

ANNUAL **REPORT** **2014/15**



ASCOT Holdings PLC



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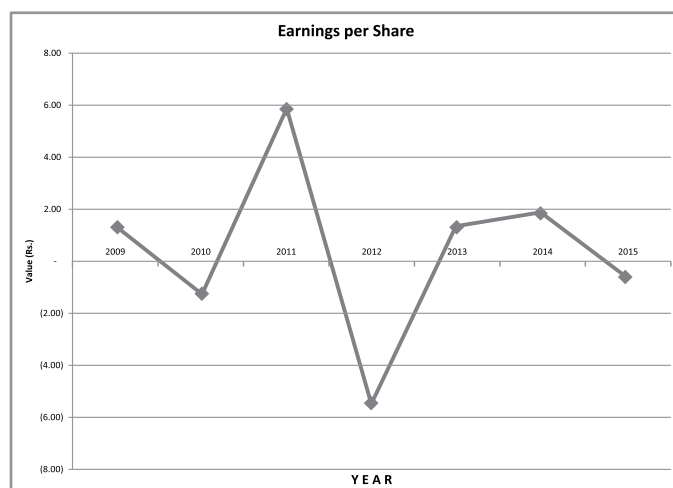
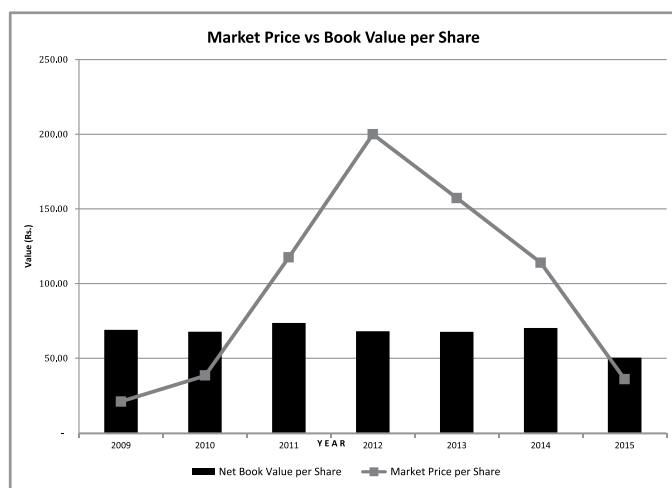
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Financial Highlights

Earning Highlights & Ratios	2014/15	2013/14	YOY Change
	LKR '000	LKR '000	%
Operating Profit / (Loss)	63,219	89,879	(30)
Profit / (Loss) Before Tax	11,531	37,154	(69)
Net Profit / (Loss) Attributable to shareholders of the Company	(6,287)	20,253	(131)
Earnings / (Loss) per Share	(0.58)	1.90	(131)
Return on Equity -(%)	(1.04)	3.61	(129)

Financial Position Highlights & Ratios			
Total Assets	1,276,064	1,333,428	(4)
Total Debts	428,486	441,914	(3)
Shareholders' Funds	602,555	560,799	7
Net Book Value per Share - (LKR)	50	70	(28)
Debt / Equity -(%)	63	70	(10)

Market / Shareholder Information			
Market Price - LKR	36	114	(68)
Market Capitalisation	431,217	910,348	(53)
Price Earnings Ratio (No. of Times)	-	45	(100)



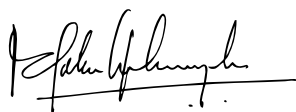
Chairman's Statement

It is a pleasure and a privilege to welcome you to the 45th Annual General Meeting of the Company, and to place before you the Annual Report and the Audited Financial Statements of ASCOT Holdings PLC for the Financial Year ended 31st March 2015.

The year ending March 2015 was a challenging year for the Group in view of the drop in revenue in comparison to the previous year in the construction and the related mining segment during the latter part of the year. The loss of revenue of Rs. 108 Mn and the corresponding GP loss of Rs. 37 Mn had a direct impact on the bottom line. The resulting impairment of Rs.61 Mn on the machinery in the mining segment further contributed to the adverse profitability. However, a revaluation gain of Rs.75 Mn of the Group's Investment property resulted in the Group recording a NPBT of Rs.11.5 Mn. The drop in the company's revenue reflects the general drop in the interest rates in the financial markets.

You will be delighted to learn that your management has been able to gain entry to the leisure segment with two proposed developments in Yala and Ambalangoda. With the successful conclusion of the rights issue, we envisage one of the projects to see commercial operations during the first quarter of the next financial year. As per the expectation of the business community and the public in general, we feel the stability in the political environment with the end of the presidential and parliamentary elections will opportune much better prospects in the current financial year. It is the general view that the construction industry will revert to its pre-election era. Main focus of Amtrad will be process development and cost reduction. With the installation of new machinery at Amtrad in August 2015, the management is confident that it will be capable of delivering a more cost effective, quality enhanced product yielding better margins. ASCOT Development was able to secure a tenant by May 2015 despite of the sudden vacant position created at its building. Going ahead, given the scale of the Company, with a well diverse portfolio in its possession, I'm confident your Company will deliver improved results with steady growth.

In conclusion, I would like to express my gratitude to our shareholders for the confidence placed in the management of the Company, the Staff, the Auditors, my fellow Board Members for their invaluable support, our customers, bankers and other stakeholders for their cooperation.



Mohan Ratnayake

Chairman

13th August 2015

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 LKR 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.

Mr. Upali Mendis

Non-Executive / Independent Director

Mr. Mendis is a Senior Banker and served as the Senior Operations Manager, Abu Dhabi Commercial Bank, UAE 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 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 balance sheet date, the Board comprised of two Executive and four 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	4/4
R A Iriyagolle	ED	3/4
N D Gunaratne	ED	4/4
D J Gunaratne PC	NED/IND	3/4
M D A Weerasooriya	NED/IND	2/4
C P S Bogollagama**	NED/IND	0/4
M T U Mendis	NED/IND	3/4

NED = Non-Executive Director,

ED = Executive Director,

IND = Independent Director

* Chairman

** Ms. C. P. S. Bogollagama, Non Executive Director resigned effective from 30th January 2015.

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 Executive Directors, the Finance Manager and the Chairman. 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 dialog 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.

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 adopted by the Board.

Corporate Governance contd...

Strategic Risk

Strategic risk is the inability of the Company 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.

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 Balance Sheet Date, of the six Directors, four 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 Four 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. M D A Weerasooriya Mr. D J Gunaratne PC Mr. M T U Mendis Ms. C. P. S. Bogollagama (resigned w.e.f 30.01.2015)
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.
7.10.3 (d)	Disclosure relating to Directors	Yes	Disclosed the appointments of new Directors to the Colombo Stock Exchange when it is disclosed to the public. Brief resumes of the Directors appointed during the year have been provided to the Colombo Stock Exchange.
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. M D A Weerasooriya
7.10.5 (a)	One Non-Executive Director shall be appointed as Chairman of the Committee.	Yes	Remuneration Committee is headed by Mr. D J Gunaratne PC 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 31.
7.10.6 (a)	The Audit Committee shall comprise a minimum of two Independent Non-Executive Directors or Non-Executive Directors a majority of whom shall be Independent.	Yes	As at balance sheet date the Audit Committee comprises of two 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 Finance Director 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 2015. 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 Company'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 Company are listed out on pages 14 to 51.

Independent Auditors Report

The Auditors report on the Financial Statements are given on page 13.

Accounting Policies

The Accounting Policies adopted in preparation of Financial Statements are given in note 1.1 to 1.7 to the Financial Statements. There have been changes in the accounting policies adopted by the Group during the year under review.

Directors Interest in Contracts

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 32 to the Financial Statements.

Directors Remuneration and other benefits

Director's remuneration in respect of the Company for the financial year ended 31st March 2015 given in Note 7 of the Financial Statements.

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 in 2015.

	2015	2014
Mr. R A Iriyagolle	150	100
Mr. N D Gunaratne	150	100
Mr. D J Gunaratne PC	1,275	Nil
Mr. R M M J Ratnayake	Nil	Nil
Mr. M D A Weerasooriya	Nil	Nil
Mr. M T U Mendis	Nil	Nil

Ms. C. P. S Bogollagama, Non-Executive Director resigned effective from 30th January 2015.

In terms of Article 83 and 84 of the Articles of Association of the Company Mr. M.T.U. Mendis retires by rotation and being eligible offers himself for re-election.

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

Auditors

The Financial Statements for the year ended 31st March 2015 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.

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 LKR 1,056,720 as audit fees for the year (paid in 2014 – LKR 896,160). In addition LKR 101,454 was provided by the Group for non audit related work (paid in 2014 - LKR 140,000). 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 2015.

Investments

Changes in Property and Equipment

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

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

Capital Commitments

There were no Capital commitments as at the Balance Sheet date.

Stated Capital

Stated Capital for the Company is LKR 140,085,848. There was a Rights Issue for the amount of LKR 49,909,400 during the financial year.

Reserves

Total Group reserves at the Balance Sheet date amounted to Rs. 462,469,312 of which the details are disclosed in the Statement of Changes in Equity.

Events After the Reporting Period

No circumstances have arisen since the balance sheet date which would require adjustments to or disclosure in the Financial Statements, other than those disclosed in Note 35 to the Financial Statements.

Disclosure as per Colombo Stock Exchange Rule No.7.4

Market Share Price	2015	2014
Closing at 31st March	36.00	114.00
Highest during the year	114.50	169.00
Lowest during the year	32.10	93.50

Shareholding

The number of registered shareholders of the Company as at 31st March 2015 was 2,133.

Substantial Shareholdings

The 20 largest shareholders of the Company as at 31st March 2015, together with an analysis is given on page 54.

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.

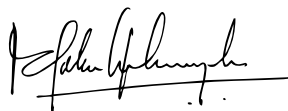
Contingent Liabilities

Contingent Liabilities existing as at the Balance Sheet date are shown in Note 34.

Annual General Meeting

The 45th 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 28th September 2015 at 2.00 p.m.

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



Director



Director



Secretaries

Date: 13th August 2015

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 51, 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 maintains 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.

Compliance Report

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 Balance Sheet date have been paid or where relevant provided for.



By order of the Board
ASCOT Holdings PLC

S S P Corporate Services (Private) Limited Secretaries

13th August 2015

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. M D A Weerasooriya – Independent

* Chairman

The brief profiles of the Directors are given on page 4 to the annual report.

The Remuneration committee, appointed by the Board of Directors consists of two Independent Non-Executive Directors. 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

13th August 2015

Report of the Audit Committee

Composition

The Audit Committee as at date of Balance Sheet comprises of the following Directors,

Mr. R M M J Ratnayake - 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
Mr. M D A Weerasooriya	2/4

* Chairman

The Director Finance & the Finance Manager attend the meetings by invitation.

Role of the Committee

The primary functions of the committee can be summarized as,

- Ensure compliance with the Sri Lankan Accounting Standards 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.

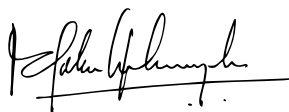
The Audit Committee is satisfied that the independence of the External Auditors has not been influenced by any event that results in a conflict of interest. The fees pertaining to Audit and Non Audit has been reviewed and recommended to the Board.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young, continued as Auditors for the financial year ending 31st March 2016.

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 with the going concern assumption used in the preparation of the Financial Statements is appropriate.



R M M J Ratnayake
Chairman
Audit Committee

13th August 2015



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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 ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("Group"), which comprise the statement of financial position as at 31 March 2015, and the income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by Section 163 (2) of the Companies Act No. 7 of 2007, we state the following:

- a) The basis of opinion, scope and limitations of the audit are as stated above.
- b) In our opinion:
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
 - the financial statements of the Company give a true and fair view of its financial position as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards, and
 - the financial statements of the Company and the Group comply with the requirements of section 151 and 153 of the Companies Act No. 07 of 2007.

13 August 2015
Colombo

Partners: A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W R H Fernando FCA FCMA
W K B S P Fernando FCA FCMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA

A member firm of Ernst & Young Global Limited

Income statement

For the year ended 31 March
In LKR

	Note	Group		Company	
		2015	2014	2015	2014
Revenue	2	233,163,683	347,847,413	21,128,385	29,364,498
Cost of sales		(110,267,759)	(187,904,879)	-	-
Gross profit		122,895,924	159,942,534	21,128,385	29,364,498
Other operating income	3	75,796,383	962,398	347,325	-
Selling & distribution expenses		(9,527,426)	(13,329,146)	(8,235)	(508,512)
Administrative expenses		(59,030,776)	(55,032,747)	(32,279,525)	(31,769,049)
Other operating expenses	4	(66,914,698)	(2,664,521)	(3,161,498)	(359,862)
Results from operating activities		63,219,407	89,878,518	(13,973,548)	(3,272,925)
Finance costs	5	(54,458,518)	(55,456,985)	(7,416)	(4,316,531)
Finance income	6	2,770,223	2,732,952	1,326,184	2,636,817
Profit/(loss) before tax	7	11,531,112	37,154,485	(12,654,780)	(4,952,639)
Tax (expense)/reversal	8	(4,621,655)	(11,138,103)	124,658	1,476,314
Profit/(loss) for the year		6,909,457	26,016,382	(12,530,122)	(3,476,325)
Attributable to :					
Equity holders of the parent		(6,287,010)	20,253,396	(12,530,122)	(3,476,325)
Non-controlling interests		13,196,467	5,762,986	-	-
		6,909,457	26,016,382	(12,530,122)	(3,476,325)
		LKR	LKR		
Earnings/(loss) per share					
Basic	9.1	(0.58)	1.90		
Diluted	9.2	(0.56)	1.90		

Figures in brackets indicate deductions.

The notes as set out in pages 20 to 51 form an integral part of these financial statements.

Statement of comprehensive income

For the year ended 31 March In LKR	Group		Company		
	2015	2014	2015	2014	
Profit/(loss) for the year	6,909,457	26,016,382	(12,530,122)	(3,476,325)	
Other comprehensive income					
Items that will not be reclassified subsequently to income statement:					
Re-measurement gains/(losses) on employee benefit liabilities	25	543,132	94,129	302,732	(52,293)
Income tax effect	8.2	(152,077)	(26,356)	(84,765)	14,642
Total other comprehensive income/(loss) for the year, net of tax		391,055	67,773	217,967	(37,651)
Total comprehensive income/(loss) for the year, net of tax		7,300,512	26,084,155	(12,312,155)	(3,513,976)
Total comprehensive income attributable to :					
Equity holders of the parent		(5,930,573)	20,305,101	(12,312,155)	(3,513,976)
Non-controlling interests		13,231,085	5,779,054	-	-
		7,300,512	26,084,155	(12,312,155)	(3,513,976)

Figures in brackets indicate deductions.

The notes as set out in pages 20 to 51 form an integral part of these financial statements.

Statement of financial position

As at 31 March In LKR	Note	Group		Company	
		2015	2014	2015	2014
ASSETS					
Non-current assets					
Property, plant and equipment	12	94,512,688	162,512,759	5,406,396	106,776
Lease rentals paid in advance	13	29,084,470	29,381,250	-	-
Investment property	14	1,025,000,000	950,000,000	-	-
Investments in subsidiaries	15	-	-	394,803,461	394,803,461
Intangible assets	16	4,356,915	4,356,915	-	-
Other non-current assets	17	5,600,000	5,600,000	-	-
Deferred tax assets	24.2	1,905,131	3,295,228	1,530,850	1,490,956
		1,160,459,204	1,155,146,152	401,740,707	396,401,193
Current assets					
Inventories	18	7,277,604	15,614,890	57,645	64,384
Trade and other receivables	19	24,246,013	43,703,082	782,907	16,457,858
Financial assets-fair value through Profit or loss	20	1,218,468	871,142	1,218,468	871,142
Amounts due from related parties	32.4	223,357	5,098,466	106,724,253	93,672,940
Other current assets	21	6,296,389	15,793,736	513,942	8,973,644
Short-term investments	30	75,754,752	87,702,527	69,426,886	27,666,363
Cash in hand and at bank	30	588,600	9,498,499	320,748	379,074
		115,605,183	178,282,342	179,044,849	148,085,405
Total assets		1,276,064,387	1,333,428,494	580,785,556	544,486,598
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	22	140,085,848	92,399,431	140,085,848	92,399,431
Revenue reserves	23	439,369,312	445,299,884	403,903,827	416,215,982
Other components of equity	23	23,100,000	23,100,000	23,100,000	23,100,000
		602,555,160	560,799,315	567,089,675	531,715,413
Non-controlling interests		80,671,765	68,033,197	-	-
Total equity		683,226,925	628,832,512	567,089,675	531,715,413
Non-current liabilities					
Deferred tax liabilities	24.1	102,546,252	101,247,268	-	-
Employee benefit liabilities	25	7,164,743	6,890,604	5,405,493	4,558,916
Interest bearing borrowings	26	351,763,813	426,607,346	-	-
		461,474,808	534,745,218	5,405,493	4,558,916
Current liabilities					
Trade and other payables	27	8,734,592	9,764,969	902,730	902,730
Amounts due to related parties	32.5	7,318,590	24,457,144	-	3,474
Income tax liabilities	28	1,021,128	2,840,878	32,228	1,708,027
Current portion of interest bearing borrowings	26	76,722,607	15,306,620	-	-
Other current liabilities	29	19,639,991	97,317,555	4,528,995	1,514,048
Bank overdrafts	30	17,925,746	20,163,598	2,826,435	4,083,990
		131,362,654	169,850,764	8,290,388	8,212,269
Total equity and liabilities		1,276,064,387	1,333,428,494	580,785,556	544,486,598

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


A R Samarasekara
 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 M J Ratnayake
 Chairman


N D Gunaratne
 Finance Director

The notes as set out in pages 20 to 51 form an integral part of these financial statements.

13 August 2015
 Colombo.

Statement of changes in equity

Group In LKR	Stated capital	Other Components of equity	Revenue reserves	Total Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
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
Profit/(Loss) for the year	-	-	(6,287,010)	(6,287,010)	13,196,467	6,909,457
Other comprehensive income/(loss)	-	-	356,438	356,438	34,618	391,056
Dividend paid	-	-	-	-	(592,517)	(592,517)
Rights issue	49,909,400	-	-	49,909,400	-	49,909,400
Direct costs on rights issue	(2,222,983)	-	-	(2,222,983)	-	(2,222,983)
As at 31 March 2015	140,085,848	23,100,000	439,369,312	602,555,160	80,671,765	683,226,925

Figures in brackets indicate deductions.

The notes as set out in pages 20 to 51 form an integral part of these financial statements.

Statement of changes in equity

Company In LKR	Stated capital	Other components of equity	Revenue reserves	Total equity
As at 31 March 2013	92,399,431	23,100,000	419,729,958	535,229,389
Profit 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
Loss for the year	-	-	(12,530,122)	(12,530,122)
Other comprehensive income/(loss)	-	-	217,967	217,967
Rights issue	49,909,400	-	-	49,909,400
Direct costs on rights issue	(2,222,983)	-	-	(2,222,983)
As at 31 March 2015	140,085,848	23,100,000	403,903,827	567,089,675

Figures in brackets indicate deductions.

The notes as set out in pages 20 to 51 form an integral part of these financial statements.

Cash flow statement

For the year ended 31 March
In LKR

	Note	Group		Company	
		2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax		11,531,112	37,154,485	(12,654,780)	(4,952,639)
ADJUSTMENTS FOR:					
Depreciation of property, plant and equipment	12	16,041,901	15,770,812	322,615	145,299
Interest income	6	(2,770,223)	(2,732,952)	(1,326,184)	(2,636,817)
Dividend income	2	(38,141)	(41,313)	-	-
(Gain)/loss on disposal of property, plant and equipment	3	-	(181,205)	-	-
Finance costs	5	54,458,518	55,456,985	7,416	4,316,531
Gratuity provision and related costs		1,445,271	1,491,749	1,149,308	1,027,054
Provision for impairment of receivables	19.2	446,411	362,000	-	-
Provision for impairment	12.1.2	61,641,216	-	-	-
Amortisation of lease rental paid in advance	13	296,780	-	-	-
Increase in investment properties	14	(75,000,000)	-	-	-
(Appreciation)/Depreciation in fair value of FVTP&L	3/4	(347,325)	342,012	(347,325)	342,012
Profit before working capital changes		67,705,520	107,622,573	(12,848,950)	(1,758,560)
(Increase) / Decrease in inventories		8,337,286	(4,081,010)	6,739	(64,385)
(Increase) / Decrease in trade and other receivables		19,010,658	(15,831,799)	15,674,951	1,240,525
(Increase) / Decrease in amounts due from related parties		4,875,109	1,309,224	(13,051,313)	83,433,711
(Increase) / Decrease in other current assets		7,821,548	(3,059,784)	6,783,902	347,165
Increase / (Decrease) in trade and other payables		(1,030,379)	1,176,756	-	27,490
Increase / (Decrease) in amounts due to related parties		(17,138,554)	15,079,644	(3,474)	(9,374,026)
Increase / (Decrease) in other current liabilities		(81,240,955)	(4,714,815)	3,014,947	486,196
Cash generated from (used in) operations		8,340,233	97,500,789	(423,198)	74,338,116
Interest received	6	2,770,223	2,732,952	1,326,184	2,636,817
Finance expenses paid		(50,895,126)	(55,456,985)	(7,416)	(4,316,531)
Tax paid		(2,228,602)	(137,070)	-	-
Gratuity paid/transfers	25	(628,000)	(1,928,840)	-	(157,500)
Net cash flow from (used in) operating activities		(42,641,272)	42,710,846	895,570	72,500,902
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Purchase and construction of property, plant and equipment	12	(9,683,046)	(2,810,450)	(5,622,235)	(5,970)
Investment in subsidiaries	15.2	-	-	-	(58,126,196)
Lease rentals paid in advance	13	-	(29,381,250)	-	-
Dividend received	2	38,141	41,313	-	-
Proceeds from disposal of property plant & equipment		-	667,315	-	-
Net cash flow from/(used in) investing activities		(9,644,905)	(31,483,072)	(5,622,235)	(58,132,166)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Net loan from related parties		-	(18,574,711)	-	(18,574,711)
Settlement of bills payables		-	(7,279,273)	-	-
Settlement of other short-term loans		-	(994,347)	-	-
Proceeds from bank loan		-	400,000,000	-	-
Proceeds from exercise of rights issue	22	49,909,400	-	49,909,400	-
Dividend paid to NCI		(592,516)	-	-	-
Direct costs on rights issue	22	(2,222,983)	-	(2,222,983)	-
Repayment of bank loan	26.1	(7,749,808)	(303,034,462)	-	-
Repayment of finance lease	26.1	(5,677,738)	(5,249,218)	-	-
Net cash flow from/(used in) financing activities		33,666,355	64,867,989	47,686,417	(18,574,711)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		(18,619,822)	76,095,763	42,959,752	(4,205,975)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		77,037,428	941,665	23,961,447	28,167,422
CASH AND CASH EQUIVALENTS AT THE END		58,417,606	77,037,428	66,921,199	23,961,447
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favorable balances					
Cash in hand and at bank	30	588,600	9,498,499	320,748	379,074
Short-term investments	30	75,754,752	87,702,527	69,426,886	27,666,363
Unfavorable balances					
Bank overdrafts	30	(17,925,746)	(20,163,598)	(2,826,435)	(4,083,990)
Total cash and cash equivalents		58,417,606	77,037,428	66,921,199	23,961,447

Figures in brackets indicate deductions.

The notes as set out in pages 20 to 51 form an integral part of these financial statements.

ASCOT Holdings PLC

Notes to the financial statements

1.1 CORPORATE INFORMATION

1.1.1 Reporting entity

ASCOT Holdings PLC is a public (limited) liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The registered office and principal place of business of the Company is located at No. 410/ 115, Bauddhaloka Mawatha, Colombo 07.

1.1.2 Consolidated financial statements

The consolidated financial statements of ASCOT Holdings PLC for the year ended 31 March 2015 encompass the Company and its subsidiaries ("Group").

1.1.3 Nature of operations and principal activities of the Company and the Group

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.

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, 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.

Further, the Company holds 100% in the ASCOT Yala (Private) Limited, ASCOT Leisure (Private) Limited & ASCOT Ambalangoda (Private) Limited which are in the business of hoteliering. However, these companies were only incorporated and no business operations were commenced any as of 31st March 2015.

1.1.4 Approval of financial statements

The financial statements of ASCOT Holdings PLC ("Company"), and the consolidated financial statements of the Company and its subsidiaries ("Group") for the year ended 31 March 2015 were authorised for issue by the Board of Directors on 13 August 2015.

1.2 BASIS OF PREPARATION

1.2.1 Statement of compliance

The financial statements of the Company and the consolidated financial statements of the Group, 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.

1.2.2 Basis of measurement

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

1.2.3 Presentation and functional currency

The financial statements have been prepared and are presented in Sri Lankan Rupees (LKR), 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.

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2015. The financial statements of the subsidiaries are prepared in compliance with the Group's accounting policies unless otherwise stated.

1.3.1 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or rights to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

ASCOT Holdings PLC

Notes to the financial statements contd...

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

1.3.2 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.3.3 Materiality and aggregation

Each material class of similar items is presented separately in the financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

These accounting policies have been applied consistently by Group entities.

1.4.1 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in income statement. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of LKAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of LKAS 39, it is measured in accordance with the appropriate SLFRS/LKAS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

1.4.2 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

ASCOT Holdings PLC

Notes to the financial statements contd...

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current. A liability is current when:
- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.4.3 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Quantitative disclosures of fair value measurement hierarchy – Note 10.3
- Investment properties – Note 14

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.4.4 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. 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 is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment transferred from customers is initially measured at fair value at the date on which control is obtained.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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

ASCOT Holdings PLC

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An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work in progress includes the cost incurred, attributable on the construction of the fixed assets that are not ready for the intended use and are capitalised when ever ready for use.

1.4.5 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

1.4.5.1 Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

1.4.5.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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, 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, 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.

1.4.7 Financial instruments – Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.4.7.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

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- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

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. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by LKAS 39. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as other operating expenses (negative net changes in fair value) or other operating income (positive net changes in fair value) in the income statement.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Loans and receivables

This category is the most relevant to the Group. 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 (EIR) method, 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 in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the 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 as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs. The Group did not have any held-to-maturity investments during the years ended 31 March 2015 and 2014.

AFS financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement. The Group did not have any available for sale investments during the years ended 31 March 2015 and 2014.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred '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,

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default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating 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 impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group 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.

The amount of any impairment loss identified is measured as the difference between the asset's 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 loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans 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 write-off is later recovered, the recovery is credited to income statement.

1.4.7.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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 as finance costs in the income statement.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

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

1.4.8 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Weighted average directly attributable cost
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.4.9 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Property, plant and equipment - Note 12
- Intangible assets (goodwill) - Note 16

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment on inventories is recognised in the income statement in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and as when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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1.4.10 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.4.11 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.4.12 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 of 12% and to the employees' trust fund of 3% respectively, which are externally funded.

1.4.13 Defined benefit obligation - Gratuity

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

Remeasurements are not reclassified to income statement in subsequent periods.

The liability is not externally funded.

1.4.14 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the

fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Interest income

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

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties is accounted on an accrual basis on the fair value of the consideration received or receivable in the ordinary course of business.

Turnover based taxes

Turnover based taxes include value added tax and nation building tax.

The Group pays such taxes in accordance with the respective statutes.

1.4.15 Expenses

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.

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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 Company’s performance.

Finance income and finance costs

Finance income comprises interest income on funds invested.

Finance costs comprise interest expense on borrowings, which are recognised in the income statement.

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.

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.

1.4.16 Tax

1.4.16.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

1.4.16.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing

of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 the deferred taxes relate to the same taxable entity and the same taxation authority.

1.5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

1.5.1 SLFRS 10 - Consolidated financial statements

New and amended standards and interpretations

The Group applied, for the first time, certain standards and amendments.

These include SLFRS 10 consolidated financial statements, SLFRS 13 Fair Value Measurement and amendments to LKAS 1 Presentation of Financial Statements. In addition, the application of SLFRS 12 Disclosure of Interests in Other Entities resulted in additional disclosures in the Consolidated Financial Statements.

With the adoption of SLFRS 10 in Sri Lanka with effect from 1st January 2014, the Group changed its accounting policy for determining whether an investee is a subsidiary based on the definition of control. The Group considers that control exists when the Company has power over an investee; has exposure or rights to variable returns from its involvement with the investee and when it has ability to use its power over the investee to affect the amount of the Company’s returns.

With the adoption of SLFRS 10, the Group reassessed the control conclusion for its investees and the application of this standard did not result in any significant changes to the consolidation of the Group results.

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1.5.2 SLFRS 12 - Disclosure of interests in other entities

SLFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in SLFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries. For example, where a subsidiary is controlled with less than a majority of voting rights. While the Group has subsidiaries with material non-controlling interests, there are no unconsolidated structured entities. The SLFRS 12 disclosure provided in Note 31 to the financial statements.

1.5.3 SLFRS 13 - Fair value measurement

SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements.

SLFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS.

SLFRS 13 defines fair value as an exit price. As a result of the guidance in SLFRS 13, the Group re-assessed its policies for measuring fair values. Application of SLFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

1.5.4 LKAS 1 Presentation of items of other comprehensive income - Amendments to LKAS 1

The amendments to LKAS 1 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ('recycled') to income statement at a future point in time (e.g., net loss or gain on AFS financial assets) have to be presented separately from items that will not be reclassified (e.g., revaluation of land).

The amendments affect presentation only and have no impact on the Group's financial position or performance.

1.5.5 Comparative information

The presentation and classification of the financial statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year. Please refer note 33 to the financial statements.

1.6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying

disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

1.6.1 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future.

Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

1.6.2 Taxation

Uncertainties exist with respect to the interpretation of complex tax regulation, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and the 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. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

Deferred tax assets are recognised for 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 judgement is required to determine the amount of deferred tax assets that can be recognised, based on upon the likely timing and the level of future taxable profits together as with future tax planning strategies.

1.6.3 Measurement of the recoverable amount of cash-generating units containing goodwill

The Group tests annually, whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 1.4.1.

The basis of determining the recoverable amounts of cash generating units and key assumptions used are given in note 16 to the financial statements.

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1.6.4 Measurement of the defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on the projected unit credit method using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 25 to the financial statements. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

1.6.5 Impairment of property, plant and equipment and intangible assets other than goodwill

The 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.

1.6.6 Revaluation of investment property

The Group measures investment property at fair value, with changes in fair value being recognised in the income statement. The Group engaged independent valuation experts to determine fair value of investment property as at 31 March 2015.

The valuer has used valuation techniques such as investment approach and by the contractors' method to arrive at the fair value. These methods involved minimal available comparable market data since the unique nature of the property.

The determination of the fair value of investment property, using investment method, is 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 14 to the financial statements.

1.7 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

Pending the completion of detailed review, the financial impact is not reasonably estimable at the date of the publication of these 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.

SLFRS 14 is effective for annual periods beginning on or after 01 January 2018.

- SLFRS 14 Regulatory deferral accounts The scope of this standard is limited to first-time adopters of SLFRS that already recognise regulatory deferral account balances in their financial statements. Consequently, the financial statements of regulated entities that already apply SLFRS, or that do not otherwise recognise such balances, will not be affected by this standard.

SLFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing SLFRS preparer, this standard would not apply.

- SLFRS 15 -Revenue from contracts with customers

SLFRS 15 establishes a comprehensive framework for determining whether, how and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. This standard is effective for the annual periods beginning on or after 01 January 2018.

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For the year ended 31 March
In LKR

2 REVENUE

	Group		Company	
	2015	2014	2015	2014
Interest income on loans to subsidiaries	-	-	18,421,311	23,323,185
Fee income on rendering of services	-	6,000,000	-	6,000,000
Rental income derived from investment property	102,962,880	102,962,880	-	-
Sale of stone chips	31,200,238	117,920,952	-	-
Sale of paving blocks	98,962,424	120,922,268	-	-
Dividend income	38,141	41,313	2,707,074	41,313
	233,163,683	347,847,413	21,128,385	29,364,498

3 OTHER OPERATING INCOME

Net gain on financial instruments at fair value through profit or loss	347,325	-	347,325	-
Change in fair value of investment property	75,000,000	-	-	-
Net gain on disposal of property, plant & equipment	-	181,205	-	-
Sundry income/scrap sales	449,058	781,193	-	-
	75,796,383	962,398	347,325	-

4 OTHER OPERATING EXPENSES

Net loss on financial instruments at fair value through profit or loss	-	342,012	-	342,012
Bank charges	123,674	263,259	70,947	17,850
Provision for impairment	61,641,216	-	-	-
Indirect taxes	5,149,808	2,059,250	3,090,551	-
	66,914,698	2,664,521	3,161,498	359,862

5 FINANCE COSTS

Interest on a loan from an affiliate	-	3,860,165	4,098	3,860,165
Bank overdraft interest	2,049,527	2,797,795	3,318	456,366
Interest on bank loans	48,653,148	42,603,442	-	-
Finance lease interest	3,755,843	6,195,583	-	-
	54,458,518	55,456,985	7,416	4,316,531

6 FINANCE INCOME

Interest income on short-term investments	2,770,223	2,732,952	1,326,184	2,636,817
	2,770,223	2,732,952	1,326,184	2,636,817

7 PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is stated after charging all expenses including the following:

Directors' emoluments	21,812,500	24,944,754	17,812,500	20,144,754
Auditors' fees				
- Ernst & Young	1,056,720	896,160	423,360	350,000
Non-audit services	101,454	140,000	41,244	-
Staff cost				
- Defined benefit plan cost	1,518,959	1,491,750	1,149,309	1,027,053
- Defined contribution plan cost - EPF & ETF	3,197,037	3,483,960	2,539,587	2,546,873
- Other staff cost (excluding defined contributions and defined benefits)	18,475,330	21,313,615	3,130,583	3,331,729
Depreciation of property, plant & equipment	13,541,901	13,270,812	322,614	145,300
Impairment of property, plant and equipment	61,641,216	-	-	-
Impairment for trade receivables	446,411	362,000	-	-

ASCOT Holdings PLC

Notes to the financial statements contd...

For the year ended 31 March
In LKR

	Note	Group		Company	
		2015	2014	2015	2014
8 TAX EXPENSE					
Current income tax:					
Current income tax charge	8.1	1,176,002	1,269,921	-	-
Under provision in respect of current income tax of previous year		612,101	-	-	-
Deferred tax:					
Relating to origination and reversal of temporary differences	8.2	2,537,004	9,868,182	(124,658)	(1,476,314)
Income tax on intercompany dividend		296,548	-	-	-
Income tax expense reported in the income statement		4,621,655	11,138,103	(124,658)	(1,476,314)
8.1 Reconciliation between tax expense and the accounting profit					
Profit/(loss) before tax		15,221,584	37,154,485	(12,654,780)	(4,952,639)
Disallowable expenses		98,376,777	24,147,590	4,570,709	2,510,595
Allowable expenses including capital allowance claimed		(133,644,802)	(63,760,504)	(3,894,096)	(6,054,419)
Income not liable for income tax		24,464,726	9,808,639	-	-
Utilization of tax losses		(886,502)	(2,178,558)	-	-
Taxable profit/(loss) for the year		3,531,783	5,171,652	(11,978,167)	(8,496,463)
Income tax charged at					
Standard rate 28%		988,900	1,132,851	-	-
Other concessionary rate		187,102	137,070	-	-
Charge for the year		1,176,002	1,269,921	-	-
Deferred tax charge/(reversal)		2,537,004	9,868,182	(124,658)	(1,476,314)
Under provision in respect of current income tax of previous year		612,101	-	-	-
Income tax on intercompany dividend		296,548	-	-	-
Income tax expense reported in the income statement		4,621,655	11,138,103	(124,658)	(1,476,314)
8.2 Deferred tax expense/(reversal)					
Income statement					
Deferred tax expense arising from:					
Accelerated depreciation for tax purposes		2,424,227	13,143,786	197,150	(214,460)
Retirement benefit obligations		103,471	(2,017,063)	(321,808)	(1,261,854)
Carried forward tax losses		9,306	(1,258,541)	-	-
Deferred tax charge/(reversal)		2,537,004	9,868,182	(124,658)	(1,476,314)
Other comprehensive income					
Deferred tax relating to re-measurement gains/(losses) on employee benefit liabilities		152,077	26,356	84,765	(14,642)
8.3 Tax losses carried forward					
Tax losses brought forward		384,413,255	376,783,174	322,230,688	313,734,225
Tax losses for the year		24,464,726	9,808,639	11,978,167	8,496,463
Adjustments on finalisation of liability		65,069,134	-	(4,192,099)	-
Utilisation for the year		(1,390,239)	(2,178,558)	-	-
Tax losses carried forward		472,556,876	384,413,255	330,016,756	322,230,688
8.4 Applicable rates of income tax					
Resident companies in the Group, excluding the Company which enjoys a concessionary rate of taxation, were liable to income tax at 28% during year of assessment 2014/15 (Y/A 2013/14 - 28%).					

ASCOT Holdings PLC

Notes to the financial statements contd...

8 TAX EXPENSE (contd...)

8.5 Concessions granted under the Board of Investment Law

Company	Nature	Period	Concessionary Tax Rates
ASCOT Development (Pvt) Ltd	Commercial property development	01 April 2012 - 31 March 2014 Starting from 01 April 2014	10% 20%

9 EARNINGS/(LOSS) PER SHARE

9.1 Basic earnings/(loss) per share

Profit/(loss) attributable to equity holders of the parent
Weighted average number of ordinary shares

	Group	
	2015	2014*
	(6,287,010)	20,253,396
	10,796,840	10,647,340

Basic earnings/(loss) per share

	(0.58)	1.90
--	---------------	------

9.2 Diluted earnings/(loss) per share

Profit/(loss) attributable to equity holders of the parent
Adjusted weighted average number of ordinary shares

	(6,287,010)	20,253,396
	11,256,880	10,647,340

Diluted earnings/(loss) per share

	(0.56)	1.90
--	---------------	------

9.3 Amounts used as denominator

Ordinary shares at the beginning of the year
Bonus element on rights issue
Effect of right issue exercised
Weighted average number of ordinary shares in issue before dilution
Number of shares outstanding under the warrants
Number of shares that would have been issued at fair value
Adjusted weighted average number of ordinary shares

	7,985,505	7,985,505
	2,297,200	2,661,835
	514,135	-
	10,796,840	10,647,340
	998,188	-
	(538,148)	-
	11,256,880	10,647,340

* 2014, basic earnings per share is restated for rights issue

ASCOT Holdings PLC

Notes to the financial statements contd...

10 FINANCIAL INSTRUMENTS

10.1 Financial Assets and Liabilities by Categories - Group

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 LKR

Financial instruments in current assets

	FVTP&L		Loans and Receivables	
	2015	2014	2015	2014
Trade & other receivables	-	-	24,246,013	43,703,082
Financial assets - FVTP&L	1,218,468	871,142	-	-
Amounts due from related parties	-	-	223,357	5,098,466
Short term investments	-	-	75,754,752	87,702,527
Cash in hand & at bank	-	-	588,600	9,498,499
Total	1,218,468	871,142	100,812,722	146,002,574

Financial liabilities by categories

As at 31 March

In LKR

Financial Instruments in Non-Current Liabilities

	Financial liabilities measured at amortised cost	
	2015	2014
Interest bearing borrowings	351,763,813	426,607,346

Financial Instruments in Current Liabilities

	Financial liabilities measured at amortised cost	
	2015	2014
Trade & other payables	8,734,591	9,764,969
Amounts due to related parties	7,318,590	24,457,144
Interest bearing borrowings	76,722,606	15,306,620
Bank overdrafts	17,925,746	20,163,598
Total	462,465,346	496,299,677

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.

The management also assessed its interest bearing borrowings and since they are approximate to the floating market interest rates and considered no significantly variable from fair value.

10.2 Financial Assets and Liabilities by Categories - Company

Financial assets by categories

As at 31 March

In LKR

Financial instruments in current assets

	FVTP&L		Loans and Receivables	
	2015	2014	2015	2014
Trade & other receivables	-	-	782,907	16,457,858
Financial assets - FVTP&L	1,218,468	871,142	-	-
Amounts due from related parties	-	-	106,724,253	93,672,940
Short term investments	-	-	69,426,886	27,666,363
Cash in hand & at bank	-	-	320,748	379,074
Total	1,218,468	871,142	177,254,794	138,176,235

Financial liabilities by categories

As at 31 March

In LKR

Financial Instruments in Current Liabilities

	Financial liabilities measured at amortised cost	
	2015	2014
Trade & other payables	902,730	902,730
Amounts due to related parties	-	3,474
Bank overdrafts	2,826,435	4,083,990
Total	3,729,165	4,990,194

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 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...

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.

10.3.1	Group	Total	Level 1	Level 2	Level 3
	Assets measured at fair value				
	Investment property				
	Commercial property- Land and Building (Note 14)	1,025,000,000	-	-	1,025,000,000
	Financial assets at fair value through profit or loss				
	Quoted equity shares (Note 20)	1,218,468	1,218,468	-	-
10.3.1	Company	Total	Level 1	Level 2	Level 3
	Assets measured at fair value				
	Financial assets at fair value through profit or loss				
	Quoted equity shares (Note 20)	1,218,468	1,218,468	-	-

During the reporting period ended 31 March 2015, there were no transfers between Level 1 and Level 2 fair value measurements.

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...

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		2015						
	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
As at 31 March								
In LKR								
Trade & other receivables	11.1.1.1	-	-	24,246,013	-	-	24,246,013	24%
Amounts due from related parties	11.1.1.2	-	-	-	-	223,357	223,357	0%
Fair value through profit & loss	11.1.1.4	-	1,218,468	-	-	-	1,218,468	1%
Short term investments	11.1.1.3	-	-	-	75,754,752	-	75,754,752	74%
Cash in hand and at bank	11.1.1.3	588,600	-	-	-	-	588,600	1%
Total credit risk exposure		588,600	1,218,468	24,246,013	75,754,752	223,357	102,031,190	100%

Group		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
As at 31 March								
In LKR								
Trade & other receivables	11.1.1.1	-	-	43,703,082	-	-	43,703,082	30%
Amounts due from related parties	11.1.1.2	-	-	-	-	5,098,466	5,098,466	3%
Fair value through profit & loss	11.1.1.4	-	871,142	-	-	-	871,142	1%
Short term investments	11.1.1.3	-	-	-	87,702,527	-	87,702,527	60%
Cash in hand and at bank	11.1.1.3	9,498,499	-	-	-	-	9,498,499	6%
Total credit risk exposure		9,498,499	871,142	43,703,082	87,702,527	5,098,466	146,873,716	100%

Company		2015						
	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
As at 31 March								
In LKR								
Trade & other receivables	11.1.1.1	-	-	782,907	-	-	782,907	0%
Amounts due from related parties	11.1.1.2	-	-	-	-	106,724,253	106,724,253	60%
Fair value through profit & loss	11.1.1.4	-	1,218,468	-	-	-	1,218,468	1%
Short term investments	11.1.1.3	-	-	-	69,426,886	-	69,426,886	39%
Cash in hand and at bank	11.1.1.3	320,748	-	-	-	-	320,748	0%
Total credit risk exposure		320,748	1,218,468	782,907	69,426,886	106,724,253	178,473,262	100%

Company		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
As at 31 March								
In LKR								
Trade & other receivables	11.1.1.1	-	-	16,457,858	-	-	16,457,858	12%
Amounts due from related parties	11.1.1.2	-	-	-	-	93,672,940	93,672,940	67%
Fair value through profit & loss	11.1.1.4	-	871,142	-	-	-	871,142	1%
Short term investments	11.1.1.3	-	-	-	27,666,363	-	27,666,363	20%
Cash in hand and at bank	11.1.1.3	379,074	-	-	-	-	379,074	0%
Total credit risk exposure		379,074	871,142	16,457,858	27,666,363	93,672,940	139,047,377	100%

ASCOT Holdings PLC

Notes to the financial statements contd...

11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

11.1.1.1 Trade receivables As at 31 March In LKR	Group		Company	
	2015	2014	2015	2014
Neither past due nor impaired	7,991,255	9,393,246	-	-
Past due but not impaired				
30–60 days	1,492,192	1,648,184	-	-
61–90 days	89,700	398,838	-	-
91–180 days	1,271,047	7,210,217	-	-
> 181 days	8,371,205	3,678,014	-	-
Impaired	808,411	362,000	-	-
Gross carrying value	20,023,810	22,690,499	-	-
Less: impairment provision				
Individually assessed impairment provision	(808,411)	(362,000)	-	-
Total	19,215,399	22,328,499	-	-

The requirement for an 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 Amounts due from related parties

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

11.1.1.3 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.

11.1.1.4 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 Company'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.

11.2.1 Net (debt)/cash As at 31 March In LKR	Group		Company	
	2015	2014	2015	2014
Cash in hand and at bank	588,600	9,498,499	320,748	379,074
Short term investments - less than three months	75,754,752	87,702,527	69,426,886	27,666,363
Liquid Assets	76,343,352	97,201,026	69,747,634	28,045,437
Bank overdrafts	17,925,746	20,163,598	2,826,435	4,083,990
Liquid Liabilities	17,925,746	20,163,598	2,826,435	4,083,990
(Net debt) Cash	58,417,606	77,037,428	66,921,199	23,961,447

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.

ASCOT Holdings PLC

Notes to the financial statements contd...

11.2.2 Liquidity risk management (Contd...)

Maturity analysis

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

Group	2015						Total
	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	More than 5 years	
As at 31 March							
In LKR							
Interest bearing borrowings	119,233,663	121,296,132	114,091,030	100,857,676	91,769,886	-	547,248,387
Trade and other payables	8,734,591	-	-	-	-	-	8,734,591
Amounts due to related parties	7,318,590	-	-	-	-	-	7,318,590
Bank overdrafts	17,925,746	-	-	-	-	-	17,925,746
Total	153,212,590	121,296,132	114,091,030	100,857,676	91,769,886	-	581,227,314

As at 31 March	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	
In LKR							
Interest bearing borrowings	65,568,061	117,471,100	114,143,035	113,646,604	108,109,780	91,769,872	610,708,452
Trade and other payables	9,764,969	-	-	-	-	-	9,764,969
Amounts due to related parties	24,457,144	-	-	-	-	-	24,457,144
Bank overdrafts	20,163,598	-	-	-	-	-	20,163,598
Total	119,953,772	117,471,100	114,143,035	113,646,604	108,109,780	91,769,872	665,094,163

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

Company	2015						Total
	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	More than 5 years	
As at 31 March							
In LKR							
Trade and other payables	902,730	-	-	-	-	-	902,730
Amounts due to related parties	-	-	-	-	-	-	-
Bank overdrafts	2,826,435	-	-	-	-	-	2,826,435
Total	3,729,165	-	-	-	-	-	3,729,165

As at 31 March	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	
In LKR							
Trade and other payables	902,730	-	-	-	-	-	902,730
Amounts due to related parties	3,474	-	-	-	-	-	3,474
Bank overdrafts	4,083,990	-	-	-	-	-	4,083,990
Total	4,990,194	-	-	-	-	-	4,990,194

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 Company's long-term debt obligations with floating interest rates.

ASCOT Holdings PLC

Notes to the financial statements contd...

2015	Group		Company	
	Increase/ (decrease) in basis points	Effect on profit before tax (LKR)	Increase/ (decrease) in basis points	Effect on profit before tax (LKR)
	125	5,141,710	125	-
	-125	(5,141,710)	-125	-

11.3.2 Equity price risk

The Company'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 LKR		Group		Company	
		2015	2014	2015	2014
Interest bearing borrowings	A	428,486,419	441,913,966	-	-
Stated capital and reserves	B	602,555,160	560,799,315	567,089,675	531,715,413
Non-controlling interest	C	80,671,765	68,033,197	-	-
Total equity	D = B + C	683,226,925	628,832,512	567,089,675	531,715,413
Debt/Equity * 100	E = A/D	63%	70%	0.00%	0.00%

12 PROPERTY, PLANT AND EQUIPMENT

12.1 Group

As at 31 March In LKR	Land & building	Plant & Machinery	Tools, furniture & office equipment	Motor Vehicles	Capital work in progress	Total 2015	Total 2014
Cost							
Freehold assets							
At the beginning of the year	83,203,863	72,552,801	8,015,448	17,148,500	-	180,920,612	178,735,922
Additions	-	-	322,235	7,125,962	2,234,849	9,683,046	3,470,450
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(625,760)
Adjustments	-	-	-	-	-	-	(660,000)
At the end of the year	83,203,863	72,552,801	8,337,683	24,274,462	2,234,849	190,603,658	180,920,612
Leasehold assets							
At the beginning of the year	-	25,000,000	-	-	-	25,000,000	25,000,000
Additions	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
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	8,337,683	24,274,462	2,234,849	215,603,658	205,920,612
Accumulated depreciation and impairment							
Freehold assets							
At the beginning of the year	1,437,500	18,992,344	7,592,009	12,886,000	-	40,907,853	27,776,690
Charge for the year	1,150,000	10,351,977	239,685	1,800,239	-	13,541,901	13,270,812
Disposals	-	-	-	-	-	-	(139,649)
Impairment*	-	47,952,106	-	-	-	47,952,106	-
Adjustments	-	-	-	-	-	-	-
At the end of the year	2,587,500	77,296,427	7,831,694	14,686,239	-	102,401,860	40,907,853
Leasehold assets							
At the beginning of the year	-	2,500,000	-	-	-	2,500,000	-
Charge for the year	-	2,500,000	-	-	-	2,500,000	2,500,000
Disposals	-	-	-	-	-	-	-
Impairment*	-	13,689,110	-	-	-	13,689,110	-
At the end of the year	-	18,689,110	-	-	-	18,689,110	2,500,000
Total depreciation	2,587,500	95,985,537	7,831,694	14,686,239	-	121,090,970	43,407,853
Carrying value							
As at 31 March 2015	80,616,363	1,567,264	505,989	9,588,223	2,234,849	94,512,688	
As at 31 March 2014	81,766,363	76,060,457	423,439	4,262,500	-	162,512,759	

ASCOT Holdings PLC

Notes to the financial statements contd...

12.1.1 Land & buildings

Land and buildings with a carrying amount of LKR 32 Mn (2014 - LKR 32 Mn) are subject to a first charge to secure one of the Group's Bank loan.

The extent of the land and square feet of buildings owned by the Group are mentioned below;

Ownership	Location	Extent (in perch)	Buildings (in sq.ft)
Amtrad Limited	Kal-eliya, Veyangoda	748.59	54,398

12.1.2 Plant & machinery

*In 2015, the impairment loss of LKR 61,641,216 represented the write-down of certain plant and machinery in the mining segment to the recoverable amount as a result of obsolescence. This was recognised in the income statement as other operating expenses. The recoverable amount of LKR 20,000,000 as at 31 March 2015 was based on fair value less cost to sell of disposal. This fair value of was determined based on the independent valuer's valuation.

Plant and machinery with a carrying amount of LKR 9.3 Mn (2014 - LKR 10.5 Mn) are subject to a first charge to secure one of the Group's Bank loan.

12.1.3 Fully depreciated assets

Property, plant and equipment includes fully depreciated assets having a gross carrying amount of LKR 18,265,208/- (2014 - LKR 17,894,850/-).

12.2 Company As at 31 March In LKR	Furniture, Fitting & office equipment	Motor Vehicles	Total 2015	Total 2014
Cost				
At the beginning of the year	6,508,822	10,948,500	17,457,322	17,451,352
Additions	322,235	5,300,000	5,622,235	5,970
At the end of the year	6,831,057	16,248,500	23,079,557	17,457,322
Accumulated depreciation				
At the beginning of the year	6,402,047	10,948,500	17,350,547	17,205,247
Charge for the year	110,416	212,198	322,614	145,299
At the end of the year	6,512,463	11,160,698	17,673,161	17,350,546
Carrying value				
As at 31 March 2015	318,594	5,087,802	5,406,396	
As at 31 March 2014	106,776	-	106,776	

12.2.1 Fully depreciated assets

Property, plant and equipment includes fully depreciated assets having a gross carrying amount of LKR 17,455,333/- (2014 - LKR 17,142,965/-)

13 LEASE RENTALS PAID IN ADVANCE As at 31 March In LKR	Group	
	2015	2014
At the beginning of the year	29,381,250	-
Addition for the year	-	29,381,250
Amortisation for the year	(296,780)	-
At the end of the year	29,084,470	29,381,250

Prepaid lease rentals paid to acquire land use rights have been classified as lease rentals paid in advance and are amortised over the lease term.

Property As at 31st March	Land extent (in acres)	Lease period	Amount	
			2015	2014
13.1 Details of lease rentals paid in advance ASCOT Leisure (Pvt) Ltd Yala (Palatupana) wild life tourism zone	7.00	99 years from 13-05-2014	29,084,470	29,381,250

ASCOT Holdings PLC

Notes to the financial statements contd...

14	INVESTMENT PROPERTY	Group	
		2015	2014
	At the beginning of the year	950,000,000	950,000,000
	Additions / transfers	-	-
	Change in fair value during the year	75,000,000	-
	Impairment/derecognition	-	-
	At the end of the year	<u>1,025,000,000</u>	<u>950,000,000</u>

14.1 The details of investment property of the group is disclosed below.

The Group's investment property consist of a commercial property situated in T.B Jayah Mawatha, Colombo 10.

As at 31 March 2015 and 2014, the fair values of the property is based on valuation performed by Messrs. K.T.D Tissera (Chartered valuation surveyor), an accredited independent valuer. Messrs. K.T.D Tissera is a specialist in valuing these types of investment properties. Investment Property was appraised in accordance with SLFRS 13 and LKAS 40.

In determining the fair value, a reasonable rent that the property could fetch in its existing use is estimated on the basis of rents paid to comparable properties and the net income derivable thereby is worked out taking away the usual "outgoings" that have to be met from such gross income.

The appraised fair values are approximated within appropriate range of values. The extent of the above building is 65,720 square feet of internal occupiable space on an extent of 41.5 perches with a rentable area of 8 floors.

14.2 Description of valuation techniques used and key inputs to valuation on investment property:

As at 31 March Property	Type of Instrument	Method of Valuation	Significant Unobservable Inputs	2015
ASCOT Development (Pvt) Ltd TB Jayah Mawatha, Colombo 10.	Land & Building	Investment Basis	Estimated rental value per sq. foot per month Outgoings	LKR 100 35%

Significant increase (decrease) in estimated rental value in isolation would result in significantly higher (lower) fair value of the property.

14.3 Rental income derived from investment property by the Group amount to LKR 102.9 Mn (2014 - LKR 102.9 Mn). Direct operating expenses on investment property for the year LKR 7.7 Mn (2014 - LKR 7 Mn).

14.4 Land of the investment property is subject to a first charge to secure one of the Group's Bank loan.

ASCOT Holdings PLC

Notes to the financial statements contd...

As at 31 March

	Effective holding % 2015	Effective holding % 2014	Number of shares 2015	Number of shares 2014	2015 LKR	2014 LKR
15 INVESTMENTS						
15.1 COMPANY INVESTMENT IN SUBSIDIARIES						
Group unquoted investments						
L & A Quarries (Private) Limited*	100.00%	100.00%	3,000,000	3,000,000	58,500,000	58,500,000
Amtrad Limited	80.00%	80.00%	624,000	624,000	6,327,265	6,327,265
ASCOT Development (Private) Limited	83.35%	83.35%	26,842,131	26,842,131	300,350,000	300,350,000
ASCOT Leisure (Private) Limited*	100.00%	100.00%	100	100	29,583,196	29,583,196
ASCOT Yala (Private) Limited	100.00%	100.00%	100	100	42,000	42,000
ASCOT Ambalangoda (Private) Limited	100.00%	100.00%	100	100	1,000	1,000
					394,803,461	394,803,461

As at 31 March

In LKR

	2015	2014
15.2 Details of the additions during the year are set out below.		
L & A Quarries (Private) Limited*	-	28,500,000
ASCOT Leisure (Pvt) Ltd	-	29,583,196
ASCOT Yala (Pvt) Ltd	-	42,000
ASCOT Ambalangoda (Pvt) Ltd	-	1,000
	-	58,126,196

*Pending share allotment for an amount of LKR 28,500,000 of L & A Quarries (Private) Limited and LKR 29,582,196 for ASCOT Leisure (Private) Limited as at 31 March 2015.

	Group	
	2015	2014
16 INTANGIBLE ASSETS		
Goodwill		
At the beginning of the year	4,356,915	4,356,915
Acquisition of subsidiary	-	-
At the end of the year	4,356,915	4,356,915

Goodwill acquired through business combinations have been allocated to one cash generating unit (CGU) for impairment testing as follows;

	2015 LKR	2014 LKR
Amtrad Limited	4,356,915	4,356,915

The recoverable amount of the CGU have been determined based on the fair value less cost to sell or the value in use (VIU) calculation. And found no impairment in carrying value as at the statement of the financial position date.

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 into account the growth rates of one to 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.

ASCOT Holdings PLC

Notes to the financial statements contd...

As at 31 March In LKR	Group	
	2015	2014
17 OTHER NON-CURRENT ASSETS		
Deposit made to Ceylon Electricity Board - ASCOT Development (Pvt) Ltd	3,500,000	3,500,000
Deposit made to Urban Council Ambalangoda on 50 year lease period - ASCOT Ambalangoda (Pvt) Ltd	2,100,000	2,100,000
	5,600,000	5,600,000

As at 31 March In LKR	Group		Company	
	2015	2014	2015	2014
18 INVENTORIES				
Raw materials	1,305,156	1,043,787	-	-
Finished goods	3,770,240	11,915,888	-	-
Mechanical spare parts	2,144,563	2,590,831	-	-
Stationeries	57,645	64,384	57,645	64,384
At the end of the year	7,277,604	15,614,890	57,645	64,384

19 TRADE & OTHER RECEIVABLES					
Trade receivables	19.1	19,215,399	22,328,499	-	-
Refundable deposit		2,911,500	3,345,500	511,500	511,500
Other debtor-miscellaneous		2,119,114	2,880,151	271,407	797,426
Receivable from Ambalangoda project		-	15,148,932	-	15,148,932
		24,246,013	43,703,082	782,907	16,457,858

19.1 Trade receivables					
Trade receivables		20,023,810	22,690,499	-	-
Impairment of trade receivables*		(808,411)	(362,000)	-	-
		19,215,399	22,328,499	-	-

See note 11.1.1.1 on credit risk of trade receivables and the aging of trade receivables, which explains how the Group managers and measures credit quality of trade receivables that are neither past due nor impaired.

As at 1 April 2013 Charge for the year As at 31 March 2014	Group	
	Individually impaired	Total
	-	-
	(362,000)	(362,000)
	(362,000)	(362,000)
As at 1 April 2014 Charge for the year As at 31 March 2015	(362,000)	(362,000)
	(446,411)	(446,411)
	(808,411)	(808,411)

As at 31 March	No. of shares	No. of shares	2015	2014
	2015	2014	LKR	LKR
20 FINANCIAL ASSETS-FAIR VALUE THROUGH PROFIT OR LOSS				
Group / Company - Quoted investments				
Ceylon Investment PLC	900	900	79,721	66,095
Pan Asia Banking Corporation PLC	23,600	23,600	500,169	376,872
Dankotuwa Porcelain PLC	9,950	9,950	109,852	112,794
Piramal Glass Ceylon PLC	94,100	94,100	528,726	315,381
	128,550	128,550	1,218,468	871,142

As at 31 March In LKR	Group		Company	
	2015	2014	2015	2014
21 OTHER CURRENT ASSETS				
Deposits & prepayments	5,032,474	5,162,037	272,430	259,909
VAT receivable	242,512	7,605,222	137,466	6,937,466
Income tax recoverable	629,002	816,103	-	-
WHT receivable	233,789	1,758,466	86,243	1,758,466
Other assets	158,612	451,908	17,803	17,803
	6,296,389	15,793,736	513,942	8,973,644

ASCOT Holdings PLC

Notes to the financial statements contd...

As at 31 March	2015		2014	
	No. of shares	Value of shares LKR	No. of shares	Value of shares LKR
22 STATED CAPITAL				
Fully paid ordinary shares				
At the beginning of the year	7,985,505	92,399,431	7,985,505	92,399,431
Rights issue	3,992,752	49,909,400	-	-
Direct costs on rights issue	-	(2,222,983)	-	-
At the end of the year	11,978,257	140,085,848	7,985,505	92,399,431

As at 31 March In LKR	Revenue reserve	Other components of equity	Total	Revenue reserve	Other components of equity	Total
	2015	2015	2015	2014	2014	2014
23 RESERVES						
23.1 Group						
At the beginning of the year	445,299,884	23,100,000	468,399,884	424,994,783	23,100,000	448,094,783
Profit/(loss) for the year	(6,287,010)	-	(6,287,010)	20,253,396	-	20,253,396
Other comprehensive income	356,438	-	356,438	51,705	-	51,705
At the end of the year	439,369,312	23,100,000	462,469,312	445,299,884	23,100,000	468,399,884
23.2 Company						
At the beginning of the year	416,215,982	23,100,000	439,315,982	419,729,958	23,100,000	442,829,958
Profit/(loss) for the year	(12,530,122)	-	(12,530,122)	(3,476,325)	-	(3,476,325)
Other comprehensive income	217,967	-	217,967	(37,651)	-	(37,651)
At the end of the year	403,903,827	23,100,000	427,003,827	416,215,982	23,100,000	439,315,982

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 LKR	Group		Company	
	2015	2014	2015	2014
24 DEFERRED TAX LIABILITY/(ASSETS)				
At the beginning of the year	97,952,040	88,057,503	1,490,956	-
Charge /(release)	2,689,081	9,894,537	39,894	1,490,956
At the end of the year	100,641,121	97,952,040	1,530,850	1,490,956
The closing deferred tax asset and liability balances relate to the following;				
24.1 Deferred tax liability				
Accelerated depreciation for tax purposes	103,225,005	101,247,268	-	-
Tax losses carried forward	(678,753)	-	-	-
	102,546,252	101,247,268	-	-
24.2 Deferred tax assets				
Employee benefit liabilities	1,444,648	1,297,129	1,513,538	1,276,496
Accelerated depreciation for tax purposes	460,483	-	17,312	214,460
Tax losses carried forward	-	1,998,099	-	-
	1,905,131	3,295,228	1,530,850	1,490,956

ASCOT Holdings PLC

Notes to the financial statements contd...

As at 31 March In LKR	Group		Company	
	2015	2014	2015	2014
25 EMPLOYEE BENEFIT LIABILITIES				
At the beginning of the year	6,890,604	7,421,823	4,558,916	3,637,070
Acquisition of subsidiary	-	-	-	-
Current service cost	869,123	890,854	670,623	644,300
Interest cost on employee benefit liabilities	649,836	600,896	478,686	382,753
Payments	(628,000)	(1,928,840)	-	(157,500)
Adjustments	(73,688)	-	-	-
Re-measurement gains/(losses) on employee benefit liabilities	(543,132)	(94,129)	(302,732)	52,293
At the end of the year	7,164,743	6,890,604	5,405,493	4,558,916

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

	2015	2014	2015	2014
Discount rate	10.5%	11%	10.5%	11%
Future salary increment rate	10%	10%	10%	10%

Sensitivity of assumptions used

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

As at 31 March In LKR	Group		Company	
	Discount rate	Salary increment rate	Discount rate	Salary increment rate
2015				
Effect on the employee benefit liability				
Increase by one percentage point	401,888	431,135	(351,262)	377,565
Decrease by one percentage point	(433,160)	407,213	379,340	(355,912)

As at 31 March In LKR	Group		Company	
	2015	2014	2015	2014
26 INTEREST BEARING BORROWINGS				
Non current				
Bank borrowings	344,722,735	412,577,943	-	-
Finance lease liability (less than 05 years)	7,041,078	14,029,403	-	-
	351,763,813	426,607,346	-	-
Current				
Bank borrowings	67,728,590	7,623,190	-	-
Finance lease liability	6,988,364	5,677,777	-	-
Other short-term loans	2,005,653	2,005,653	-	-
	76,722,607	15,306,620	-	-
Repayable within one year	76,722,607	15,306,620	-	-
Repayable after one year				
Repayable between one and five years	351,763,813	426,607,346	-	-
	428,486,420	441,913,966	-	-

26.1 Group	2015			Total
	Bank borrowings	Finance lease	Other short-term loans	
At the beginning of the year	420,201,133	19,707,180	2,005,653	441,913,966
New loans obtained	-	-	-	-
Repayments	(7,749,808)	(5,677,738)	-	(13,427,546)
At the end of the year	412,451,325	14,029,442	2,005,653	428,486,420

ASCOT Holdings PLC

Notes to the financial statements contd...

26.1 Details of the long term loans - Group

Lender	Nature of facility	Approved facility	Repayment terms	Interest rate	Security
<u>ASCOT Development (Private) Limited</u>					
Bank of Ceylon	Term loan	400,000,000	72 months including 12 months grace period, 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 dates 3/06/1998 for LKR 400 Mn.
<u>L & A Quarries (Private) Limited</u>					
Pan Asia Bank	Finance lease	25,000,000	The lease period is 48 months, commenced from February 2013.	22%	-
K.B Herath	Other short-term loan	2,005,653	On Demand	17%	-
<u>Amtrad Ltd</u>					
NDB Bank		2,625,000	36 monthly installments	18%	Primary concurrent mortgage bond of immovable bearing No 642 and mortgage bond of movables bearing No 643.
DFCC Vardhana Bank	Overdraft A/C No 012001002298	15,000,000	On demand	16%	Primary mortgage bond No.110 dated 11/07/2007 for LKR 14 Mn, secondary mortgage bond No.1364 dated 01/06/2010 for LKR 5.5Mn, mortgage bond No.42 dated 13/12/2007 for LKR 13.225 Mn
	Term Loan 01	18,050,000	60 monthly installments	2.5% per annum above the AWPR	
	Term Loan 04	605,000	The loan to be waived off upon full settlement of facility no 01.	0%	

As at 31 March
In LKR

	Group		Company	
	2015	2014	2015	2014
Trade payables	2,336,452	3,678,060	-	-
Accrued expenses	5,054,897	4,821,970	-	-
Unclaim dividend	604,339	604,339	604,339	604,339
Other payables	738,904	660,600	298,391	298,391
	8,734,592	9,764,969	902,730	902,730

27 TRADE AND OTHER PAYABLES

Trade payables
Accrued expenses
Unclaim dividend
Other payables

ASCOT Holdings PLC

Notes to the financial statements contd...

	Group		Company	
	2015	2014	2015	2014
As at 31 March				
In LKR				
28 INCOME TAX LIABILITIES				
At the beginning of the year	2,840,878	1,708,027	1,708,027	1,708,027
Charge for the year	988,900	1,269,921	-	-
Under provision in respect of previous years	612,101	-	-	-
Payments and set off against refunds	(3,420,751)	(137,070)	(1,675,799)	-
At the end of the year	1,021,128	2,840,878	32,228	1,708,027
29 OTHER CURRENT LIABILITIES				
Staff cost payable	5,171,687	8,129,907	-	-
Taxes payables	9,312,806	7,806,011	3,090,551	-
Advance received	504,513	76,146,342	504,513	438,342
Accrued expenses & other provisions	4,650,985	5,235,295	933,931	1,075,706
	19,639,991	97,317,555	4,528,995	1,514,048
30 CASH AND CASH EQUIVALENTS				
Cash in hand & cash at bank	588,600	9,498,499	320,748	379,074
Investment in CPs (less than three months)	75,754,752	87,702,527	69,426,886	27,666,363
Bank overdraft	(17,925,746)	(20,163,598)	(2,826,435)	(4,083,990)
Reported for cashflows	58,417,606	77,037,428	66,921,199	23,961,447
31 PRINCIPAL SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS				
Summarised financial information in respect of ASCOT Holdings PLC's subsidiary ASCOT Development (Pvt) Ltd that have material non-controlling interest, reflecting amounts before inter-company eliminations, is set out below.				
As at 31 March	2015			
In LKR				
Non-Current Assets	1,028,500,000			
Current Assets	11,664,160			
Total Assets	1,040,164,160			
Non-Current Liabilities	436,232,435			
Current Liabilities	111,422,446			
Total Liabilities	547,654,881			
Equity attributable to equity holders of the parent	410,506,484			
Non-controlling interests	82,002,795			
Non-controlling interests %	16.65%			
Revenue	102,962,880			
Profit/(loss) for the year	90,274,703			
Profit attributable to Equity holders of the parent	75,243,965			
Profit attributable to Non-controlling interests	15,030,738			
Total comprehensive income for the year, net of tax	90,274,703			
Dividend paid	3,557,997			
Net Cash (outflow) from Operating Activities	(59,283,849)			
Net Cash (outflow) from Investing Activities	(3,557,997)			
Net Cash Generated from Financing Activities	-			
Total net cash (outflow)/Inflow	(62,841,846)			
32 RELATED PARTY TRANSACTIONS				
32.1 Parent and ultimate controlling party				
Company does not have an identifiable parent of its own.				
32.2 Transactions with key management personnel				
32.2.1 Loans to directors				
No loans have been given to the Directors of the Company.				
32.2.2 Key management personnel compensation				
Key management personnel comprises the Executive Directors of the company and details of compensation are given in Note 32.6 to the Financial Statements				
32.3 Transactions with subsidiaries and other related companies				
Relationships with subsidiaries are explained in Note 1.1.3.				
(i) Companies within the Group engage in trading transactions under normal commercial terms and conditions as unrelated parties.				
(ii) ASCOT Holdings PLC, provides financial services to its subsidiary and charges interest.				
(iii) The list of Directors at each of the subsidiary companies have been disclosed in Group Directory.				

ASCOT Holdings PLC

Notes to the financial statements contd...

	Group		Company	
	2015	2014	2015	2014
For the year ended 31 March In LKR				
32 RELATED PARTY TRANSACTIONS (Contd...)				
32.4 Amounts due from related parties				
Affiliates				
ASCOT Development (Private) Limited	-	-	36,220,578	30,893,391
L & A Quarries (Private) Limited	-	-	14,462,292	26,372,778
Amtrad Limited	-	-	50,975,632	34,159,270
Amtrad Uva (Private) Limited	5,200	-	-	-
ASCOT Leisure (Private) Limited	-	-	2,065,941	-
ASCOT Yala (Private) Limited	-	-	24,760	-
Manna Wind Power Farms (Private) Limited	54,397	-	54,397	49,430
North East Wind Power (Private) Limited	54,397	-	54,397	49,430
Capital Wind Power (Private) Limited	54,606	-	54,606	49,641
ASCOT Ambalangoda (Private) Limited	-	-	2,811,650	2,099,000
LQL Manufacturing (Private) Limited	4,757	5,013,416	-	-
Camion Lanka Logistic (Private) Limited	50,000	85,050	-	-
	223,357	5,098,466	106,724,253	93,672,940
32.5 Amounts due to related parties				
Affiliates				
L & A Quarries (Private) Limited	-	-	-	3,474
Boston Capital (Private) Limited	-	-	-	-
Amtrad Limited	-	-	-	-
Amtrad Holdings Limited	7,318,590	5,983,285	-	-
Fairway SkyHomes (Private) Limited	-	18,473,859	-	-
	7,318,590	24,457,144	-	3,474
32.6 Key management compensation				
Salaries and other short-term employee benefits	26,417,000	21,150,000	18,369,000	16,350,000
Termination benefits	5,220,215	3,794,754	5,085,215	3,794,754
	31,637,215	24,944,754	23,454,215	20,144,754
32.7 Transactions with related parties				
32.7.1 Sale of goods and services by related parties				
Group/Company				
Affiliates				
LQL Manufacturing (Private) Limited	-	42,652,750	-	-
Amtrad Holdings Limited (Fees charged on debtor collection)	-	6,000,000	-	6,000,000
	-	48,652,750	-	6,000,000
32.7 Purchase of services				
Interest income from related parties				
ASCOT Developments (Private) Limited	-	-	6,892,753	13,801,746
L & A Quarries (Private) Limited	-	-	4,338,987	5,059,381
Boston Capital (Private) Limited	-	15,012	-	15,012
Axis Financial (Private) Limited	-	-	-	-
Amtrad Limited	-	-	7,189,571	4,579,009
Amtrad Holdings Limited	-	-	-	-
	-	15,012	18,421,311	23,455,148
Loans / advances to related parties				
ASCOT Developments (Private) Limited - Short term funding / advances	-	-	17,755,687	78,013,646
L & A Quarries (Private) Limited	-	-	15,485,868	84,146,481
Boston Capital (Private) Limited	-	10,147,000	-	10,147,000
Amtrad Limited	-	-	24,980,675	33,459,788
	-	10,147,000	58,222,230	205,766,915
Loans / advances from related parties				
Boston Capital (Private) Limited	-	63,063,764	-	63,063,764
Pan Asia Banking Corporation PLC	14,029,442	19,707,180	-	-
	14,029,442	82,770,944	-	63,063,764
Settlement of loans / advances				
ASCOT Developments (Private) Limited	-	-	12,346,000	181,070,000
L & A Quarries (Private) Limited	-	-	27,396,354	64,773,492
Amtrad Limited	-	-	6,134,877	8,954,289
Boston Capital (Private) Limited	10,147,000	71,461,451	10,147,000	71,461,451
Pan Asia Banking Corporation PLC	9,281,660	4,612,914	-	-
	19,428,660	76,074,365	56,024,231	326,259,232

ASCOT Holdings PLC

Notes to the financial statements contd...

For the year ended 31 March In LKR		Group		Company	
		2015	2014	2015	2014
32	RELATED PARTY TRANSACTIONS (Contd...)				
	Payable on purchase of services				
	Fairway Building Management Services (Private) Limited	3,804,983	5,914,771	-	-
	Fairway Skyhomes (Private) Limited	15,112,585	15,112,585	-	-
	Lakderana Investments Limited	-	6,500,000	-	-
		18,917,568	27,527,356	-	-
	Receivable on loans, advances and sale of goods and services				
	ASCOT Developments (Private) Limited	-	-	36,220,578	30,810,891
	L & A Quarries (Private) Limited	-	-	42,962,292	54,872,778
	Amtrad Limited	-	-	50,976,632	34,159,270
	Boston Capital (Private) Limited	4,757	5,013,416	-	-
	Amtrad Uva (Private) Limited	5,200	-	-	-
	Camion Lanka Logistic (Private) Limited	-	85,050	-	-
		9,957	5,098,466	130,159,502	119,842,939
	Payable on loans, advances and sale of goods and services				
	Fairway Building Management Services (Private) Limited	320,912	3,361,273	-	-
	Fairway Skyhomes (Private) Limited	-	15,112,585	-	-
	Amtrad Holdings	-	1,106,565	-	-
	L & A Quarries (Private) Limited	-	-	-	3,374
		320,912	19,580,423	-	3,374

33 COMPARATIVE INFORMATION

The presentation and classification of the financial statements have been amended, where relevant for better presentation and comparable information.

	Note	Current presentation	As reported previously	Difference
Group				
Statement of Financial Position				
As at 31 March 2014				
In LKR				
Other non-current assets	33.1	5,600,000	32,881,250	(27,281,250)
Lease rentals paid in advance	33.1	29,381,250	-	29,381,250
Inventories	33.2	15,614,890	15,550,506	64,384
Trade and other receivables	33.1/ 33.3	43,703,082	51,906,866	(8,203,784)
Other current assets	33.2	15,793,736	15,858,118	(64,382)
Non current portion of interest bearing borrowings	33.3	426,607,346	432,711,130	(6,103,784)
Other current liabilities	33.4/ 33.8	97,317,555	96,489,125	828,430
Amounts due to related parties	33.4/ 33.8	24,457,144	19,580,424	4,876,720
Current portion of interest bearing borrowings		15,306,620	15,696,706	(390,086)
Bank overdrafts	33.4/ 33.8	20,163,598	25,478,660	(5,315,062)
Group				
Statement of Comprehensive Income				
For the year ended 31 March 2014				
In LKR				
Revenue	33.5	347,847,413	350,484,230	(2,636,817)
Finance income	33.5	2,732,952	96,135	2,636,817
Other operating expenses	33.6	(2,664,521)	(2,567,928)	(96,593)
Finance costs	33.6	(55,456,985)	(55,553,578)	96,593
Company				
Statement of Financial Position				
As at 31 March 2014				
In LKR				
Investments in subsidiaries	33.7	394,803,461	366,302,461	28,501,000
Inventories	33.2	64,384	-	64,384
Trade and other receivables	33.7	16,457,858	18,706,362	(2,248,504)
Other current assets	33.2	8,973,644	9,038,025	(64,382)
Bank overdrafts	33.8	4,083,990	4,522,332	(438,342)
Other current liabilities	33.8	1,514,048	1,075,706	438,342
Amounts due from related parties	33.7	93,672,940	119,925,439	(26,252,498)
Company				
Statement of Comprehensive Income				
For the year ended 31 March 2014				
In LKR				
Revenue	33.5	23,323,185	25,960,002	(2,636,817)
Finance income	33.5	2,636,817	-	2,636,817

ASCOT Holdings PLC

Notes to the financial statements contd...

- 33.1 Lease rental paid in advance which was previously included under other non-current assets was reclassified separately under lease rentals paid in advance. LKR 2.1Mn deposit made to Urban Council Ambalangoda on 50 year lease period which was previously included under trade and other receivables was reclassified to other non-current asset.
- 33.2 Stationary stocks which was previously included under other current asset was reclassified under inventories.
- 33.3 Penal interest, which was classified under interest bearing borrowings and trade & other receivables was offset, due to the reflection of the similar substance of the transaction.
- 33.4 Amount due to related parties which were included under bank overdraft were reclassified as part of amount due to related parties.
- 33.5 Interest income on short-term investments which was previously included under revenue was reclassified under finance income.
- 33.6 Stamp duty expenses which was previously included under finance cost was reclassified to other operating expenses.
- 33.7 Pending share allotment of L & A Quarries, which was previously included under amounts due from related parties was reclassified under investment in subsidiaries.
- 33.8 Amounts payable to third party, which was previously included under bank overdraft was reclassified under other current liabilities.

	Current presentation	As reported previously	Difference
Statement of Cash Flows for the year ended 31 March 2014			
Group			
In LKR			
Profit before working capital changes	107,622,573	110,131,431	2,508,858
(Increase) / Decrease in trade and other receivables	(15,831,799)	(15,469,799)	(362,000)
Increase / (Decrease) in amounts Due to related parties	15,079,644	10,202,924	(4,876,720)
Increase / (Decrease) in other current liabilities	(4,714,815)	(5,153,157)	(438,342)
Interest income	(2,732,952)	-	(2,732,952)
Dividend income	(41,313)	-	(41,313)
Bank overdrafts	(20,163,598)	(25,478,660)	5,315,062
Finance expenses	55,456,985	55,553,578	(96,593)
Provision for impairment of receivables	362,000	-	362,000
Finance expenses paid	(55,456,985)	(55,553,578)	96,593
Interest received	2,732,952	-	2,732,952
Dividend received	41,313	-	41,313
Statement of Cash Flows for the year ended 31 March 2014			
Company			
In LKR			
Interest income	(2,636,817)	-	(2,636,817)
(Increase) / Decrease in inventories	(64,385)	-	64,385
(Increase) / Decrease in trade and other receivables	1,240,525	(1,007,979)	(2,248,504)
(Increase) / Decrease in amounts due from related parties	83,433,711	57,181,212	(26,252,499)
(Increase) / Decrease in other current assets	347,165	282,783	(64,382)
Increase / (Decrease) in other current liabilities	486,196	47,854	438,342
Interest received	2,636,817	-	2,636,817
Investment in subsidiaries	(58,126,196)	(29,625,196)	28,501,000
Bank overdrafts	(4,083,990)	(4,522,332)	(438,342)

Statement of Cash Flows were reclassified in accordance with the classifications made to the statement of financial position.

34 COMMITMENT AND CONTINGENCIES

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

Case No 69461 was called on 13th February 2015 in Magistrate Court Attanagalle with regard to an issue on non paying EPF. Summons has been issued to the former Directors. However, the company admitted the liability of paying a sum of LKR 4,892,064. The Court granted to pay it by way of installments and the first installment being LKR 250,000 to be paid on each month commenced from 27th March 2015 for a period of 20 months at the registry.

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

35 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.

Segment Analysis

36 SEGMENT ANALYSIS

The segment information is based on one segmental format. The business segment is considered as the primary format and based on the management structure of the Group. The management are of the view that the Managing Director is considered the Chief Operating decision maker and resources are allocated and performance assessed based on the following sectors.

For the year ended 31st March,

In LKR '000

	Investment and services		Mining		Manufacturing		Commercial property development		Leisure / Hoteliering		Adjustments & Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total Revenue	21,128	29,364	31,200	117,921	98,962	120,922	102,963	100,944	-	-	-	-	254,253	369,151
Intra Group Revenue	(21,089)	(21,304)	-	-	-	-	-	-	-	-	-	-	(21,089)	(21,304)
External Revenue	39	8,060	31,200	117,921	98,962	120,922	102,963	100,944	-	-	-	-	233,164	347,847
Segment results														
Results from operating activities	(12,647)	(636)	(61,630)	13,319	6,106	15,441	154,833	88,056	-	-	(23,443)	(26,301)	63,219	89,878
Net finance cost / (income)	(1,319)	1,680	8,095	10,838	12,808	11,287	50,530	52,339	-	-	(18,426)	(23,420)	51,688	52,724
Profit/ (Loss) before tax	(12,655)	(4,953)	(69,725)	2,481	(6,702)	4,153	104,303	35,717	(1,022)	(244)	(2,669)	-	11,531	37,154
Tax	45	(1,476)	(12,048)	6,489	2,469	(177)	14,028	6,344	-	-	126	(42)	4,621	11,138
Depreciation on Property, Plant & Equipment	323	145	11,700	11,600	4,019	3,886	-	-	-	-	-	-	16,042	15,632
Impairment on Property, Plant & Equipment	-	-	61,641	-	-	-	-	-	-	-	-	-	61,641	-
Revaluation Gain on Investment Properties	-	-	-	-	-	-	75,000	-	-	-	-	-	75,000	-
Total Assets (excl. equity accounted investees)	185,983	149,684	26,253	119,951	92,450	98,813	1,040,164	1,025,361	31,185	29,381	(99,971)	(89,762)	1,276,064	1,333,428
Investment in equity accounted investees	394,802	394,802	-	-	-	-	-	-	-	-	(394,802)	(394,802)	-	-
Additions to Property, Plant & Equipment	5,622	6	-	3,233	1,826	231	-	-	2,235	-	-	-	9,683	3,470
Non Interest bearing Liabilities														
Deferred tax Liability	-	-	2,980	15,028	-	-	99,566	86,219	-	-	-	-	102,546	101,247
Employee benefit liabilities	5,405	4,559	-	74	1,759	2,258	-	-	-	-	-	-	7,165	6,891
Trade and other payables	903	903	246	792	7,127	7,959	302	760	156	-	-	(648)	8,734	9,765
Cash Flows														
Segment cash flows from Operating Activities	896	72,500	36,414	(4,825)	10,298	22,166	(59,284)	(48,151)	-	-	(30,965)	1,021	(42,641)	42,711
Segment cash flows from Investment Activities	(5,622)	(58,131)	-	(2,553)	(1,826)	416	(3,558)	-	-	-	1,361	28,785	(9,645)	(31,483)
Segment cash flows from Financing Activities	47,686	(18,575)	(34,178)	3,963	(7,750)	(9,493)	-	117,083	-	-	27,907	(28,111)	33,666	64,867

Group Directory 2014/15

The holding company is located at 410/115, Bauddhaloka Mawatha, Colombo 07. The Group has considered all its subsidiaries in capturing its financial performance. For the purpose of reporting on its sustainability performance, the Group has considered the companies which are the legal entities and for which the Group is accountable and has direct control.

ASCOT Holdings PLC (PQ 139)

Investing Company

Incorporated in 2008

Registered Address :

No. 410/115, Bauddhaloka Mawatha, Colombo 07.

Tel : 2689107

Directors : R M M J Ratnayake - Chairman

R A Iriyagolle, N D Gunaratne, D J Gunaratne, M D A Weerasooriya,

M T U Mendis

Stated capital : LKR 140,085,848

Amtrad Limited (PB 1317) (80%)

Manufacturer of Cement Pavers and Blocks

Incorporated in 2010

Registered Address :

No. 410/115, Bauddhaloka Mawatha, Colombo 07.

Tel : 2689107

Directors : R A Iriyagolle, B S Lakmal, J Warnakulasuriya

Stated capital : LKR 7,800,000

L & A Quarries (Pvt) Limited (PV 79275) (100%)

Operator of Crusher Plants

Incorporated in 2011

Registered Address :

No. 410/115, Bauddhaloka Mawatha, Colombo 07.

Tel : 2689107

Directors : R A Iriyagolle, N D Gunaratne

Stated capital : LKR 30,000,000

ASCOT Developments (Pvt) Limited (PV 12802) (83.35%)

Commercial Property Development

Incorporated in 2009

Registered Address :

No. 410/115, Bauddhaloka Mawatha, Colombo 07.

Tel : 2689107

Directors : R A Iriyagolle, N D Gunaratne, H De Alwis, S Vairawanathan

Stated capital : LKR 330,000,006

ASCOT Ambalangoda (Pvt) Limited * (PV 91199) (100%)**

Operator of hotels

Incorporated in 2013

Registered Address :

No. 410/115, Bauddhaloka Mawatha, Colombo 07.

Tel : 2689107

Directors : R A Iriyagolle, N D Gunaratne,

ASCOT Leisure (Pvt) Limited * (PV 84290) (100%)**

Operator of hotels

Incorporated in 2012

Registered Address :

No. 410/115, Bauddhaloka Mawatha, Colombo 07.

Tel : 2689107

Directors : R A Iriyagolle, N D Gunaratne,

ASCOT Yala (Pvt) Limited * (PV 95511) (100%)**

Operator of hotels

Incorporated in 2013

Registered Address :

No. 410/115, Bauddhaloka Mawatha, Colombo 07.

Tel : 2689107

Directors : R A Iriyagolle, N D Gunaratne,

*** Only incorporated and commercial operations were not commenced as at the Balance Sheet Date.

Ten Year Summary

LKR '000

31st March

Operating Results

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Turnover	Nil	Nil	53,298	51,577	100,741	57,525	77,067	149,692	347,847	233,164
Profit before Tax	11,923	427,476	(16,648)	17,575	(14,387)	144,676	(35,916)	19,621	37,154	11,521
Income Tax	(2,161)	Nil	(2,711)	(3,471)	(3,946)	(66,555)	(11,642)	(10,766)	(11,138)	(4,622)
Profit After Tax	9,762	427,476	(19,992)	14,104	(18,333)	78,121	(47,559)	8,855	26,016	6,909
Minority Interest	Nil	1,223	1,560	(3,615)	8,077	(30,733)	3,421	2,016	5,763	13,196
Profit/(Loss) Attributable to the Group	9,762	428,699	(18,432)	10,489	(10,257)	47,388	(44,247)	10,871	20,253	(6,287)

Capital Employed

Stated Capital	92,399	92,399	92,399	92,399	92,399	92,399	92,399	92,399	92,399	140,086
Capital Reserves	151,759	165,765	165,765	165,765	165,765	23,100	23,100	23,100	23,100	23,100
Revenue Reserves	(207,954)	317,239	282,378	292,868	282,611	472,664	415,729	424,995	445,300	439,369
Shareholders' Funds	36,204	575,403	540,543	551,032	540,775	588,163	531,228	540,494	560,799	602,555
Minority Interest	Nil	78,777	117,217	120,832	112,755	143,488	61,755	62,254	68,033	80,672
Total Liabilities	133,929	34,872	297,409	490,240	425,941	513,708	519,409	631,793	704,596	592,837
Total Equity & Liabilities	170,133	689,052	955,169	1,162,104	1,079,471	1,245,359	1,112,392	1,234,541	1,333,428	1,276,064
Assets Employed										
Non-Current Assets	153,444	379,510	713,504	909,042	906,018	1,117,898	1,006,773	1,133,859	1,155,146	1,160,459
Current Assets	16,689	309,542	241,665	253,062	173,453	127,461	105,619	100,682	178,282	115,605
Total Assets	170,133	689,052	955,169	1,162,104	1,079,471	1,245,359	1,112,392	1,234,541	1,333,428	1,276,064

LKR

Share Price	53	65	41	21	38	118	200	157	114	36
Earnings/(loss) per Share	1.20	53.70	(2.31)	1.31	(1.28)	5.93	(5.54)	1.36	1.90	(0.58)
Dividend per Share	Nil	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Book Value per Share	5	70	68	69	68	74	68	68	70	50

* 2014, basic earnings per share is restated for rights issue.

Investor Information

Shareholder Information

Distribution of Shareholders as at 31st March 2015

Shareholding	Resident			Non Resident			Total		
	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%
01 to 1,000	1,648	421,746	3.52	15	4,526	0.04	1,663	426,272	3.56
1,001 to 10,000	394	1,225,152	10.23	5	21,273	0.18	399	1,246,425	10.41
10,001 to 100,000	62	1,347,915	11.25	1	45,000	0.38	63	1,392,915	11.63
100,001 to 1,000,000	5	2,072,755	17.30	-	-	-	5	2,072,755	17.30
Over 1,000,000	3	6,839,890	57.10	-	-	-	3	6,839,890	57.10
Total	2,112	11,907,458	99.40	21	70,799	0.60	2,133	11,978,257	100.00

Categories of Shareholders

	Number of Shareholders	%	Number of Shareholders	%
Individual	2,016	94.52	2,560,832	21.80
Institutional	117	5.48	9,417,425	78.20
Total	2,133	100.00	11,978,257	100.00

Twenty (20) Largest Shareholders as at 31st March 2015

Name	No of Shares	Percentage
PAN ASIA BANKING CORPORATION PLC / AXIS INVESTMENTS (PVT) LTD	3,087,138	25.77
ST. LOUIS CAPITAL (PVT) LTD	2,570,013	21.46
SEYLAN BANK PLC / MR.W.D.N.H.PERERA	1,182,739	9.87
LB FINANCE PLC / BOSTON CAPITAL (PVT) LTD	959,046	8.01
BOSTON CAPITAL (PVT) LTD	391,580	3.27
N P CAPITAL LTD	376,393	3.14
GEORGE STEUART FINANCE PLC / BOSTON CAPITAL (PVT) LTD	240,000	2.00
FIRST CAPITAL MARKETS LIMITED/ MR.L.K.N.K.KULAWARDENA	105,736	0.88
MR.W.W.D.D.S.PERERA	76,393	0.64
MR.S.H.JAYASURIYA	69,523	0.58
MR.M. MURUGESU	63,846	0.53
MR.D. P. D ARACHCHIGE	54,000	0.45
PEOPLE'S LEASING & FINANCE PLC/ MR.M.A.U.GNANATHILAKE	50,078	0.42
MR. P.G.W.SIRISENA	47,250	0.39
MR. L.U.W. DE ZOYSA	45,735	0.38
AXIS INVESTMENTS (PVT) LTD	45,511	0.38
HSBC INT'L NOMINEES LTD-SSBT-DEUSTCHE BANK AG SINGAPORE A/C 01	45,000	0.38
MS. N.R.FONSEKA	44,780	0.37
POLGAHAWELA SANASA SOCIETIES UNION LTD	35,133	0.29
FIRST CAPITAL MARKETS LIMITED/ MR.B.G.MUDUNKOTUWAGE	33,351	0.28
Total	9,523,245	79.49

The percentage of shares held by the public as at 31st March 2015 was 60.55%.
The number of shareholders representing the public holding was 2,125.

Share Trading Information for the period 1st April 2014 to 31st March 2015

	2015
Closing Price	LKR 36.00
Highest	LKR 114.50
Lowest	LKR 32.10
No. of Shares Traded	3,938,089
Value of Shares Traded	LKR 314,845,787
No. of Transactions	9,707

Investor Information contd...

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

Notice of Meeting

Notice is hereby given that the 45th 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 28th September 2015 at 2.00 p.m.

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 2015 with the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. M.T.U. Mendis 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.D.A Weerasooriya who retires by rotation at the Annual General Meeting, in terms of Article 83 and 84 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.

By Order of the Board of
ASCOT Holdings PLC

S S P CORPORATE SERVICES (PRIVATE) LIMITED



SECRETARIES

Colombo

Date : 13th August 2015

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, Baudhdhaloka 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.

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. Niroshan 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
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 28th September 2015, 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 2015 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. M.T.U. Mendis who retires by rotation at the Annual General Meeting, 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.D.A. Weerasooriya who retires by rotation at the Annual General Meeting, in terms of Article 83 and 84 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 Fifteen.

Signature

Note :

Please delete the inappropriate words.

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, Baudhaloka 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, Baudhaloka 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 R A Iriyagolle
Mr N D Gunaratne
Mr D J Gunaratne PC
Mr M D A Weerasooriya
Mr M T U Mendis

Audit Committee

Mr R M M J Ratnayake
Mr M D A Weerasooriya

Remuneration Committee

Mr D J Gunaratne PC
Mr M D A Weerasooriya

Auditors

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

Registered Office

No. 410/115, Baudhaloka 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.

Wasantha Kahathuduwa
Attorneys-at Law & Notary Public
No. 116, Meeraniya Street,
Colombo 12.

Secretaries

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

Bankers

Sampath Bank PLC
DFCC Vardhana Bank PLC
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
Bank of Ceylon
Seylan Bank PLC
National Development Bank PLC



ASCOT Holdings PLC

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