to the members with the Audited Financial Statements of the Company and the Audited consolidated financial statements of the group for the year ended 31st March 2014. The following details are set out to provide pertinent information required by the Companies Act No. 7 of 2007, The Colombo Stock Exchange Listing rules and are guided by the recommended best accounting practices.

Group Structure and Key Activities

Review of the year

The Chairman's Review highlights the performance for the year under review stating the Group's affairs and important events of the year.

Principal Activity

The core business of the Company is to operate as an Investment Holding Company with the view of investing in profitable ventures that will generate above average long term returns to ensure enhancement of shareholder returns.

Financial Statements

The financial statements of the Group are listed out on pages 14 to 48.

Independent Auditor's Report

The Auditor's report on the Financial Statements is given on page 13.

Accounting Policies

The Accounting Policies adopted in preparation of Financial Statements are given in Note 1 to the Financial Statements. There have been changes in the accounting policies adopted by the Group during the year under review.

Related Party Transactions

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Group other than as disclosed in Note 30 to the Financial Statements.

Directors' Remuneration and other benefits

Directors' remuneration in respect of the Group for the financial year ended 31st March 2014 given in Note 7 of the Financial Statement.

Corporate Donations

No donations were made by the Company in the year reviewed.

Directors and their Shareholdings

Directors and their respective shareholdings as at 31st March 2014.

	2014	2013
Mr. R M M J Ratnayake	Nil	Nil
Mr. R A Iriyagolle	100	100
Mr. N D Gunaratne	100	100
Mr. D J Gunaratne PC	100	Nil
Mr. M D A Weerasooriya	Nil	Nil
Mr. A G Weerasinghe (resigned w.e.f 15.05.2014)	Nil	Nil
Ms. C P S Bogollagama	Nil	Nil

Mr. A G Weerasinghe Non-Executive Independent Director resigned from the Board with effect from 15th May 2014.

The Board wishes to place on record the Company's sincere appreciation to Mr. A G Weerasinghe for his valuable contribution extended to the Company during his tenure on the Board.

Mr. M T U Mendis was appointed to the Board as a Non-Executive Independent Director with effect from 23rd July 2014.

In terms of Article 83 and 84 of the Articles of Association of the Company Mr. D J Gunaratne PC retires by rotation and being eligible offers himself for re-election.

In terms of Article 90 of the Articles of Association of the Company Mr. M T Upali Mendis retires and being eligible offers himself for re-election.

Auditors

The Financial Statements for the year ended 31st March 2014 have been audited by M/s Ernst & Young, Chartered Accountants are deemed to be reappointed, in terms of section 158 of the Companies Act No. 7 of 2007, as the Auditors of the Company.

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

A resolution for the re-appointment and authorising the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The Group provided Rs. 896,160 as audit fees for the year (paid in 2013 – Rs. 685,000). In addition Rs. 140,000 was provided by the Company for non audit related work (paid in 2013 Rs. 265,000). As far as the Directors are aware, the auditors do not have any relationship (other than 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 the payment of a dividend for the financial year ended 31st March 2014.

Investments

Changes in Property and Equipment

An analysis of the property and equipment of the Group, additions and disposals made during the year are set out in Note 12 to the Financial Statements.

Capital Commitments

There were no Capital commitments as at the Financial Reporting date.

Stated Capital

Stated Capital for the Company is Rs. 92,399,431. There was no change in the stated capital during the financial year.

Reserves

Total Group reserves at the Financial Reporting date amounted to Rs. 468,399,884 of which the details are disclosed in the Statement of Changes in Equity.

Events After the Reporting Period

No circumstances have arisen since the Financial Reporting date which would require adjustments to or disclosure in the Financial Statements, other than those disclosed in Note 32 to the Financial Statements.

Disclosure as per Colombo Stock Exchange Rule No.7.4

Market Share Price	2014	2013
Closing at 31st March	114.00	157.30
Highest during the year	169.00	184.00
Lowest during the year	93.50	130.00

Shareholding

The number of registered shareholders of the Company as at 31st March 2014 was 1,384.

Substantial Shareholdings

The 20 largest shareholders of the Company as at 31st March 2014, together with an analysis is given on page 50.

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.

Corporate Governance / Internal Control

The measures taken to enhance Corporate Governance/Internal Control are set out in the report on Corporate Governance in Pages 5 to 7.

Contingent Liabilities

Contingent Liabilities existing as at the Financial Reporting date are shown in Note 31.

Annual General Meeting

The 44th Annual General Meeting of ASCOT Holdings PLC will be held at the Sasakawa Hall (Sri Lanka Japan Cultural Centre), No. 04, 22nd Lane, Colombo 03 on 25th September 2014 at 1.45 p.m.

For and on behalf of the Board of Directors of
ASCOT Holdings PLC

(sgd.)
Director

(sgd.)
Director

(sgd.)
Secretaries

Date: 11th August 2014

Directors' Responsibilities

The responsibilities of the Directors, in relation to the financial statements of the Group differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors on page 13.

As per the Sections 150 (1), 151, 152 (1) & 153 of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements of each financial year giving a true and fair view of the state of affairs of the Group as at the end of the financial year and of the results of its operations for the financial year.

The Directors consider that, in preparing these financial statements set out on pages 14 to 48, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards as relevant, have been followed.

The Directors are also confident that the Group has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Company and its subsidiaries maintain sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and its subsidiaries and to ensure that the financial statements presented comply with the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

The Directors are confident that they have discharged their responsibilities as set out in this statement. The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company and its subsidiaries as at the Financial Reporting date have been paid or where relevant provided for.

(sgd.)

By order of the Board

ASCOT Holdings PLC
S S P Corporate Services (Private) Limited Secretaries

11th August 2014

Report of the Remuneration Committee

Composition

The Remuneration Committee as at date of Financial Position comprises of the following Directors,

Mr. D J Gunaratne PC - Independent *

Mr. A G Weerasinghe – Independent (resigned w.e.f 15.05.2014)

Mr. M D A Weerasooriya – Independent

* Chairman

The Remuneration committee, appointed by the Board of Directors consists of three Independent Non-Executive Directors until resignation of Mr. A G Weerasinghe and on 11th August 2014, Mr. D J Gunaratne PC was appointed as the chairman of the committee. The primary focus of the committee is to attract and retain qualified and experienced team of high calibre managers and professionals and ensuring that remuneration is in line with that of the industry and the market.

Role of the Committee

The primary functions of the committee can be summarized as,

- Determination of the compensation of the Directors and the key Senior Managers of the Company.
- Formulate guidelines, policies and parameters for the compensation structures for all Executive staff of the Company.
- Review information related to executive pay from time to time to ensure same par with the market/industry rates.
- Lay down guidelines and parameters for the compensation structures of all management staff within the Group taking into consideration industry norms.
- Assess and recommending to the Board of Directors of the promotions of the Key Management Personnel, address succession planning.
- Approving annual salary increments and bonuses.



D J Gunaratne PC

Chairman

Remuneration Committee

Report of the Audit Committee

Composition

The Audit Committee as at date of Financial Position comprises of the following Directors,

Mr. R M M J Ratnayake - Independent
 Mr. A G Weerasinghe – Independent
 Mr. M D A Weerasooriya – Independent

The Audit Committee meets once a quarter and the attendance during the year is as given below,

Member	Attended
Mr. R M M J Ratnayake *	4/4
A G Weerasinghe (resigned w.e.f 15.05.2014)	4/4
M D A Weerasooriya	3/4

* Chairman

The Director Finance, Finance Manager and the Company Secretary attend the meetings by invitation.

Role of the Committee

The primary functions of the committee can be summarised as,

- Ensure compliance with the Sri Lankan Accounting Standards (SLFRS/ LKAS) and all relevant laws and regulations.
- Ensure organizational policies are in line with the best Corporate Governance Practices.
- Ascertainment of the reliability of the Management Information Systems.
- Review of Annual Financial Statements
- Review of Quarterly Financial Statements
- Review of the effectiveness of financial and internal control systems
- Ensure the independence of the auditors and recommend the appointment of independent auditors and their fees.
- Identification of risks that would impact on the company's business

Activities

The committee reviewed and discussed the company's Quarterly and Annual Financial Statements prior to publication to ensure reliability and their compliance with the Sri Lanka Accounting Standards.

The committee evaluates the internal control reports and compliance reports furnished by the management and are satisfied that an effective internal control system is in place.

Based on the proceedings of the audit committee meetings, recommendations and observations were reported to the Board for appropriate action.

External Auditors

The committee held meetings with the external Auditors to review the nature, approach and scope of audit. The committee also reviewed the Audited Financial Statements with the External Auditors.

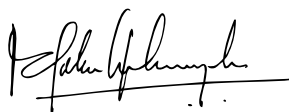
The Audit Committee is satisfied that the independence of the External Auditors has not been influenced by any event that results in a conflict of interest. The fees pertaining to Audit and Non Audit has been reviewed and recommended to the Board.

The Audit Committee recommended to the Board of Directors that Messrs Ernst & Young continue as Auditors for the financial year ending 31st March 2015.

Conclusion

The Audit Committee is satisfied that the Company's accounting policies and operational controls provide reasonable assurance that the affairs of the Company are managed in accordance with the set rules and that systems are in place to minimize the impact of identifiable risks.

The committee further assessed the future prospects of its business operations and is satisfied the going concern assumption used in the preparation of the Financial Statements is appropriate.



R M M J Ratnayake
 Chairman
 Audit Committee

11th August 2014



Ernst & Young
Chartered Accountants
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Independent Auditor's Report to the Shareholders of ASCOT Holdings PLC

Report on the Financial Statements

We have audited the accompanying financial statements of ASCOT Holdings PLC ("Company"), the consolidated financial statements of the Company and its subsidiaries which comprise the statements of financial position as at 31 March 2014, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of the Company as at 31 March 2013 were audited by another auditor, whose report dated 29 August 2013, expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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

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 misstatements.

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 policies used and significant estimates made by the management, as well as evaluating the overall financial statements 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.

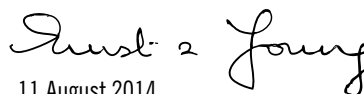
Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2014 and the Financial Statements give a true and fair view of the Company's financial position as at 31 March 2014 and its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the financial position as at 31 March 2014 and the financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiary dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

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



11 August 2014
Colombo

Income statement

For the year ended 31 March In Rs.	Note	Group		Company	
		2014	2013	2014	2013
Revenue	2	350,484,230	149,692,058	32,001,315	36,224,957
Cost of sales		(187,904,879)	(47,094,816)	-	-
Gross profit		162,579,351	102,597,242	32,001,315	36,224,957
Other operating income	3	962,398	11,231,066	-	11,196,251
Selling & distribution expenses		(13,329,146)	(3,230,772)	(508,512)	(451,336)
Administrative expenses		(55,032,747)	(50,520,430)	(31,769,049)	(40,870,868)
Other operating expenses	4	(2,567,928)	(15,485,931)	(359,862)	(15,485,931)
Gain on disposal of associate	14.3	-	29,632,442	-	29,675,000
Results from operating activities		92,611,928	74,223,617	(636,108)	20,288,073
Finance expenses	5	(55,553,578)	(55,056,898)	(4,316,531)	(750,107)
Finance income	6	96,135	454,183	-	-
Profit/(loss) before tax	7	37,154,485	19,620,902	(4,952,639)	19,537,966
Tax expense/reversal	8	(11,138,103)	(10,766,190)	1,476,314	-
Profit/(loss) for the year		26,016,382	8,854,712	(3,476,325)	19,537,966
Attributable to :					
Equity holders of the parent		20,253,396	10,870,997	(3,476,325)	19,537,966
Non controlling interest		5,762,986	(2,016,285)	-	-
		26,016,382	8,854,712	(3,476,325)	19,537,966
Earnings/(loss) per share		Rs.	Rs.	Rs.	Rs.
Basic	9	2.54	1.36	(0.44)	2.45

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 20 to 48 form an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 March In Rs.	Group		Company	
	2014	2013	2014	2013
Profit/(loss) for the year	26,016,382	8,854,712	(3,476,325)	19,537,966
Other comprehensive income				
Actuarial gain/(loss) on employee benefit obligations	94,129	580,009	(52,293)	599,035
Income tax on actuarial gain/(loss)	(26,356)	(162,403)	14,642	-
Other comprehensive income/(loss) for the year, net of tax	67,773	417,606	(37,651)	599,035
Total comprehensive income/(loss) for the year, net of tax	26,084,155	9,272,318	(3,513,976)	20,137,001
Total comprehensive income attributable to :				
Equity holders of the parent	20,305,101	11,290,188	(3,513,976)	20,137,001
Non-controlling interest	5,779,054	(2,017,870)	-	-
	26,084,155	9,272,318	(3,513,976)	20,137,001

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 20 to 48 form an integral part of these financial statements.

Statement of financial position

As at 31 March In Rs.	Note	Group		Company	
		2014	2013	2014	2013
ASSETS					
Non-current assets					
Property, plant and equipment	12	162,512,759	175,959,232	106,776	246,105
Investment property	13	950,000,000	950,000,000	-	-
Investments in subsidiaries	14	-	-	366,302,461	336,677,265
Intangible assets	15	4,356,915	4,356,915	-	-
Other non-current assets	16	32,881,250	3,500,000	-	-
Deferred tax assets	23	3,295,228	42,891	1,490,956	-
		1,153,046,152	1,133,859,038	367,900,193	336,923,370
Current assets					
Inventories	17	15,550,506	11,469,496	-	-
Trade and other receivables	18	51,906,866	36,437,067	18,706,362	17,698,383
Financial assets-Fair value through profit & loss	19	871,142	1,213,154	871,142	1,213,154
Amounts due from related parties	30.1	5,098,466	6,407,690	119,925,439	177,106,651
Other current assets	20	15,858,118	12,798,334	9,038,025	9,320,808
Short term investments	29	87,702,527	5,504,979	27,666,363	5,504,979
Cash in hand and at bank	29	9,498,499	26,851,212	379,074	25,247,204
		186,486,124	100,681,932	176,586,405	236,091,179
Total assets		1,339,532,276	1,234,540,970	544,486,598	573,014,549
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	21	92,399,431	92,399,431	92,399,431	92,399,431
Revenue reserves	22	445,299,884	424,994,783	416,215,982	419,729,958
Other components of equity	22	23,100,000	23,100,000	23,100,000	23,100,000
		560,799,315	540,494,214	531,715,413	535,229,389
Non controlling interest		68,033,197	62,254,143	-	-
Total equity		628,832,512	602,748,357	531,715,413	535,229,389
Non-current liabilities					
Deferred tax liabilities	23	101,247,268	88,100,394	-	-
Employee benefit liabilities	24	6,890,604	7,421,823	4,558,916	3,637,070
Interest bearing borrowings	25	432,711,130	280,590,923	-	-
		540,849,002	376,113,140	4,558,916	3,637,070
Current liabilities					
Trade and other payables	26	9,764,969	8,588,213	902,730	875,239
Amounts due to related parties	30.2	19,580,424	27,952,211	3,474	27,952,211
Income tax liabilities	27	2,840,878	1,708,027	1,708,027	1,708,027
Current portion of interest bearing borrowings	25	15,696,706	84,374,214	-	-
Other current liabilities	28	96,489,125	101,642,282	1,075,706	1,027,852
Bank overdrafts	29	25,478,660	31,414,526	4,522,332	2,584,761
		169,850,762	255,679,473	8,212,269	34,148,090
Total equity and liabilities		1,339,532,276	1,234,540,970	544,486,598	573,014,549

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

A R Samarasekera
Group Finance Manager

The Board of directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the board by;

R M J Ratnayake
Chairman

N D Gunaratne
Finance Director

The accounting policies and notes as set out in pages 20 to 48 form an integral part of these financial statements.

11 August 2014
Colombo.

Statement of Changes in Equity

Company	Stated capital	Other components of equity	Revenue reserves	Total equity
In Rs.				
As at 31 March 2012	92,399,431	23,100,000	399,592,957	515,092,388
Profit for the year	-	-	19,537,966	19,537,966
Other comprehensive income/(loss)	-	-	599,035	599,035
As at 31 March 2013	92,399,431	23,100,000	419,729,958	535,229,389
Loss for the year	-	-	(3,476,325)	(3,476,325)
Other comprehensive income/(loss)	-	-	(37,651)	(37,651)
As at 31 March 2014	92,399,431	23,100,000	416,215,982	531,715,413

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 20 to 48 form an integral part of these financial statements.

Statement of Changes in Equity

Group	Stated capital	Other components of equity	Revenue reserve	Total share holder funds	Non - controlling interest	Total equity
In Rs.						
As at 31 March 2012	92,399,431	23,100,000	415,729,228	531,228,659	61,754,789	592,983,448
Profit for the year	-	-	10,870,997	10,870,997	(2,016,285)	8,854,712
Other comprehensive income/(loss)	-	-	419,191	419,191	(1,585)	417,606
Acquisition of subsidiary	-	-	(3,502,997)	(3,502,997)	(11,497,003)	(15,000,000)
Non-controlling interest arising on business combination	-	-	-	-	492,588	492,588
Deemed disposal	-	-	1,478,364	1,478,364	13,521,639	15,000,003
As at 31 March 2013	92,399,431	23,100,000	424,994,783	540,494,214	62,254,143	602,748,357
Profit for the year	-	-	20,253,396	20,253,396	5,762,986	26,016,382
Other comprehensive income/(loss)	-	-	51,705	51,705	16,068	67,773
As at 31 March 2014	92,399,431	23,100,000	445,299,884	560,799,315	68,033,197	628,832,512

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 20 to 48 form an integral part of these financial statements.

Cash Flow Statement

For the year ended 31 March
In Rs.

CASH FLOWS FROM OPERATING ACTIVITIES

	Note	Group		Company	
		2014	2013	2014	2013
Profit/(loss) before tax		37,154,485	19,620,902	(4,952,639)	19,537,966
ADJUSTMENTS FOR					
Depreciation of property, plant and equipment	12	15,770,812	8,215,653	145,300	1,299,339
(Gain)/loss on disposal of property, plant and equipment		(181,205)	-	-	-
Finance expenses	5	55,553,578	55,056,898	4,316,531	750,107
Gain on disposal of investment in associates	14.3	-	(29,632,442)	-	(29,675,000)
Loss on disposal of marketable securities	4	-	15,485,931	-	15,485,931
Gratuity provision and related costs	24	1,491,749	760,091	1,027,053	969,291
(Appreciation)/Depreciation in fair value of FVTP&L	4	342,012	(11,196,251)	342,012	(11,196,251)
Operating profit before working capital changes		110,131,431	58,310,782	878,257	(2,828,617)
(Increase)/Decrease in inventories		(4,081,010)	(11,297,495)	-	-
(Increase)/Decrease in trade and other receivables		(15,469,799)	(35,607,837)	(1,007,979)	(7,533,651)
(Increase)/Decrease in amounts due from related parties		1,309,224	(1,910,097)	57,181,212	(34,664,861)
(Increase)/Decrease in other current assets		(3,059,784)	6,481,205	282,783	(9,320,808)
Increase/(Decrease) in trade and other payables		1,176,756	7,276,590	27,490	(629,437)
Increase/(Decrease) in amounts Due to related parties		10,202,924	(7,401,684)	(9,374,026)	7,827,265
Increase/(Decrease) in other current liabilities		(5,153,158)	971,560	47,854	(492,332)
Cash generated from/(used in) operations		95,056,584	16,823,024	48,035,591	(47,642,441)
Finance expenses paid		(55,553,578)	(55,056,898)	(4,316,531)	(750,107)
Tax paid		(137,070)	(288,796)	-	-
Gratuity paid/transfers	24	(1,928,840)	(1,338,590)	(157,500)	(212,500)
Net cash flow from/(used in) operating activities		37,437,096	(39,861,260)	43,561,560	(48,605,048)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Purchase and construction of property, plant and equipment	12	(2,810,450)	(26,639,399)	(5,970)	(308,387)
Investment in subsidiaries	14.2	-	-	(29,625,196)	(36,327,265)
Advanced paid on lease hold right	16	(29,381,250)	-	-	-
Proceed from disposal of investment in associates		-	49,675,000	-	49,675,000
Proceeds from sale of marketable securities		-	47,529,782	-	47,529,782
Purchase of marketable securities		-	(11,225,934)	-	(11,225,934)
Proceeds from disposal of property plant & equipment		667,316	-	-	-
Net cash flow from/(used in) investing activities		(31,524,384)	59,339,449	(29,631,166)	49,343,196
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Net loan from related parties	30.4	(18,574,711)	18,574,711	(18,574,711)	18,574,711
Settlement of bills payables		(7,279,273)	-	-	-
Proceeds from bank loan		400,000,000	57,091,353	-	-
Repayment of bank loan		(303,034,462)	(72,240,636)	-	-
Repayment of finance lease		(5,249,218)	(2,039,973)	-	-
Settlement of other short term loans		(994,347)	-	-	-
Net cash flow from/(used in) financing activities		64,867,989	1,385,455	(18,574,711)	18,574,711
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		70,780,701	20,863,644	(4,644,317)	19,312,859
CASH AND CASH EQUIVALENTS AT THE BEGINNING		941,665	(19,921,979)	28,167,422	8,854,563
CASH AND CASH EQUIVALENTS AT THE END		71,722,366	941,665	23,523,105	28,167,422
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favorable balances					
Cash in hand and at bank		9,498,499	26,851,212	379,074	25,247,204
Short term investments		87,702,527	5,504,979	27,666,363	5,504,979
Unfavorable balances					
Bank overdrafts		(25,478,660)	(31,414,526)	(4,522,332)	(2,584,761)
Total cash and cash equivalents		71,722,366	941,665	23,523,105	28,167,422

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 20 to 48 form an integral part of these financial statements.

ASCOT Holdings PLC

Notes to the financial statements

1.1 CORPORATE INFORMATION

Reporting Entity

ASCOT Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka which was initially incorporated under the Companies Act, No. 17 of 1982 and duly registered under the Companies Act, No. 07 of 2007. The registered office of the Company is located at No. 410/ 115, Baudhaloka Mawatha, Colombo 7. The Company is a quoted Public Company listed on the Colombo Stock Exchange. The Company, which was formerly known as Asian Cotton Mills PLC changed its name to ASCOT Holdings PLC on 16 October 2008.

ASCOT Holdings PLC holds 83.35% of the issued share capital of ASCOT Developments (Private) Limited, which is engaged in the business of commercial property development. The Company further holds 100% of the issued share capital of L & A Quarries (Private) Limited, which is in the business of operating crusher plants and 80% of the issued share capital of Amtrad Limited, which operates in the manufacturing & selling of cement/concrete building blocks and paving blocks. Also, the Company holds 100% ownership of ASCOT Leisure (Private) Limited and ASCOT Yala (Private) Limited respectively.

The financial statements for the year ended 31 March 2014, comprise “the Company” referring to ASCOT Holdings PLC as the holding Company and “the Group” referring to the companies whose accounts have been consolidated therein.

Approval of Financial Statements

The financial statements for the year ended 31 March 2014 were authorised for issue by the Board of Directors on 11 August 2014.

Principal Activities and Nature of Operations

ASCOT Holdings PLC, the Group’s holding company, manages a portfolio of holdings consisting of a range of diverse business operations, which together constitute the ASCOT Group.

Statement of compliance

The financial statements which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the “financial statements”) have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

1.2 BASIS OF PREPARATION

Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical cost basis except for investment properties, land and buildings and financial assets fair value through profit & loss that have been measured at fair value.

Presentation and Functional Currency

The consolidated financial statements have been prepared are presented in Sri Lankan Rupees, the Group’s functional and presentation currency, which is the primary economic environment in which the holding company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2014. The financial statements of the subsidiaries are prepared in compliance with the Group’s accounting policies unless otherwise stated.

All intra-Group balances, income and expenses, unrealised gains and losses resulting from intra Group transactions and dividends are eliminated in full.

Subsidiaries

Subsidiaries are those enterprises controlled by the parent. Control exists when the parent holds more than 50% of the voting rights or otherwise has a controlling interest. Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, which is 12 months ending 31 March, using consistent accounting policies.

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

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

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Recognises the fair value of consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the income statement; and
- Reclassifies the parent's share components previously recognized in other comprehensive income to the income statement or retained earnings, as appropriate.

1.3 ACCOUNTING POLICIES

The accounting policies adopted by the Group are consistent with those used in the previous year.

1.3.1 Changes in accounting policies

The accounting policies adopted by the Group are consistent with those used in the previous year except for the following:

- Defined benefit plan – Gratuity – Policy No. 1.4.8, has been changed due to revisions, made to LKAS 19 – Employee benefits.

Comparative information

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

Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on Presentation of Financial Statements.

1.3.2 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements of the Group requires the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of property, plant and equipment and investment properties

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income and in the statement of equity. In addition, it carries its investment properties at fair value, with changes in fair value being recognized in the income statement. The Group engaged independent valuation experts to determine fair value of investment properties as at 31 March 2014.

The valuer has used valuation techniques such as market values and discounted cash flow methods where there was lack of comparable market data available based on the nature of the property.

The determined fair values of investment properties, using investment method, are most sensitive to the estimated yield as well as the long term occupancy rate. The methods used to determine the fair value of the investment properties, are further explained in note 13.1.

Impairment of non – financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

Taxes

The Group is subject to income tax and other taxes including VAT. Significant judgment was required to determine the total provision for current, deferred and other taxes due to the uncertainties that exists with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long - term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Accordingly, based on such reasonable estimates the Group establishes the provisions to be made during the financial year.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has tax losses carried forward amounting to Rs.384 Mn (2013 – Rs. 376 Mn). These losses relate to subsidiaries that have a history of losses that do not expire and may not be used to offset other tax liabilities and where the subsidiaries have no taxable temporary differences nor any tax planning opportunities available, that could partly support the recognition of these losses as deferred tax assets. Further details on taxes are disclosed in note 1.4.14 in the financial statements.

Employee Benefit Liability

The employee benefit liability of the Group is based on the projected unit credit method. The projected unit credit method involve making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long term nature, results in the defined benefit obligation being sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are detailed in Note 24.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These accounting policies have been applied consistently by Group entities.

1.4.1 Functional 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 entity operates ('the functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, which is the group's presentation currency.

1.4.2 Property, plant and equipment

Basis of recognition

All Property, plant and equipment are recognised, if it is probable that future economic benefits associated with the asset will flow to the company and the cost of the asset can be reliably measured.

Basis of measurement

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long – term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognise the replaced part, and recognise the new part with its own associated useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met.

The carrying values of property, plant and equipment are reviewed for impairment, when events or changes in circumstances indicate that the carrying value may not be recoverable.

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

Derecognition

An item of property, plant and equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight – line method on the cost of all property, plant and equipment, in order to write off such amounts over the estimated useful economic life of such assets.

The estimated useful life of assets is as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20
Heavy Plant and Machinery	10
Motor Vehicles	4
Office Equipment	3
Computer Accessories	3-4

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised within "other Income/ (expenses)" in the income statement.

1.4.3 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The group leases certain property, plant and equipment. Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in short-term & long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held – to – maturity investments, available – for – sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

The Group's financial assets include cash, trade and other receivables and amount due from related parties, financial assets fair value through profit & loss and short term investments.

The management assessed that the fair value of cash, trade receivables, trade payables, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale.

Subsequent measurement

The subsequent measurement of financial assets of the Group depends on their classification as follows:

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Notes to the financial statements (Contd...)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement.

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement.

ii) Impairment of financial assets

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

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group's determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Amount receivable together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other Income in the income statement.

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Notes to the financial statements (Contd...)

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determine the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amount due to related parties, interest bearing borrowings and bank overdraft.

Subsequent measurement

The measurement of financial liabilities of the Group depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.4.4 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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Notes to the financial statements (Contd...)

1.4.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the Weighted Average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.4.6 Cash and cash equivalents

Cash and short – term deposits in the statement of financial position comprise cash at banks and in hand and short – term deposits with a maturity of three months or less.

For the purpose of the cash flows statement, cash and cash equivalents consist of cash and short – term deposits as defined above, net of outstanding bank overdrafts.

1.4.7 Defined contribution plans – Employees’ Provident Fund and Employees’ Trust Fund

Employees are eligible for Employees’ Provident Fund contributions and Employees’ Trust Fund contributions in line with respective statutes and regulations. The company contributes the defined percentages of gross emoluments of employees to an approved Employees’ Provident Fund and to the Employees’ Trust Fund respectively, which are externally funded.

1.4.8 Defined benefit plan – Gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using projected unit credit method. Any actuarial gains or losses arising are recognised immediately in other comprehensive income.

1.4.9 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expect some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre – tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

1.4.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are evaluated at frequent intervals by an accredited external, independent valuer. Investment properties are derecognized when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted using Group accounting policy for property, plant and equipment.

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Notes to the financial statements (Contd...)

1.4.11 Intangible Assets

Basis of Recognition

An intangible asset is recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if event or changes in circumstances indicate that the carrying value may be impaired.

Goodwill on incremental acquisitions is charged to retained earning if is deemed to be insignificant. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Derecognition of Intangible Assets

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

1.4.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and value added taxes.

Turnover based taxes

Turnover based taxes include value added tax, economic service charge and nation building tax. The Group pay such taxes in accordance with the respective statutes.

Interest income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Rental income

Rental income from investment property is recognized on an accrual basis on the fair value of the consideration received or receivable in the ordinary course of business.

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non – current assets, including investments, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

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Notes to the financial statements (Contd...)

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

Dividend Income

Dividend income is recognized when the Group's right to receive the payment is established.

Other income

Other income is recognised on an accrual basis.

1.4.13 Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Group's performance.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (other than trade receivables) that are recognised in the income statement.

1.4.14 Tax

Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the Sri Lanka where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income 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 recognised if they arise from the initial recognition of goodwill; deferred income tax is 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 income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

1.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these financial statements. Those SLFRS will have an effect on the accounting policies currently adopted by the company and may have an impact on the future financial statements.

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Notes to the financial statements

- SLFRS 9-Financial Instruments: Classification and Measurement

SLFRS 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities. This standard was originally effective for annual periods commencing on or after 01 January 2015. However, the original effective date has been deferred and revised effective date is yet to be announced.

- SLFRS 13-Fair Value Measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. This standard will be effective for annual periods beginning on or after 01 January 2014. However use of fair value measurement principles contained in this standard are currently recommended.

In addition to the above, following standards will also be effective for annual periods commencing on or after 01 January 2014.

SLFRS 10 – Consolidated Financial Statements

SLFRS 11 – Joint Arrangements

SLFRS 12 – Disclosure of Interests in Other Entities

The above package of three standards will impact the recognition, measurement and disclosures aspects currently contained in LKAS 27-Consolidated and separate financial statements, LKAS 28- Investments in associates , LKAS 31-Interest in joint ventures and SIC-12 and SIC 13 which are on consolidation of special purpose entities(SPEs) and jointly controlled entities respectively.

Establishing a single control model that applies to all entities including SPEs and removal of the option to proportionate consolidate jointly controlled entities are the significant changes introduced under SLFRS 10 and SLFRS 11 respectively.

SLFRS 12, establishes a single standard on disclosures related to interests in other entities. This incorporates new disclosures as well as disclosures currently required under LKAS 27, LKAS 28 and LKAS 31.

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

ASCOT Holdings PLC

Notes to the financial statements

For the year ended 31 March

In Rs.	Group		Company	
	2014	2013	2014	2013
2 REVENUE				
Interest income	2,636,817	2,217,748	25,960,002	32,259,418
Fee income on services	6,000,000	2,525,000	6,000,000	3,525,000
Rental income	102,962,880	88,830,720	-	-
Sale of stone chips	117,920,952	46,108,357	-	-
Sale of paving blocks	120,922,268	9,569,694	-	-
Dividend income	41,313	440,539	41,313	440,539
	350,484,230	149,692,058	32,001,315	36,224,957
3 OTHER OPERATING INCOME				
Increase in market value of FVTP&L	-	11,196,251	-	11,196,251
Profit on disposal of fixed assets	181,205	-	-	-
Other income	781,193	34,815	-	-
	962,398	11,231,066	-	11,196,251
4 OTHER OPERATING EXPENSES				
Decrease in market value of FVTP&L	342,012	-	342,012	-
Loss on sale of investments	-	15,485,931	-	15,485,931
Bank charges	166,666	-	17,850	-
Nation building tax	2,059,250	-	-	-
	2,567,928	15,485,931	359,862	15,485,931
5 FINANCE EXPENSES				
Interest on other short term loans	7,789,137	282,073	3,860,165	282,073
Overdraft interest	2,797,795	2,113,094	456,366	-
Interest on bank loans	38,674,470	52,536,062	-	-
Finance lease interest	6,195,583	-	-	-
Other finance cost	96,593	125,669	-	468,034
	55,553,578	55,056,898	4,316,531	750,107
6 FINANCE INCOME				
Interest income	96,135	248,098	-	-
Net foreign exchange gain/(loss)	-	161,485	-	-
Miscellaneous income	-	44,600	-	-
	96,135	454,183	-	-
7 PROFIT/(LOSS) BEFORE TAX				
Profit/(loss) before tax is stated after charging all expenses including the following:				
Remuneration to directors	24,944,754	19,434,507	20,144,754	19,434,507
Auditors' remuneration				
- External audit	896,160	685,000	350,000	315,000
- Non - Audit	140,000	265,000	-	100,000
Costs of defined employee benefits				
- Defined benefit plan cost	1,491,749	760,091	1,027,053	969,291
- Defined contribution plan cost - EPF & ETF	3,483,960	2,660,450	2,546,873	2,369,545
Staff expenses	21,313,615	9,529,869	3,331,729	4,096,500
Depreciation of property, plant & equipment	13,270,812	8,215,653	145,300	1,299,339
Vehicle rental	-	1,500,000	-	1,500,000
VAT on financial services	35,136	817	35,136	817
Donations	-	-	-	500

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Notes to the financial statements (Contd...)

For the year ended 31 March

In Rs.	Note	Group		Company	
		2014	2013	2014	2013
8 TAX EXPENSE					
Current income tax					
Current tax charge	8.1	1,269,921	49,892	-	-
Under provision of current tax of previous years		-	(27,413)	-	-
Deemed dividend tax		-	188,334	-	-
Deferred income tax	8.2				
Relating to origination and reversal of temporary differences		9,868,182	10,555,377	(1,476,314)	-
		11,138,103	10,766,190	(1,476,314)	-
8.1 Reconciliation between tax expense and the product of accounting profit					
Profit/(loss) before tax		37,154,485	19,620,902	(4,952,639)	19,537,966
Disallowable expenses		24,147,590	31,911,385	2,510,595	21,121,749
Allowable expenses including capital allowance claimed		(63,760,504)	(97,162,553)	(6,054,419)	(41,311,789)
Not chargeable		9,808,639	7,473,279	-	-
Exempt profits		-	-	-	-
tax loss claimed		(2,178,558)	(95,946)	-	-
Taxable profit/(loss) for the year		5,171,652	(38,252,933)	(8,496,463)	(652,074)
Income tax charged at					
Standard rate 28%		1,269,921	49,892	-	-
Under provision for previous years		-	(27,413)	-	-
Deemed dividend tax		-	188,334	-	-
Charge for the year		1,269,921	210,813	-	-
Deferred tax charge/(reversal)		9,868,182	10,555,377	(1,476,314)	-
Total income tax expense		11,138,103	10,766,190	(1,476,314)	-
8.2 Deferred tax expense/ (reversal)					
Income statement					
Deferred tax expense arising from:					
Accelerated depreciation for tax purposes		13,143,786	10,564,473	(214,460)	-
Retirement benefit obligations		(2,017,063)	(9,096)	(1,261,854)	-
Benefit arising from tax losses		(1,258,541)	-	-	-
Deferred tax charge/ (reversal)		9,868,182	10,555,377	(1,476,314)	-
Other comprehensive income					
Deferred tax relating to Actuarial gain / (loss) on employee benefit obligations		26,356	162,403	(14,642)	-
8.3 Tax losses carried forward					
Tax losses brought forward		376,783,174	369,405,841	313,734,225	313,082,151
Tax losses for the year		9,808,639	7,473,279	8,496,463	652,074
Utilisation for the year		(2,178,558)	(95,946)	-	-
Tax losses carried forward		384,413,255	376,783,174	322,230,688	313,734,225
9 EARNINGS/(LOSS) PER SHARE					
9.1 Basic earnings/(loss) per share					
Profit/(loss) attributable to equity holders of the parent		20,253,396	10,870,997	(3,476,325)	19,537,966
Weighted average number of ordinary shares	9.2	7,985,505	7,985,505	7,985,505	7,985,505
Basic earnings/(loss) per share		2.54	1.36	(0.44)	2.45
9.2 Amount used as denominator					
Ordinary shares at the beginning of the year		7,985,505	7,985,505	7,985,505	7,985,505
Adjusted weighted average number of ordinary shares		7,985,505	7,985,505	7,985,505	7,985,505

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Notes to the financial statements (Contd...)

For the year ended 31 March

10 FINANCIAL INSTRUMENTS - GROUP

10.1 Financial Assets and Liabilities by Categories

Financial assets and liabilities in the tables below are split into categories in accordance with LKAS 39.

Financial assets by categories

As at 31 March

In Rs.

Financial instruments in current assets

	FVTP&L		Loans and Receivables	
	2014	2013	2014	2013
Trade & other receivables	-	-	51,906,866	36,437,067
Financial assets - Fair value through Profit & loss	871,142	1,213,154	-	-
Amounts due from related parties	-	-	5,098,466	6,407,690
Short term investments	-	-	87,702,527	5,504,979
Cash in hand & at bank	-	-	9,498,499	26,851,212
Total	871,142	1,213,154	154,206,358	75,200,948

Financial liabilities by categories

As at 31 March

In Rs.

Financial Instruments in Non - Current Liabilities

Interest bearing borrowings		432,711,130	280,590,923
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Financial Instruments in Current Liabilities

Trade & other payables		9,764,969	8,588,213
Amounts due to related parties		19,580,424	27,952,211
Interest bearing borrowings		15,696,706	84,374,214
Bank overdrafts		25,478,660	31,414,526
Total		503,231,889	432,920,087

The management assessed that, cash and short-term deposits, trade receivables, amount due from related parties, trade payables, amount due to related parties, bank overdrafts and other current financial liabilities approximate to their fair value largely due to the short-term maturities of these instruments. The fair value of loans and receivables and financial liabilities does not significantly vary from the value based on the amortised cost methodology for the Group.

10.2 Financial assets by categories - Company

As at 31 March

In Rs.

Financial instruments in current assets

	FVTP&L		Loans and Receivables	
	2014	2013	2014	2013
Trade & other receivables	-	-	18,706,362	17,698,383
Financial Assets - FVTP&L	871,142	1,213,154	-	-
Amounts due from related parties	-	-	119,925,439	177,106,651
Short term investments	-	-	27,666,363	5,504,979
Cash in hand & at bank	-	-	379,074	25,247,204
Total	871,142	1,213,154	166,677,238	225,557,217

Financial liabilities by categories

As at 31 March

In Rs.

Financial Instruments in Current Liabilities

Trade & other payables		902,730	875,239
Amounts due to related parties		3,474	27,952,211
Bank overdrafts		4,522,332	2,584,761
		5,428,536	31,412,211

The management assessed that, cash and short-term deposits, trade receivables, amount due from related parties, trade payables, amount due to related parties, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of loans and receivables and financial liabilities does not significantly vary from the value based on the amortised cost methodology for the Company.

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

10 FINANCIAL INSTRUMENTS - GROUP (Contd...)

10.3 Financial Assets and Liabilities by Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group held the following financial instruments carried at fair value in the statement of financial position.

Financial Assets - Group/Company As at 31 March In Rs.	Level 1		Level 2		Level 3	
	2014	2013	2014	2013	2014	2013
FVTP&L						
Investment in equity securities	871,142	1,213,154	-	-	-	-
Total	871,142	1,213,154	-	-	-	-

11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has trade and other receivables, financial assets fair value through profit & loss, amount due from related parties, short term investments and cash that arise directly from its operations.

The Group's principal financial liabilities, comprise of loans and borrowings, trade and other payables, amount due to related parties and bank overdrafts.

The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group is exposed to market risk, credit risk and liquidity risk.

11.1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, financial assets FVTP&L, and the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

11.1.1 Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions.

Group As at 31 March		2014						
Note	Other non current financial assets	Cash in hand and at bank	Fair value through profit & loss	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
In Rs.								
Trade & other receivables	11.1.1.1	-	-	51,906,866	-	-	51,906,866	33%
Refundable deposit	11.1.1.2	3,500,000	-	-	-	-	3,500,000	2%
Amounts due from related parties	11.1.1.3	-	-	-	-	5,098,466	5,098,466	3%
Fair value through profit & loss	11.1.1.5	-	871,142	-	-	-	871,142	1%
Short term investments	11.1.1.4	-	-	-	87,702,527	-	87,702,527	55%
Cash in hand and at bank	11.1.1.4	9,498,499	-	-	-	-	9,498,499	6%
Total credit risk exposure		3,500,000	9,498,499	871,142	51,906,866	87,702,527	158,577,500	100%

As at 31 March		2013						
Note	Other non current financial assets	Cash in hand and at bank	Fair value through profit & loss	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation
In Rs.								
Trade & other receivables	11.1.1.1	-	-	36,437,067	-	-	36,437,067	46%
Refundable deposit	11.1.1.2	3,500,000	-	-	-	-	3,500,000	4%
Amounts due from related parties	11.1.1.3	-	-	-	-	6,407,690	6,407,690	8%
Fair value through profit & loss	11.1.1.5	-	1,213,154	-	-	-	1,213,154	1%
Short term investments	11.1.1.4	-	-	-	5,504,979	-	5,504,979	7%
Cash in hand and at bank	11.1.1.4	26,851,212	-	-	-	-	26,851,212	34%
Total credit risk exposure		3,500,000	26,851,212	1,213,154	36,437,067	5,504,979	79,914,102	100%

Company As at 31 March		2014						
Note	Cash in hand and at bank	Fair value through profit & loss	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation	
In Rs.								
Trade & other receivables	11.1.1.1	-	-	18,706,362	-	-	18,706,362	11%
Amounts due from related parties	11.1.1.3	-	-	-	-	119,925,439	119,925,439	72%
Fair value through profit & loss	11.1.1.5	-	871,142	-	-	-	871,142	1%
Short term investments	11.1.1.4	-	-	-	27,666,363	-	27,666,363	16%
Cash in hand and at bank	11.1.1.4	379,074	-	-	-	-	379,074	0%
Total credit risk exposure		379,074	871,142	18,706,362	27,666,363	119,925,439	167,548,380	100%

As at 31 March		2013						
Note	Cash in hand and at bank	Fair value through profit & loss	Trade and other receivables	Other investments	Amounts due from related parties	Total	% of allocation	
In Rs.								
Trade & other receivables	11.1.1.1	-	-	17,698,383	-	-	17,698,383	8%
Amounts due from related parties	11.1.1.3	-	-	-	-	177,106,651	177,106,651	78%
Fair value through profit & loss	11.1.1.5	-	1,213,154	-	-	-	1,213,154	1%
Short term investments	11.1.1.4	-	-	-	5,504,979	-	5,504,979	2%
Cash in hand and at bank	11.1.1.4	25,247,204	-	-	-	-	25,247,204	11%
Total credit risk exposure		25,247,204	1,213,154	17,698,383	5,504,979	177,106,651	226,770,371	100%

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

11.1.1.1 Trade receivables As at 31 March In Rs.	Group		Company	
	2014	2013	2014	2013
Neither past due nor impaired	9,540,703	7,553,352	-	-
Past due but not impaired				
30–60 days	1,673,700	334,310	-	-
61–90 days	405,441	2,001	-	-
91–180 days	7,329,609	-	-	-
> 181 days	3,379,046	-	-	-
impaired	362,000	-	-	-
Gross carrying value	22,690,499	7,889,663	-	-
Less: impairment provision				
Individually assessed impairment provision	(362,000)	-	-	-
Total	22,328,499	7,889,663	-	-

The requirement for impairment is analysed at each reporting date on an individual basis for all clients. The calculation is based on actual incurred historical data.

11.1.1.2 Refundable deposit

Refundable deposit consist deposit made to Ceylon Electricity Board.

11.1.1.3 Amounts due from related parties

The Company's/Group's amount due from related party mainly consists of the balance from affiliate companies and companies under common control.

11.1.1.4 Credit risk relating to cash and cash equivalents

In order to mitigate the concentration, settlement and operational risks related to cash and cash equivalents, the Group/Company consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure.

11.1.1.5 Fair value through profit & loss

Financial assets fair value through profit & loss consist of quoted investments held for trading purposes.

11.2 Liquidity Risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans, loan notes, & overdrafts.

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

11.2.1 Net (debt)/cash As at 31 March In Rs.	Group		Company	
	2014	2013	2014	2013
Cash in hand and at bank	9,498,499	26,851,212	379,074	25,247,204
Short term investments - less than three months	87,702,527	5,504,979	27,666,363	5,504,979
Liquid Assets	97,201,026	32,356,191	28,045,437	30,752,183
Bank overdrafts	25,478,660	31,414,526	4,522,332	2,584,761
Liquid Liabilities	25,478,660	31,414,526	4,522,332	2,584,761
Net (debt)/cash	71,722,366	941,665	23,523,105	28,167,422

11.2.2 Liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach. The business units attempts to match cash outflows in each time bucket against a combination of contractual cash inflows plus inflows that can be generated through the sale of assets, repurchase agreement or other secured borrowing.

Maturity analysis

The table below summarises the maturity profile of the financial liabilities based on contractual undiscounted payments.

Group As at 31 March In Rs.	2014						Total
	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	More than 5 years	
Interest bearing borrowings	15,696,699	74,960,041	86,648,825	90,213,781	94,070,304	86,818,186	448,407,836
Trade and other payables	9,764,969	-	-	-	-	-	9,764,969
Amounts due to related parties	19,580,424	-	-	-	-	-	19,580,424
Bank overdrafts	25,478,660	-	-	-	-	-	25,478,660
Total	70,520,752	74,960,041	86,648,825	90,213,781	94,070,304	86,818,186	503,231,889

As at 31 March In Rs.	2013						Total
	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	More than 5 years	
Interest bearing borrowings	84,374,214	81,211,579	136,162,932	50,459,748	7,222,585	5,534,079	364,965,137
Trade and other payables	8,588,213	-	-	-	-	-	8,588,213
Amounts due to related parties	27,952,211	-	-	-	-	-	27,952,211
Bank overdrafts	31,414,526	-	-	-	-	-	31,414,526
Total	152,329,164	81,211,579	136,162,932	50,459,748	7,222,585	5,534,079	432,920,087

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Company As at 31 March In Rs.	2014						Total
	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	More than 5 years	
Trade and other payables	902,730	-	-	-	-	-	902,730
Amounts due to related parties	3,474	-	-	-	-	-	3,474
Bank overdrafts	4,522,332	-	-	-	-	-	4,522,332
Total	5,428,536	-	-	-	-	-	5,428,536

As at 31 March In Rs.	2013						Total
	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	More than 5 years	
Trade and other payables	875,239	-	-	-	-	-	875,239
Amounts due to related parties	27,952,211	-	-	-	-	-	27,952,211
Bank overdrafts	2,584,761	-	-	-	-	-	2,584,761
Total	31,412,211	-	-	-	-	-	31,412,211

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

11.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign currency risk, commodity price risk and other price risk, such as equity price risk. The financial instruments affected by the Group is FVTP&L investments which include equity securities.

Accordingly no currency risk and commodity price risk to the Group/Company.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

11.3.1 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's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

2014	Group		Company	
	Increase/ (decrease) in basis points	Effect on profit before tax (Rs.)	Increase/ (decrease) in basis points	Effect on profit before tax (Rs.)
	125	5,970,578	125	-
	-125	(4,450,578)	-125	-

11.3.2 Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

11.3.3 Fair value through profit & loss investments

All quoted equity and unquoted equity investments are made after obtaining Board of Directors approval.

11.4 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, have a rights issue or buy back of shares.

As at 31 March In Rs.		Group		Company	
		2014	2013	2014	2013
Interest bearing borrowings	A	448,407,836	364,965,137	-	-
Stated capital and reserves	B	560,799,315	540,494,214	531,715,413	535,229,389
Non Controlling interest	C	68,033,197	62,254,143	-	-
Total equity	D = B + C	628,832,512	602,748,357	531,715,413	535,229,389
Debt/Equity * 100	E = A/D	71%	61%	0.00%	0.00%

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

12 PROPERTY, PLANT AND EQUIPMENT

12.1 Group

As at 31 March	Land & building	Plant & Machinery	Tools, furniture & office equipment	Motor Vehicles	Capital work in progress	Total 2014	Total 2013
In Rs.							
Cost							
Freehold assets							
At the beginning of the year	55,000,000	71,302,337	7,662,078	17,748,500	27,023,007	178,735,922	75,556,970
Acquisition of subsidiary	-	-	-	-	-	-	73,800,000
Additions	-	1,250,464	379,130	-	1,840,856	3,470,450	29,727,060
Transfers	28,203,863	-	-	-	(28,203,863)	-	-
Disposals	-	-	(25,760)	(600,000)	-	(625,760)	(348,108)
Adjustments	-	-	-	-	(660,000)	(660,000)	-
At the end of the year	83,203,863	72,552,801	8,015,448	17,148,500	-	180,920,612	178,735,922
Leasehold assets							
At the beginning of the year	-	-	-	-	25,000,000	25,000,000	-
Additions	-	-	-	-	-	-	25,000,000
Transfers	-	25,000,000	-	-	(25,000,000)	-	-
At the end of the year	-	25,000,000	-	-	-	25,000,000	25,000,000
Total Value of assets	83,203,863	97,552,801	8,015,448	17,148,500	-	205,920,612	203,735,922
Accumulated depreciation and impairment							
Freehold assets							
At the beginning of the year	287,500	8,739,164	7,376,526	11,373,500	-	27,776,690	18,817,855
Charge for the year	1,150,000	10,253,180	217,632	1,650,000	-	13,270,812	8,215,653
Disposals	-	-	(2,149)	(137,500)	-	(139,649)	-
Adjustments	-	-	-	-	-	-	743,182
At the end of the year	1,437,500	18,992,344	7,592,009	12,886,000	-	40,907,853	27,776,690
Leasehold assets							
At the beginning of the year	-	-	-	-	-	-	-
Charge for the year	-	2,500,000	-	-	-	2,500,000	-
At the end of the year	-	2,500,000	-	-	-	2,500,000	-
Total depreciation	1,437,500	21,492,344	7,592,009	12,886,000	-	43,407,853	27,776,690
Carrying value							
As at 31 March 2014	81,766,363	53,560,457	423,439	4,262,500	-	162,512,759	
As at 31 March 2013	54,712,500	62,563,173	285,552	6,375,000	27,023,007		175,959,232

The extent of the land & building of the Amtrad Limited which located in Kaleliya, Veyangoda is 737 perches & 54,398 square feets respectively.

During the financial year, the Group acquired property, plant and equipment to the aggregate value of Rs. 2,810,450/- (2013 - Rs. 26,639,399/-). Cash payments amounting to Rs. 3,470,450/- (2013 - Rs. 103,527,060/-) was paid during the year for the acquisition of property, plant and equipment.

Property, plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 17,894,850/- (2013 - Rs.14,051,444/-)

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

12 PROPERTY, PLANT AND EQUIPMENT (Contd...)

12.2 Company

As at 31 March In Rs.	Furniture, fitting & office equipment	Motor vehicles	Total 2014	Total 2013
Cost				
At the beginning of the year	6,502,852	10,948,500	17,451,352	17,142,965
Additions	5,970	-	5,970	308,387
At the end of the year	6,508,822	10,948,500	17,457,322	17,451,352
Accumulated depreciation and impairment				
At the beginning of the year	6,256,747	10,948,500	17,205,247	15,905,908
Charge for the year	145,300	-	145,300	1,299,339
At the end of the year	6,402,047	10,948,500	17,350,547	17,205,247
Carrying value				
As at 31 March 2014	106,776	-	106,776	-
As at 31 March 2013	246,106	-	-	246,105

During the financial year, the Company acquired property, plant and equipment to the aggregate value of Rs. 5,970/- (2013 - Rs. 308,387/-). Cash payments amounting to Rs. 5,970/- (2013 - Rs. 308,387/-) was paid during the year for the acquisition of property, plant and equipment.

Property, plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 17,142,965/- (2013 - Rs. 12,961,606/-)

13 INVESTMENT PROPERTY - GROUP

At the beginning of the year	950,000,000	950,000,000
Additions / transfers	-	-
Change in fair value during the year	-	-
Impairment/derecognition	-	-
At the end of the year	950,000,000	950,000,000

Free hold land and building of the Group as follow;

	Free hold land Rs.	Building Rs.	Total Rs.
Net book value as at 2012.04.01	208,812,108	741,187,892	950,000,000
Net book value as at 2013.03.31	208,812,108	741,187,892	950,000,000
Net book value as at 2013.04.01	208,812,108	741,187,892	950,000,000
Net book value as at 2014.03.31	208,812,108	741,187,892	950,000,000

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

13 INVESTMENT PROPERTY - GROUP (Contd...)

13.1 The details of investment properties of the Group are disclosed below.

Investment properties of the Group were valued by a qualified professional valuer as at 31-03-2014. Details of which are as follows;

Fair value of the investment property is ascertained by independent valuations carried out by Messrs K.T.D Tissera - Chartered valuation surveyors as at 31-03-2014, that has recent experience in valuing properties of location and category. Investment property was appraised in accordance with LKAS 40.

In determining the fair value, the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also valuer has made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within appropriate range of values. The extent of the above building is 70,100 square feet on an extent of 40 perches with a rentable area of 8 floors.

The significant assumptions used by the valuer in the year 2014 are as follows;

As at 31 March
Property

	Method of valuation		2014 Rs.
Freehold property			
The Ministry of Economic Development 464/A,TB Jaya Mawatha, Colombo 10	Land/Building	Investment basis (rent@ Rs.100/= per sq.ft per month)	6,572,000

13.2 Rental income earned from investment property by the Group amount to Rs. 102.9 Mn (2013 - Rs. 88.8 Mn.)
Direct operating expenses on investment property for the year Rs. 7 Mn (2013 - Rs. 9.3 Mn.)

As at 31 March In Rs.	No. of shares 2014	Effective holding % 2014	No. of shares 2013	Effective holding % 2013	2014	2013
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14 INVESTMENTS

14.1 INVESTMENTS IN SUBSIDIARIES - Company

Group unquoted investments in subsidiaries

L & A Quarries (Private) Limited	1,000,000	100.00%	1,000,000	100%	30,000,000	30,000,000
Amtrad Limited	624,000	80.00%	624,000	80%	6,327,265	6,327,265
ASCOT Development (Private) Limited	26,842,131	83.35%	26,842,131	83.35%	300,350,000	300,350,000
ASCOT Leisure (Private) Limited	100	100.00%	-	0.00%	29,583,196	-
ASCOT Yala (Private) Limited	100	100.00%	-	0.00%	42,000	-
					366,302,461	336,677,265

As at 31 March
In Rs.

2014 2013

14.2 Details of the additions during the year are set out below.

ASCOT Development (Private) Limited	-	15,000,000
L & A Quarries (Private) Limited	-	15,000,000
Amtrad Limited	-	6,327,265
ASCOT Leisure (Private) Limited	29,583,196	-
ASCOT Yala (Private) Limited	42,000	-
	29,625,196	36,327,265

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

As at 31 March In Rs.	Group		Company	
	2014	2013	2014	2013
14 INVESTMENTS (Contd...)				
14.3 Gain recognised on disposal of investment in associate is as follows :				
Consideration received	-	49,675,000	-	49,675,000
Less : Carrying amount of the investment	-	(20,042,558)	-	(20,000,000)
Gain recognised on disposal	-	29,632,442	-	29,675,000
14.4 The movement of the investment in associate is as follows :				
At the beginning of the year	-	20,042,558	-	20,000,000
Disposals	-	(20,042,558)	-	(20,000,000)
At the end of the year	-	-	-	-

The above investment was made in Arrenga Capital (Private) Limited and which sold to Softlogic Capital Limited in April 2012.

15 INTANGIBLE ASSETS - Group	Group	
	2014	2013
Goodwill		
At the beginning of the year	4,356,915	-
Acquisition of subsidiary	-	4,356,915
At the end of the year	4,356,915	4,356,915

Goodwill allocated through business combination have been allocated to one cash generating units (CGU) for impairment testing as follows;

	2014 Rs.
Amtrad Limited	4,356,915

The recoverable amount of CGU has been determine based on the fair value less cost to sell or the value in use (VIU) calculation.

Goodwill as at the statement of financial position date has been tested and found no impairment in carrying value:

Key assumptions used in the VIU calculations

Gross Margins

The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

Discount Rates

The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Volume Growth

Volume growth has been budgeted on a reasonable and realistic basis by taking in to account the growth rates of one of four years immediately subsequent to the budgeted year based on Industry growth rates. Cash flows beyond the five year period are extrapolated using 0% growth rate.

As at 31 March In Rs.	2014	2013
16 OTHER NON CURRENT ASSETS - Group		
Refundable deposit	3,500,000	3,500,000
Advanced paid to SLTDA on 99 years lease period - ASCOT Leisure (Private) Limited	29,381,250	-
	32,881,250	3,500,000
17 INVENTORIES - Group		
Finished goods	11,915,888	7,508,078
Raw material	1,043,787	965,350
Stocks, spares & mechanicals	2,590,831	2,996,068
At the end of the year	15,550,506	11,469,496

As at 31 March In Rs.	Group		Company	
	2014	2013	2014	2013
18 TRADE & OTHER RECEIVABLES				
Trade receivables	22,690,499	7,889,663	-	-
Refundable deposit	3,345,500	3,412,000	511,500	542,000
Other debtor-miscellaneous	8,983,935	10,086,344	945,930	2,107,323
Receivable from Ambalangoda project	17,248,932	15,049,060	17,248,932	15,049,060
Impairment of trade receivables	(18.1) (362,000)	-	-	-
	51,906,866	36,437,067	18,706,362	17,698,383

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

18.1 As at 31 March 2014, Group's trade receivables of an initial value of Rs. 34.68 Mn (2013 - Rs. 36.44 Mn.) were tested for impairment and fully provided for. See below for the movements in the impairment of trade receivables.

	Group Individually impaired	Total
As at 1 April 2012	-	-
Charge for the year	-	-
As at 31 March 2013	-	-
As at 1 April 2013	-	-
Charge for the year	(362,000)	(362,000)
As at 31 March 2014	(362,000)	(362,000)

As at 31 March	No. of shares 2014	No. of shares 2013	2014 Rs.	2013 Rs.
19 FINANCIAL ASSETS - FVTP&L				
19.1 Group				
Quoted investments				
Ceylon Investment PLC	900	900	66,095	72,000
Pan Asia Banking Corporation PLC	23,600	23,600	376,872	448,400
Dankotuwa Porcelain PLC	9,950	9,950	112,794	137,310
Piramal Glass Ceylon PLC	94,100	94,100	315,381	555,444
	128,550	128,550	871,142	1,213,154
19.2 Company				
Quoted investments				
Ceylon Investment PLC	900	900	66,095	72,000
Pan Asia Banking Corporation PLC	23,600	23,600	376,872	448,400
Dankotuwa Porcelain PLC	9,950	9,950	112,794	137,310
Piramal Glass Ceylon PLC	94,100	94,100	315,381	555,444
	128,550	128,550	871,142	1,213,154

As at 31 March In Rs.	Group		Company	
	2014	2013	2014	2013
20 OTHER CURRENT ASSETS				
Deposits & prepayments	5,162,037	2,593,190	259,908	602,067
VAT receivable	7,605,222	7,195,550	6,937,466	6,937,466
Income tax recoverable	816,103	979,704	-	-
WHT receivable	1,758,466	1,675,799	1,758,466	1,675,799
Other assets	516,290	354,091	82,185	105,476
	15,858,118	12,798,334	9,038,025	9,320,808

As at 31 March	2014		2013	
	No. of shares	Value of shares Rs.	No. of shares	Value of shares Rs.
21 STATED CAPITAL				
Fully paid ordinary shares				
At the beginning of the year	7,985,505	92,399,431	7,985,505	92,399,431
At the end of the year	7,985,505	92,399,431	7,985,505	92,399,431

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

22 RESERVES

As at 31 March In Rs.	Revenue reserve	Other components of equity	Total	Revenue reserve	Other components of equity	Total
	2014	2014	2014	2013	2013	2013
22.1 Reserves - Group						
At the beginning of the year	424,994,783	23,100,000	448,094,783	415,729,228	23,100,000	438,829,228
Profit for the year	20,253,396	-	20,253,396	10,870,997	-	10,870,997
Other comprehensive income	51,705	-	51,705	419,191	-	419,191
Acquisition of subsidiary	-	-	-	(3,502,997)	-	(3,502,997)
Deemed disposal	-	-	-	1,478,364	-	1,478,364
At the end of the year	445,299,884	23,100,000	468,399,884	424,994,783	23,100,000	448,094,783
22.2 Reserves - Company						
At the beginning of the year	419,729,958	23,100,000	442,829,958	399,592,957	23,100,000	422,692,957
Profit/(loss) for the year	(3,476,325)	-	(3,476,325)	19,537,966	-	19,537,966
Other comprehensive income	(37,651)	-	(37,651)	599,035	-	599,035
At the end of the year	416,215,982	23,100,000	439,315,982	419,729,958	23,100,000	442,829,958

Other component of equity represent the capital redemption reserve fund. This reserve represent profit transferred from income statement on the redemption of preference shares issued by the Company.

 As at 31 March
In Rs.

23 DEFERRED TAX LIABILITY/(ASSETS)

	Group		Company	
	2014	2013	2014	2013
At the beginning of the year	88,057,503	77,339,723	-	-
Charge/(release)	9,894,537	10,717,780	1,490,956	-
At the end of the year	97,952,040	88,057,503	1,490,956	-
The closing deferred tax asset and liability balances relate to the following:				
Deferred tax liability				
Accelerated depreciation for tax purposes	101,247,268	88,100,394	-	-
	101,247,268	88,100,394	-	-
Deferred tax assets				
Employee benefit liability	1,297,129	42,891	1,276,496	-
Accelerated depreciation for tax purposes	-	-	214,460	-
Tax losses carried forward	1,998,099	-	-	-
	3,295,228	42,891	1,490,956	-

24 EMPLOYEE BENEFIT LIABILITIES

At the beginning of the year	7,421,823	3,479,314	3,637,070	3,479,314
Acquisition of subsidiary	-	5,101,017	-	-
Current service cost	890,854	351,739	644,300	560,939
Interest cost on benefit obligation	600,896	408,352	382,753	408,352
Payments	(1,928,840)	(733,000)	(157,500)	(212,500)
Adjustments	-	(605,590)	-	-
Actuarial gain / (loss) on employee benefit obligations	(94,129)	(580,009)	52,293	(599,035)
At the end of the year	6,890,604	7,421,823	4,558,916	3,637,070

The principal assumptions used in determining the cost of employee benefits were:

 As at 31 March
In Rs.

	2014	2013	2014	2013
Discount rate	11%	11%	11%	11%
Future salary increases	10%	10%	10%	10%

Sensitivity of assumptions used

If one percentage (1%) point change in the assumed rate would have the following effects:

2014	Group		Company	
	Discount rate	Salary increment	Discount rate	Salary increment
Effect on the defined benefit obligation liability				
Increase by one percentage point	(13,814)	52,761	(9,635)	48,200
Decrease by one percentage point	17,965	(49,465)	13,404	(45,213)

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

As at 31 March In Rs.	2014	2013	2014	2013
25 INTEREST BEARING BORROWINGS				
Non current				
Bank borrowings	400,000,000	234,529,064	-	-
Finance lease liability	14,029,403	19,707,179	-	-
Term loans	18,681,727	26,354,680	-	-
	432,711,130	280,590,923	-	-
Current				
Bank borrowings	390,086	48,388,322	-	-
Bills payables	-	7,279,274	-	-
Finance lease liability	5,677,777	5,249,219	-	-
Term loans	7,623,190	20,457,399	-	-
Other short term loans	2,005,653	3,000,000	-	-
	15,696,706	84,374,214	-	-
Repayable within one year	15,696,706	84,374,214	-	-
Repayable after one year	432,711,130	280,590,923	-	-
	448,407,836	364,965,137	-	-
Group				
			2014	
	Bank borrowings	Term loan	Finance lease	Total
At the beginning of the year	282,917,386	48,817,732	24,956,398	356,691,516
New loans obtained	400,000,000	-	-	400,000,000
Repayments	(282,917,386)	(20,507,162)	(5,249,218)	(308,673,766)
Accrued interest payable	390,086	-	-	390,086
At the end of the year	400,390,086	28,310,570	19,707,180	448,407,836

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

25 INTEREST BEARING BORROWINGS (Contd...)

Details of the long term loans - Group

Lender	Nature of facility	Approved facility	Repayment terms	Interest rate	Security
Ascot Development (Private) Limited					
Bank of Ceylon	Term loan	400,000,000	72 months including 12 months grace period and repayment of monthly installment will be recovered from 2nd year.	Monthly at the rate of AWPLR + 4% per annum	Primary mortgage (2397) over lots 01 & 02 depicted in plan No. 2762 dated 3/06/1998 for Rs. 400 Mn.
L & A Quarries (Private) Limited					
Pan Asia Bank	Finance lease	25,000,000	The lease period is 48 months commencing from February 2013.	22%	-
	Other short term loan	2,005,653	On demand	17%	-
Amtrad Limited					
NDB Bank		2,625,000	36 monthly installments	18%	Primary concurrent mortgage bond of immovables bearing No. 642 and mortgage bond of movables bearing No. 643.
Lanka Orix Finance		9,420,000	25 months	26.5%	Personal guarantee from the Directors.
DFCC Vardhana Bank	Overdraft A/C No 012001002298	15,000,000	On demand	16%	Primary mortgage bond No.110 dated 11/07/2007 for Rs. 14 Mn, secondary mortgage bond No.1364 dated 01/06/2010 for Rs. 5.5Mn, mortgage bond No.42 dated 13/12/2007 for Rs.13.225 Mn
	Term loan 01	18,050,000	60 monthly installments	2.5% per annum above the AWPR	
	Term loan 02	2,186,000	The loan to be waived off upon full settlement of facility no 01.	0%	
	Term loan 03	3,235,000	The loan to be waived off upon full settlement of facility no 01.	0%	
	Term loan 04	605,000	The loan to be waived off upon full settlement of facility no 01.	0%	

As at 31 March
In Rs.

26 TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
Trade payables	3,678,060	6,303,089	-	-
Accrued expenses	537,715	134,248	-	-
Unclaim dividend	604,339	604,339	604,339	604,339
Other payables	4,944,855	1,546,537	298,391	270,900
	9,764,969	8,588,213	902,730	875,239

27 INCOME TAX LIABILITIES

At the beginning of the year	1,708,027	1,775,003	1,708,027	1,708,027
Charge for the year	1,269,921	22,479	-	-
Payments and set off against refunds	(137,070)	(89,455)	-	-
At the end of the year	2,840,878	1,708,027	1,708,027	1,708,027

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

As at 31 March In Rs.	Group		Company	
	2014	2013	2014	2013
28 OTHER CURRENT LIABILITIES				
Staff cost payable	8,129,907	16,006,072	-	-
Taxes payables	7,806,011	8,139,901	-	-
Advance payable	75,708,000	75,708,000	-	-
Accrued expenses & other provisions	4,845,207	1,788,309	1,075,706	1,027,852
	96,489,125	101,642,282	1,075,706	1,027,852
29 CASH AND CASH EQUIVALENTS				
Cash in hand & cash at bank	9,498,499	26,851,212	379,074	25,247,204
Repo investment (less than three months)	87,702,527	5,504,979	27,666,363	5,504,979
Bank overdraft	(25,478,660)	(31,414,526)	(4,522,332)	(2,584,761)
Reported for cashflows	71,722,366	941,665	23,523,105	28,167,422
30 RELATED PARTY TRANSACTIONS				
The group/company carried out transactions in the ordinary course of business with the following related entities. The list of directors at each of the subsidiary, joint venture and associate companies have been disclosed in the group directory.				
30.1 Amounts due from related parties				
ASCOT Development (Private) Limited	-	-	30,893,391	133,867,245
L & A Quarries (Private) Limited	-	-	54,872,778	35,499,789
Amtrad Limited	-	-	34,159,270	7,624,335
Amtrad Holdings Limited	-	6,165,227	-	-
Amtrad Uva (Private) Limited	-	42,526	-	-
LQL Manufacturing (Private) Limited	5,013,416	84,655	-	-
Camion Lanka Logistic (Private) Limited	85,050	-	-	-
Boston Capital (Private) Limited	-	115,282	-	115,282
	5,098,466	6,407,690	119,925,439	177,106,651
30.2 Amounts due to related parties				
L & A Quarries (Private) Limited	-	-	3,474	-
Boston Capital (Private) Limited	-	21,624,946	-	21,624,946
Amtrad Limited	-	6,327,265	-	6,327,265
Amtrad Holdings Limited	1,106,565	-	-	-
Fairway Building Management Services (Private) Limited	3,361,273	-	-	-
Fairway SkyHomes (Private) Limited	15,112,586	-	-	-
	19,580,424	27,952,211	3,474	27,952,211
30.3 Sale of goods / services				
Group/Company				
For the year ended 31 March				
In Rs.				
Amtrad Limited - Accounting and operational fees	-	900,000	-	900,000
Amtrad Uva (Private) Limited - Management fees	-	1,250,000	-	1,250,000
LQL Manufacturing (Private) Limited	42,652,750	46,108,357	-	-
	42,652,750	48,258,357	-	2,150,000
Boston Capital (Private) Limited - Vehicle Rent	-	1,500,000	-	1,500,000
Amtrad Holdings Limited (Fees charged on debtor collection)	6,000,000	-	6,000,000	-
	6,000,000	1,500,000	6,000,000	1,500,000

ASCOT Holdings PLC

Notes to the financial statements (Contd...)

For the year ended 31 March

For the year ended 31 March
In Rs.

30 RELATED PARTY TRANSACTIONS (Contd...)

30.4 Purchase of services

Key management compensation

Salaries and other short term employee benefits
Termination benefits

	Group		Company	
	2014	2013	2014	2013
Salaries and other short term employee benefits	21,150,000	18,650,000	16,350,000	18,650,000
Termination benefits	3,794,754	784,507	3,794,754	784,507
	24,944,754	19,434,507	20,144,754	19,434,507

Interest income from investment/advances

ASCOT Developments (Private) Limited
L & A Quarries (Private) Limited
Boston Capital (Private) Limited
Axis Financial (Private) Limited
Amtrad Limited
Amtrad Holdings Limited

ASCOT Developments (Private) Limited	-	-	13,801,746	28,023,248
L & A Quarries (Private) Limited	-	-	5,059,381	2,677,819
Boston Capital (Private) Limited	15,012	297,722	15,012	297,722
Axis Financial (Private) Limited	-	1,054,380	-	1,054,380
Amtrad Limited	-	-	4,579,009	14,669
Amtrad Holdings Limited	-	72,835	-	72,835
	15,012	1,424,937	23,455,148	32,140,673

Loans/advances to related parties

ASCOT Developments (Private) Limited - Short term funding/advances
L & A Quarries (Private) Limited
Boston Capital (Private) Limited
Amtrad Limited

ASCOT Developments (Private) Limited - Short term funding/advances	-	-	78,013,646	72,235,856
L & A Quarries (Private) Limited	-	-	84,146,481	35,499,789
Boston Capital (Private) Limited	10,147,000	16,168,787	10,147,000	16,168,787
Amtrad Limited	-	-	33,459,788	7,624,335
	10,147,000	16,168,787	205,766,915	131,528,767

Loans/advances from related parties

Boston Capital (Private) Limited
Pan Asia Banking Corporation PLC

Boston Capital (Private) Limited	63,063,764	21,624,946	63,063,764	21,624,946
Pan Asia Banking Corporation PLC	-	24,320,093	-	-
	63,063,764	45,945,039	63,063,764	21,624,946

Settlement of loans/advances

ASCOT Developments (Private) Limited
L & A Quarries (Private) Limited
Amtrad Limited
Boston Capital (Private) Limited
Pan Asia Banking Corporation PLC

ASCOT Developments (Private) Limited	-	-	181,070,000	102,363,179
L & A Quarries (Private) Limited	-	-	64,773,492	32,972,684
Amtrad Limited	-	-	8,954,289	-
Boston Capital (Private) Limited	71,461,451	34,367,380	71,461,451	34,367,380
Pan Asia Banking Corporation PLC	4,612,914	1,546,943	-	-
	76,074,365	35,914,323	326,259,232	169,703,243

Payable on purchase of services

Boston Capital (Private) Limited - Rent in arrears
Boston Capital (Private) Limited - Miscellaneous
Fairway Building Management Services (Private) Limited
Fairway Skyhomes (Private) Limited
Lakderana Investments Limited

Boston Capital (Private) Limited - Rent in arrears	-	3,000,000	-	3,000,000
Boston Capital (Private) Limited - Miscellaneous	-	50,235	-	50,235
Fairway Building Management Services (Private) Limited	5,914,771	4,393,503	-	-
Fairway Skyhomes (Private) Limited	15,112,585	-	-	-
Lakderana Investments Limited	6,500,000	-	-	-
	27,527,356	7,443,738	-	3,050,235

Receivable on loans, advances and sale of goods and services

ASCOT Developments (Private) Limited
L & A Quarries (Private) Limited
Amtrad Limited
Boston Capital (Private) Limited
LQL Manufacturing (Private) Limited
Fairway Condominiums (Private) Limited
Camion Lanka Logistic (Private) Limited
Amtrad Holdings Limited
Amtrad Uva (Private) Limited

ASCOT Developments (Private) Limited	-	-	30,810,891	133,867,245
L & A Quarries (Private) Limited	-	-	54,872,778	35,499,789
Amtrad Limited	-	-	34,159,270	7,624,335
Boston Capital (Private) Limited	-	115,282	-	115,282
LQL Manufacturing (Private) Limited	5,013,416	5,963,456	-	-
Fairway Condominiums (Private) Limited	-	3	-	-
Camion Lanka Logistic (Private) Limited	85,050	-	-	-
Amtrad Holdings Limited	-	6,165,227	-	-
Amtrad Uva (Private) Limited	-	42,526	-	-
	5,098,466	12,286,494	119,842,939	177,106,651

Payable on loans, advances and sale of goods and services

Fairway Building Management Services (Private) Limited
Fairway Skyhomes (Private) Limited
Boston Capital (Private) Limited
Amtrad Holdings Limited
L & A Quarries (Private) Limited

Fairway Building Management Services (Private) Limited	3,361,273	-	-	-
Fairway Skyhomes (Private) Limited	15,112,586	-	-	-
Boston Capital (Private) Limited	-	21,624,946	-	21,624,946
Amtrad Holdings Limited	1,106,565	-	-	-
L & A Quarries (Private) Limited	-	-	3,474	-
	19,580,424	21,624,946	3,474	21,624,946

ASCOT Holdings PLC

Notes to the financial statements

For the year ended 31 March 2014

31 COMMITMENT AND CONTINGENCIES

Amtrad Limited has the following legal / labour cases pending the final judgment :

Case No. 69461 will be called in Magistrate Court Attanagalla on 19th September 2014 with regard to an issue on non paying EPF Summons has been issued to the former Directors. However, subsequently the management agreed an amount of Rs. 9,135,900 as the probable amount with the Department of labour which had been provided in the financial statements as at 31.03.2013. The balance payable as at 31.03.2014 is Rs. 7,963,814 on the above case.

The Group does not have other significant commitments and contingencies as at the reporting date.

32 EVENTS AFTER THE REPORTING DATE

There were no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

Ten Year Summary

Rs.'000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
31st March										
Operating Results										
Turnover	187,389	Nil	Nil	53,298	51,577	100,741	57,525	77,067	149,692	350,484
Profit Before Tax	(81,393)	11,923	427,476	(16,648)	17,575	(14,387)	144,676	(35,916)	19,621	37,154
Income Tax	Nil	(2,161)	Nil	(2,711)	(3,471)	(3,946)	(66,555)	(11,642)	(10,766)	(11,138)
Profit After Tax	(81,393)	9,762	427,476	(19,992)	14,104	(18,333)	78,121	(47,559)	8,855	26,016
Minority Interest	Nil	Nil	1,223	1,560	(3,615)	8,077	(30,733)	3,421	2,016	5,763
Profit Attributable to the Group	(81,393)	9,762	428,699	(18,432)	10,489	(10,257)	47,388	(44,247)	10,871	20,253
Capital Employed										
Stated Capital	92,399	92,399	92,399	92,399	92,399	92,399	92,399	92,399	92,399	92,399
Capital Reserves	151,659	151,759	165,765	165,765	165,765	165,765	23,100	23,100	23,100	23,100
Revenue Reserves	(217,616)	(207,954)	317,239	282,378	292,868	282,611	472,664	415,729	424,995	445,300
Shareholders' Funds	26,442	36,204	575,403	540,543	551,032	540,775	588,163	531,228	540,494	560,799
Minority Interest	Nil	Nil	78,777	117,217	120,832	112,755	143,488	61,755	62,254	68,033
Total Liabilities	219,738	133,929	34,872	297,409	490,240	425,941	513,708	519,409	631,793	710,700
Total Equity & Liabilities	246,180	170,133	689,052	955,169	1,162,104	1,079,471	1,245,359	1,112,392	1,234,541	1,339,532
Assets Employed										
Property, Plant & Equipment	209,474	153,444	379,510	713,504	909,042	906,018	1,117,898	1,006,773	1,133,859	1,153,046
Current Assets	36,706	16,689	309,542	241,665	253,062	173,453	127,461	105,619	100,682	186,486
Total Assets	246,180	170,133	689,052	955,169	1,162,104	1,079,471	1,245,359	1,112,392	1,234,541	1,339,532
Rs.										
Share Price	20.50	53.00	64.75	41.25	21.00	38.25	117.60	200.00	157.30	114.00
Earnings per Share	(10.20)	1.20	53.70	(2.31)	1.31	(1.28)	5.93	(5.54)	1.36	2.54
Dividend per Share	Nil	Nil	2.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Book Value per Share	3.30	4.50	70.00	67.69	69.00	67.72	73.65	68.03	67.68	70.23

Investor Information

Shareholder Information

Distribution of Shareholders as at 31st March 2014

Shareholding	Resident			Non Resident			Total		
	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%
01 to 1,000	1,200	245,798	3.08	17	5,090	0.06	1,217	250,888	3.14
1,001 to 10,000	140	403,523	5.05	4	16,500	0.21	144	420,023	5.26
10,001 to 100,000	16	317,472	3.98	-	-	-	16	317,472	3.98
100,001 to 1,000,000	3	1,109,356	13.89	1	486,826	6.10	4	1,596,182	19.99
Over 1,000,000	3	5,400,940	67.63	-	-	-	3	5,400,940	67.63
Total	1,362	7,477,089	93.63	22	508,416	6.37	1,384	7,985,505	100.00

Categories of Shareholders

	Number of Shareholders	%	Number of Shares	%
Individual	1,321	95.45	821,598	10.29
Institutional	63	4.55	7,163,907	89.71
Total	1,384	100.00	7,985,505	100.00

Twenty (20) Largest Shareholders as at 31st March 2014

Name	No. of Shares	%
PAN ASIA BANKING CORPORATION PLC / AXIS INVESTMENTS (PVT) LTD.	2,058,092	25.77
ST.LOUIS CAPITAL (PVT) LTD	1,713,342	21.46
SEYLAN BANK PLC / MR. W D N H PERERA	1,629,506	20.41
FIRST CAPITAL MARKETS LIMITED/BOSTON CAPITAL (PVT) LTD	639,364	8.01
HSBC INT'L NOMINEES LTD-SSBT-DEUSTCHE BANK AG SINGAPORE A/C	486,826	6.10
BOSTON CAPITAL (PVT) LTD	250,000	3.13
CATALIS CAPITAL (PVT) LTD	219,992	2.75
MR. W D D S PERERA	50,000	0.63
MR. P G W SIRISENA	31,500	0.39
AXIS INVESTMENTS (PVT) LTD	30,341	0.38
ROYAL CERAMICS LANKA PLC	30,000	0.38
MR. A S JAYAWARDENE	24,444	0.31
MR. T T GANGUL	21,826	0.27
MR. M U MOHAMED	18,535	0.23
MISS. N S SAMARANAYAKE	16,578	0.21
ST.ANTHONY'S FINANCE COMPANY LTD	14,036	0.18
COMMERCIAL BANK OF CEYLON PLC/M.R.H GALAPPATTI	13,705	0.17
MR. S V SAMARASINGHE	12,516	0.16
MR. M S G PERERA	11,051	0.14
MRS. THAHA SANOONA	11,000	0.14
Total	7,282,654	91.22

Percentage of Public Holding 62.71%

Share Trading Information for the period 1st April 2013 to 31st March 2014

	2014
Closing Price	Rs. 114.00
Highest	Rs. 169.00
Lowest	Rs. 93.50
No. of Shares Traded	674,586
Value of Shares Traded	Rs. 88,464,759
No. of Transactions	1,017

Investor Information Contd...

Shareholder Information

Distribution of Shareholders as at 31st March 2013

Shareholding	Resident			Non Resident			Total		
	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%
01 to 1,000	1,218	256,148	3.21	16	4,780	0.06	1,234	260,928	3.27
1,001 to 10,000	140	410,944	5.14	4	16,500	0.21	144	427,444	5.35
10,001 to 100,000	17	358,503	4.50	-	-	-	17	358,503	4.50
100,001 to 1,000,000	3	1,110,870	13.91	1	433,226	5.42	4	1,544,096	19.33
Over 1,000,000	3	5,394,534	67.55	-	-	-	3	5,394,534	67.55
Total	1,381	7,530,999	94.31	21	454,506	5.69	1,402	7,985,505	100.00

Categories of Shareholders

	Number of Shareholders	%	Number of Shares	%
Individual	1,340	95.58	905,056	11.33
Institutional	62	4.42	7,080,449	88.67
Total	1,402	100.00	7,985,505	100.00

Twenty (20) Largest Shareholders as at 31st March 2013

Name	No. of Shares	%
PAN ASIA BANKING CORPORATION PLC / AXIS FINANCIAL SERVICES (PVT) LTD.	2,058,092	25.77
ST. LOUIS CAPITAL (PVT) LTD	1,713,342	21.46
SEYLAN BANK PLC / MR. W D N H PERERA	1,623,100	20.33
BOSTON CAPITAL (PVT) LTD	649,500	8.13
HSBC INT'L NOMINEES LTD-SSBT-DEUSTCHE BANK AG SINGAPORE A/C	433,226	5.43
SAMPATH BANK PLC / BOSTON CAPITAL (PVT) LTD	314,864	3.94
CATALIS CAPITAL (PVT) LTD	146,506	1.83
MR. MAHIBALAN	62,067	0.78
MR. PERERA	50,000	0.63
MR. SIRISENA	31,500	0.39
ROYAL CERAMICS LANKA PLC	30,000	0.38
MR. A S JAYAWARDENE	24,444	0.31
MR. M U MOHAMED	18,535	0.23
MRS. U R WIJAYARATHNE	17,000	0.21
MISS. N S SAMARANAYAKE	16,578	0.21
ST. ANTHONY'S FINANCE COMPANY LTD	14,036	0.18
COMMERCIAL BANK OF CEYLON PLC/M R H GALAPPATTI	13,705	0.17
PAN ASIA BANKING CORPORATION PLC / LINCE HOLDINGS (PVT) LTD	12,700	0.16
MR. I P KARUNAJEEWA	12,595	0.16
MR. S V R SAMARASINGHE	12,516	0.16
Total	7,254,306	90.86

Percentage of Public Holding 20.27%

Share Trading Information for the period 1st April 2012 to 31st March 2013

	2013
Closing Price	Rs. 157.30
Highest	Rs. 220.00
Lowest	Rs. 130.00
No. of Shares Traded	1,510,705
Value of Shares Traded	Rs. 288,339,242
No. of Transactions	1,101

Notice of Meeting

Notice is hereby given that the 44th Annual General Meeting of ASCOT Holdings PLC will be held at Sasakawa Hall (Sri Lanka Japan Cultural Centre), No. 04, 22nd Lane, Colombo 03 on 25th September 2014 at 1.45 p.m. for the following purposes.

AGENDA

1. To receive the Report of the Directors on the State of Affairs of the Company and the Audited Statements of Accounts for the year ended 31st March 2014 with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. D J Gunaratne PC who retires by rotation at the Annual General Meeting, in terms of Article 83 and 84 of the Articles of Association.
3. To re-elect as a Director, Mr. M T Upali Mendis who retires at the Annual General Meeting, in terms of Article 90 of the Articles of Association.
4. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors and to authorize the Directors to determine their remuneration.
5. To authorize Directors to determine and make donations to charities.

Note:

- (a) The member entitled to attend and vote at the above mentioned 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. A Form of Proxy is enclosed.
- (b) The completed form of proxy should be deposited at the Registered Office of the Company, at No.410/115, Baudhaloka Mawatha, Colombo 07 not later than 48 hours before the time appointed for the holding of the meeting.
- (c) Shareholders/Proxy holders attending the meeting are kindly requested to bring their National Identity Card (or other proof of identity) when calling over for the meeting.

By Order of the Board of

ASCOT Holdings PLC

S S P CORPORATE SERVICES (PRIVATE) LIMITED

SECRETARIES

Colombo

Date : 11th August 2014

Form of Proxy

I / We..... (NIC No.....) of
 being a Member/Members of ASCOT Holdings PLC hereby appoint :

- | | |
|--|---------------------------|
| Mr. Ratnayake Mudiyansele Mohan Joseph Ratnayake | of Colombo or failing him |
| Mr. Rohan Abhaya Iriyagolle | of Colombo or failing him |
| Mr. Nirosan Dakshina Gunaratne | of Colombo or failing him |
| Mr. Denzil Jayalath Gunaratne PC | of Colombo or failing him |
| Mr. Maurice Dayantha Asoka Weerasooriya | of Colombo or failing him |
| Ms. Chandrasekara Pavithrika Sujani Bogollagama | of Colombo or failing her |
| Mr. Mahadura Tennyson Upali Mendis | of Colombo or failing him |

..... (NIC No.....) of
 as my/our proxy to represent me/us on my/our behalf at the Annual General Meeting of the Company to be held on 25th September 2014, and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting and to VOTE as indicated below.

- | | FOR | AGAINST |
|---|--------------------------|--------------------------|
| 1. To receive the Report of the Directors on the State of Affairs of the Company and the Audited Statements of Accounts for the year ended 31st March 2014 with the Report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Mr. D J Gunaratne PC who retires by rotation at the Annual General Meeting by rotation in terms of Article 83 and 84 of the Articles of Association of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To re-elect Mr. M T Upali Mendis who retires at the Annual General Meeting in terms of Article 90 of the Articles of Association of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To re-appoint Messrs Ernst & Young, Chartered Accountants, as Auditors for the ensuing year and to authorise the Directors to determine their remuneration. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To authorise the Directors to determine contributions to charities. | <input type="checkbox"/> | <input type="checkbox"/> |

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

Note :

Please delete the inappropriate words.

Signature

1. Instructions as to completion of proxy are noted on the reverse hereof.
2. A proxy need not be a member of the Company.

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 and by signing in the space provided and filling in the date of Signature.
2. Please indicate with an "X" in the space provided how your proxy is to vote on the Resolution. 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 Company at No. 410/115, Bauddhaloka Mawatha, Colombo 07 not later than 48 hours before the time appointed for holding of 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 a corporate shareholder of ASCOT Holdings PLC and Section 138 provides for representation of Companies at meetings 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 copy of the Resolution may be forwarded direct to the Company at No. 410/115, Bauddhaloka Mawatha, Colombo 07 or sent through the representative attending the meeting. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which he/she represents as that Corporation could exercise if it were an individual shareholder of that other Company.

Corporate Information

Legal Form

A Public Limited Liability Company incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938 (Cap 145), (Reregistered under the Companies Act No. 07 of 2007) and listed on the Colombo Stock Exchange

Company Registration Number

PQ 139

Directors

Mr R M M J Ratnayake
Mr A G Weerasinghe (resigned w.e.f 15.05.2014)
Mr R A Iriyagolle
Mr N D Gunaratne
Mr D J Gunaratne PC
Mr M D A Weerasooriya
Ms C P S Bogollagama
Mr M T U Mendis (appointed w.e.f 23.07.2014)

Audit Committee

Mr R M M J Ratnayake
Mr A G Weerasinghe (resigned w.e.f 15.05.2014)
Mr M D A Weerasooriya

Remuneration Committee

Mr D J Gunaratne PC
Mr A G Weerasinghe (resigned w.e.f 15.05.2014)
Mr M D A Weerasooriya

Auditors

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

Registered Office

No. 410/115, Bauddhaloka Mawatha,
Colombo 7
Sri Lanka

Tel : 011 2689107
Fax : 011 2689106
Email : info@ascot.lk

Lawyers

F J & G De Saram
Attorneys-at-Law
No. 216, De Saram Place
Colombo 10.

Sudath Perera Associates
Attorneys-at Law
5, 9th Lane,
Nawala Road, Nawala.

Secretaries

SSP Corporate Services (Pvt) Limited
101, Inner Flower Road
Colombo 3

Bankers

Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
Hatton National Bank PLC
Bank of Ceylon
Seylan Bank PLC



ASCOT Holdings PLC

410/115, Bauddhaloka Mawatha, Colombo 7, Sri Lanka.
Tel: +94 11 2689107 Fax: +94 11 2689106 E-mail: info@ascot.lk