ANNUAL REPORT
2016/17

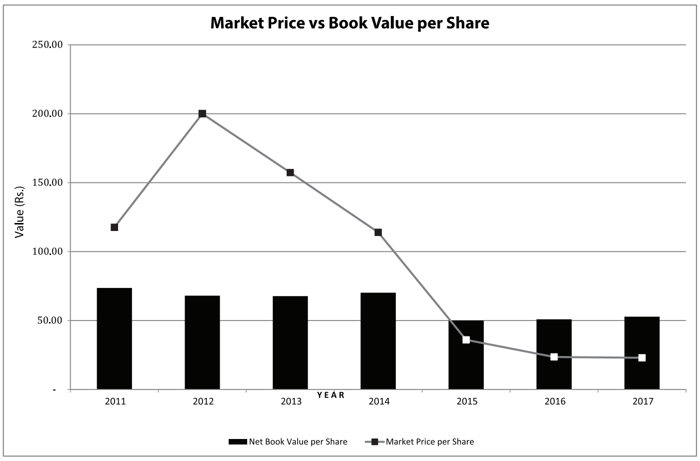
ASCOT Holdings PLC

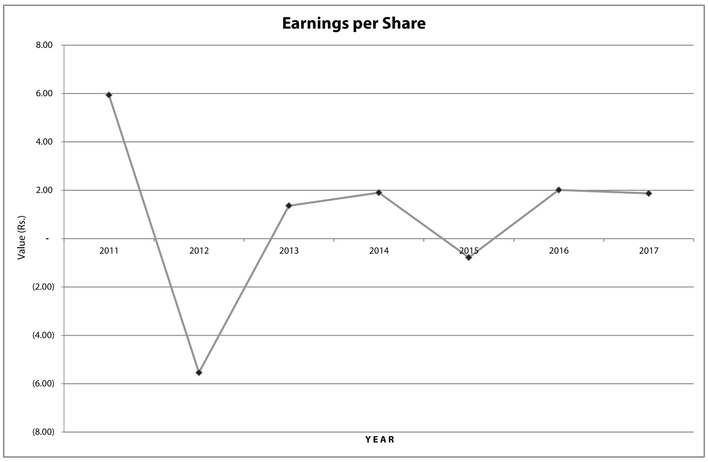
ASCOT Holdings PLC

CONTENTS

Financial Highlights

Earning Highlights & Ratios	2016/17 Rs.'000	2015/16 Rs.'000	YOY Change %
Operating Profit/(loss)	**89,044**	91,184	(2)
Profit/(loss) Before Tax	**37,575**	46,784	(20)
Net Profit/(loss) Attributable to shareholders of the Company	**23,704**	24,343	(3)
Earnings/(loss) per Share -(LKR.)	**1.87**	2.01	(7)
Return on Equity -(%)	**3.55**	3.78	(6)
Financial Position Highlights & Ratios			
Total Assets	**1,260,124**	1,271,667	(0.9)
Total Debts	**303,162**	363,975	(17)
Shareholders' Funds	**668,504**	644,247	4
Net Book Value per Share - (LKR)	**53**	51	4
Debt / Equity -(%)	**45**	56	(20)
Market / Shareholder Information			
Market Price - LKR	**23.00**	23.60	(3)
Market Capitalisation	**291,124**	298,718	(3)
Price Earnings Ratio (No. of Times)	**12**	12	-





Chairman’s Statement

It is with pleasure that I welcome you to the 47th Annual General Meeting of the Company and on behalf of the Board of Directors take pleasure in presenting the Annual Report and Audited Accounts of ASCOT Holdings PLC for the financial year ended 31st March 2017.

The year under review was one in which both the global and domestic economies showed signs of recovery, albeit slowly. During the year the Group achieved an increase in its revenue despite an 11% drop in the profit after tax in comparison to the previous year. Given the moderate growth of 4.4% of the Sri Lankan economy, the political uncertainties are still impacting the construction industry. Operationally during the year ended 31st March 2017 the Company made a profit after tax of Rs. 28.2 Mn mainly due to the revaluation gain of the subsidiary ASCOT Developments (Pvt) Ltd of Rs. 25 Mn. The Company as a result recognized an impairment of Rs.63.4 Mn (Rs. 14.5 Mn in previous year) of its investment in L&A Quarries (Pvt) Ltd. However, the Real Estate Sector recorded a profit before Tax of Rs. 59.8 Mn inclusive of a revaluation gain mentioned above, will reflects our confidence in the increasing potential of the commercial property market.

As stated in the previous Annual Report, the Group’s investments in the leisure sector in Yala and Ambalangoda suffered a further setback with delays in commencing the hotel operations and currently the Company is in the process of looking for a joint venture partner to commence the construction immediately.

Our core businesses will continue to expand during the year through both leisure sector and manufacturing segment. However, considering the current economic environment, we should be able to expand our business activities to generate more revenue in the leisure sector. We will also evaluate strategic inorganic growth options to diversify our earning streams in the future so as to deliver consistent, above average long term returns to our shareholders, irrespective of broader economic conditions.

I wish to thank our shareholders for the continued confidence they have placed in the management of the Company and our valuable business partners for their support during a difficult year. The guidance given by my colleagues on the Board and the support given by the management staff have been invaluable. Your Board is confident that we will explore possibilities of making strategic investments where there will be synergies to enhance stakeholder value into the future with a better economic environment.

Mohan Ratnayake
Chairman
08th September 2017

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 Ceylon Ltd. 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

Executive 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 experience and has held positions in Asia Capital and fixed income specialists in Ceylinco Shriram Securities (CSS) and MB Financial Services (Pvt) Ltd.

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

Mr. Niroshan Dakshina Gunaratne

Executive Director (Resigned with effect from 31st July 2017)

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, commencing 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. He has extensive experience and expertise in all areas of the law and advices ASCOT Holdings PLC on all matters legal and regulatory.

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 Counsel 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, SC Securities (Pvt) Ltd. He is also a Director of Sampath Information Technology (Pvt) Ltd, a subsidiary of Sampath Bank.

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 three 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	4/4
N D Gunaratne (Resigned w.e.f 31.07.2017)	ED	4/4
D J Gunaratne PC	NED/IND	1/4
M D A Weerasooriya	NED/IND	4/4
M T U Mendis (Resigned w.e.f 13.03.2017)	NED/IND	4/4

NED = Non-Executive Director,
ED = Executive Director,
IND = Independent Director

* Chairman

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 that Board procedures are followed.

Board Committees

The Board has three main 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 12 and 14 respectively.

Investment Committee

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

Human Resources

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

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

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

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

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 Managing 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.

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 principle 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 & 9 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 five Directors, three 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 three 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
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 consists 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 12.
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 12. The Total remuneration paid to Directors is given on page 33.
7.10.6 (a)	The Audit Committee shall compromise a minimum of two Independent Non-Executive Directors or Non-Executive Directors a majority of whom shall be Independent.	Yes	As at balance sheet date the Audit Committee comprises 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 the Chairman of the Audit Committee.
7.10.6 (b)	Functions of the Audit Committee.	Yes	Please refer to the Audit Committee Report on page 14.
7.10.6 (c)	Annual Report shall disclose the names of the Audit Committee.	Yes	Please refer to the Audit Committee Report on page 14.
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 14.
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 14.

Compliance with the Colombo Stock Exchange on Corporate Governance contd...

Rule No	Criteria	Compliant	Level of Compliance
9.2.1 & 9.2.3	Related Party Transactions Review Committee	Yes	The functions of the Committee are stated in Related Party Transactions Review Committee report in page 13.
9.2.2	Composition of the Related Party Transactions Review Committee	Yes	Please refer the Related Party Transactions Review Committee report in page 13.
9.2.4	Related Party Transactions Review Committee-Meetings	Yes	Met once during financial year 2016/17
9.3.1	Immediate disclosures	Yes	Company did not have any non recurrent related party transactions which require immediate disclosure to the Colombo Stock Exchange
9.3.2 (a)	Disclosure-Non-recurrent Related Party Transactions	Yes	Company did not have any non recurrent related party transactions with aggregate value which exceeds 10% of the equity or 5% of total assets whichever is lower. Hence, no disclosure is required.
9.3.2 (b)	Disclosure-Recurrent Related Party Transactions	Yes	ASCOT Holdings PLC provides services to its subsidiaries in the ordinary course of the business of the Company. Refer Related Party Transactions to the Financial Statements in page 10.
9.3.2 (c)	Report by the Related Party Transactions Review Committee	Yes	Refer the Related Party Transactions Review Committee Report on page 13.
9.3.2 (d)	A declaration by the Board of Directors	Yes	Refer the Report of the Directors on the state of affairs of the Company in page 9.

Continuous disclosure regarding status of utilization of funds raised via Rights Issue and conversion of Warrants Rights Issue/conversion of Warrants proceeds utilization as at 31-03-2017.

Objective number	Objective as per Circular/ Market Announcement	Amount allocated as per Circular/Market Announcement in LKR	Proposed date of Utilization as per Circular/ Market Announcement	Total amount subscribed from Rights and Warrants	Amount allocated from proceed in LKR (A)	% of total proceed	Amounts utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (e.g. whether lent to related party/s etc)
1	A Hotel Project in Yala	49,909,400	After 28th January 2015	49,909,400	49,909,400	100	39,986,654	80%	Rs. 5.5 Mn has been placed as short term investments as of 31st March 2017 and the balance has been utilised in Group's working capital requirements.
2	Working Capital for Yala Hotel Project	24,954,700	After 24th February 2016	16,982,450	16,982,450	100	3,819,085	22%	

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 2017. 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 16 to 53.

Independent Auditors Report
The Auditors report on the Financial Statements are given on page 15.

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 31 to the Financial Statements.

Directors Remuneration and other benefits
Director's remuneration in respect of the Company for the financial year ended 31st March 2017 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 2017.

	2017	**2016**
Mr. R A Iriyagolle	162	162
Mr. N D Gunaratne (Resigned w.e.f 31.07.2017)	162	162
Mr. D J Gunaratne PC	1,775	1,775
Mr. R M M J Ratnayake	Nil	Nil
Mr. M D A Weerasooriya	Nil	Nil

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 2017 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 1,077,526 as audit fees for the year (paid in 2016 – LKR 1,054,187). In addition LKR 374,031 was provided by the Group for non audit related work (paid in 2016 - LKR 72,131). 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 2017.

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

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

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

Stated Capital

Stated Capital for the Company is LKR 156,716,270.

Reserves

Total Group reserves at the Balance Sheet date amounted to Rs. 511,787,737 of which the details are disclosed in the Statement of Changes in Equity.

Related Party Transactions

Details of transactions carried out by the Company with its related parties during the year ended 31st March 2017 that are required to be disclosed in terms of the Code of Best Practice on Related Party Transactions are given below;

Details of the recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31st March 2017 audited financial statements, which required additional disclosures under the Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Substantial Shareholdings

The 20 largest shareholders of the Company as at 31st March 2017, together with an analysis is given on page 56.

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 8.

Contingent Liabilities

Contingent Liabilities existing as at the Balance Sheet date are shown in Note 35.

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Controlling Interest as a %	Value of the Related Party Transactions entered during the financial year (Rs.)	Aggregate Value of the Related Party Transactions as a % of Net Revenue/Income	Terms and conditions of the Related Party Transactions
ASCOT Developments (Pvt) Ltd	Subsidiary	83.35	**Financial Assistance during the 2016/17 financial year** Short-terms loans granted by Ascot Holdings PLC - LKR 25,459,253 Short-term loans settled by Ascot Developments (Pvt) Ltd to Ascot Holdings PLC- LKR 36,165,000	14	Finance to manage the short-term working capital requirements. Payable on demand. Interest rate- 15% per annum.

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 36 to the Financial Statements.

Disclosure as per Colombo Stock Exchange Rule No.7.4

Market Share Price	2017	2016
Closing at 31st March	23.00	23.60
Highest during the year	48.40	47.70
Lowest during the year	21.10	22.00

Shareholding

The number of registered shareholders of the Company as at 31st March 2017 was 1,987.

Annual General Meeting

The 47th 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 29th September 2017 at 2.00 p.m.

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

Director

Director

Secretaries
08th September 2017

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 15.

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 16 to 53, 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

08th September 2017

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.
- Assessing 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

08th September 2017

Related Party Transactions Review Committee Report

Composition of the Committee

The Board established the Related Party Transactions Review Committee in terms of the Code of Best practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka and the Section 9 of the Listing Rules of the Colombo Stock Exchange.

The Related Party Transactions Review Committee comprises two Independent Non-Executive Directors and one Executive Director. The Committee comprised the following members;

- Mr M D A Weerasooriya (NED/IND) - Chairman
- Mr R M M J Ratnayake (NED/IND)
- Mr R A Iriyagolle (ED)

(ED – Executive Director, IND – Independent Director, NED – Non-Executive Director)

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

Role of the Committee

- Assist the Board in assessing material agreements of any kind with a related party in determining whether to approve, ratify, disapprove or reject a Related Party Transaction.

- Require adequate and accurate information from management, employees or external parties with regard to any transaction entered into with a related party.

- Seek for the knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitable qualified persons.

- To ensure and monitor that all related party transactions of the entity are transacted in the normal course of business and are not prejudicial to the interests of the entity and its minority shareholders.

- Review the adequacy of Management's monitoring and reporting systems on RPTs.

- Formulate, revise and approve policies on related party transactions.

- To review the economic and commercial substance of both recurrent/ non recurrent related party transactions.

Meetings

The Committee held once during the year under review.

M D A Weerasooriya
Chairman
Related Party Transactions Review Committee

08th September 2017

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	4/4

* Chairman

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

Role of the Committee
The primary functions of the committee can be 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 continue as Auditors for the financial year ending 31st March 2018.

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

08th September 2017

EY
Building a better working world

Ernst & Young
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASCOT HOLDINGS PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Ascot Holdings PLC ("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 2017, and the income statement, 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 2017, 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 the financial position as at 31 March 2017, 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.

Ernst & Young

08 September 2017
Colombo

Income statement

For the year ended 31 March	Note	Group		Company	
In LKR		2017	2016	2017	2016
Continuing operations					
Revenue	2	**182,687,627**	171,399,602	**20,629,214**	22,116,390
Cost of sales		**(85,121,465)**	(91,263,576)	**(16,145,252)**	(16,387,200)
Gross profit		**97,566,162**	80,136,026	**4,483,962**	5,729,190
Other operating income	3	**35,146,842**	54,068,994	**7,830,289**	-
Selling & distribution expenses		**(9,126,619)**	(11,660,209)	**-**	-
Administrative expenses		**(30,090,978)**	(28,950,707)	**(8,745,798)**	(9,754,140)
Other operating expenses	4	**(4,451,862)**	(2,409,798)	**(63,661,214)**	(14,995,142)
Results from operating activities		**89,043,545**	91,184,306	**(60,092,761)**	(19,020,092)
Finance expense	5	**(51,700,832)**	(47,118,172)	**-**	-
Finance income	6	**232,458**	2,718,147	**225,317**	2,717,899
Profit/(loss) before tax from continuing operations	7	**37,575,171**	46,784,281	**(59,867,444)**	(16,302,193)
Tax (expense)/reversal	8	**(9,314,856)**	(15,060,870)	**361,642**	347,482
Profit/(loss) for the year from continuing operations		**28,260,315**	31,723,411	**(59,505,802)**	(15,954,711)
Discontinued operations					
Profit/(loss) after tax for the year from discontinued operations, re-presented	32	**-**	-	**-**	-
Profit for the year		**28,260,315**	31,723,411	**(59,505,802)**	(15,954,711)
Attributable to:					
Equity holders of the parent		**23,703,816**	24,342,564	**(59,505,802)**	(15,954,711)
Non-controlling interests		**4,556,499**	7,380,847	**-**	-
		28,260,315	31,723,411	**(59,505,802)**	(15,954,711)
		LKR	LKR	**LKR**	LKR
Earnings/(loss) per share					
Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	9.1	**1.87**	2.01	**(4.70)**	(1.32)
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent	9.2	**1.87**	2.01	**(4.70)**	(1.32)

Figures in brackets indicate deductions.

The notes as set out in pages 21 to 53 form an integral part of these financial statements.

Statement of comprehensive income

For the year ended 31 March	Note	Group		Company	
In LKR		2017	2016	2017	2016
Profit/(loss) for the year		**28,260,315**	31,723,411	**(59,505,802)**	(15,954,711)
Other comprehensive income					
Other comprehensive income not to be reclassified to income statement in subsequent periods:					
Re-measurement gains/(losses) on employee benefit liabilities	**25**	**817,344**	1,041,659	**570,861**	826,782
Income tax effect	**8.2**	**(228,856)**	(291,665)	**(159,841)**	(231,498)
Total other comprehensive income/(loss) for the year, net of tax		**588,488**	749,994	**411,020**	595,284
Total comprehensive income/(loss) for the year, net of tax		**28,848,803**	32,473,405	**(59,094,782)**	(15,359,427)
Total comprehensive income attributable to :					
Equity holders of the parent		**24,256,810**	25,061,615	**(59,094,782)**	(15,359,427)
Non-controlling interests		**4,591,993**	7,411,790	**-**	-
		28,848,803	32,473,405	**(59,094,782)**	(15,359,427)

Figures in brackets indicate deductions.

The notes as set out in pages 21 to 53 form an integral part of these financial statements.

Statement of financial position

As at 31 March In LKR	Note	Group 2017	Group 2016	Company 2017	Company 2016
ASSETS					
Non-current assets					
Property, plant and equipment	12	**93,418,053**	97,763,589	**2,539,583**	3,971,995
Lease rentals paid in advance	13	**28,490,910**	28,787,690	**-**	-
Investment property	14	**1,100,000,000**	1,075,000,000	**-**	-
Investments in subsidiaries	15	**-**	-	**358,548,675**	380,215,763
Intangible assets	16	**4,356,915**	4,356,915	**-**	-
Other non-current assets	17	**7,977,231**	7,977,231	**-**	-
Deferred tax assets	24.2	**2,037,528**	1,849,465	**1,848,633**	1,646,833
		1,236,280,637	1,215,734,890	**362,936,891**	385,834,591
Current assets					
Inventories	18	**4,413,854**	6,729,501	**-**	-
Trade and other receivables	19	**8,533,207**	19,246,098	**547,321**	910,640
Financial assets-fair value through profit or loss	20	**1,006,055**	1,138,222	**1,006,055**	1,138,222
Amounts due from related parties	31.3.1	**195,951**	211,950	**151,162,915**	175,197,494
Other current assets	21	**3,521,215**	5,240,982	**221,392**	330,575
Short-term investments	30	**5,513,889**	16,222,360	**5,513,889**	16,222,360
Cash in hand and at bank	30	**659,488**	753,614	**102,470**	286,628
Non-Current asset classified as held for sale	32	**-**	6,388,889	**-**	-
		23,843,659	55,931,616	**158,554,042**	194,085,919
Total assets		**1,260,124,296**	1,271,666,506	**521,490,933**	579,920,510
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	22	**156,716,270**	156,716,270	**156,716,270**	156,716,270
Revenue reserves	23	**488,687,737**	464,430,927	**329,449,618**	388,544,400
Other components of equity	23	**23,100,000**	23,100,000	**23,100,000**	23,100,000
		668,504,007	644,247,197	**509,265,888**	568,360,670
Non-controlling interests		**92,420,805**	87,828,812	**-**	-
Total equity		**760,924,812**	732,076,009	**509,265,888**	568,360,670
Non-current liabilities					
Deferred tax liabilities	24.1	**126,810,836**	115,298,637	**-**	-
Employee benefit liabilities	25	**7,654,367**	7,226,223	**6,473,367**	5,783,473
Interest bearing borrowings	26	**1,960,161**	267,899,809	**-**	-
		136,425,364	390,424,669	**6,473,367**	5,783,473
Current liabilities					
Trade and other payables	27	**10,754,985**	11,750,442	**604,339**	902,730
Amounts due to related parties	31.3.2	**11,176,463**	11,314,715	**412,465**	141,336
Income tax liabilities	28	**32,228**	78,428	**32,228**	32,228
Current portion of interest bearing borrowings	26	**301,202,049**	96,075,023	**-**	-
Other current liabilities	29	**26,654,943**	18,257,244	**4,494,202**	4,700,073
Bank overdrafts	30	**12,953,452**	9,901,087	**208,444**	-
Liabilities directly associated with non-current assets classified as held for sale	32	**-**	1,788,889	**-**	-
		362,774,120	149,165,828	**5,751,678**	5,776,367
Total equity and liabilities		**1,260,124,296**	1,271,666,506	**521,490,933**	579,920,510

I certify that the financial statements have been prepared in compliance with the requirements of 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

R A Iriyagolle
Managing Director

08 September 2017
Colombo.

The notes as set out in pages 21 to 53 form an integral part of these financial statements.

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 2015	**140,085,848**	**23,100,000**	**439,369,312**	**602,555,160**	**80,671,765**	**683,226,925**
Profit /(loss) for the year	-	-	24,342,564	24,342,564	7,380,847	31,723,411
Other comprehensive income	-	-	719,051	719,051	30,943	749,994
Dividend paid	-	-	-	-	(254,743)	(254,743)
Issue of share capital	16,982,450	-	-	16,982,450	-	16,982,450
Direct costs on share issue	(352,028)	-	-	(352,028)	-	(352,028)
As at 31 March 2016	**156,716,270**	**23,100,000**	**464,430,927**	**644,247,197**	**87,828,812**	**732,076,009**
Profit /(loss) for the year	-	-	23,703,816	23,703,816	4,556,499	28,260,315
Other comprehensive income	-	-	552,994	552,994	35,494	588,488
As at 31 March 2017	**156,716,270**	**23,100,000**	**488,687,737**	**668,504,007**	**92,420,805**	**760,924,812**

Company In LKR	Stated capital	Other components of equity	Revenue reserves	Total equity
As at 31 March 2015	**140,085,848**	**23,100,000**	**403,903,827**	**567,089,675**
Profit /(loss) for the year	-	-	(15,954,711)	(15,954,711)
Other comprehensive income	-	-	595,284	595,284
Issue of share capital	16,982,450	-	-	16,982,450
Direct costs on share issue	(352,028)	-	-	(352,028)
As at 31 March 2016	**156,716,270**	**23,100,000**	**388,544,400**	**568,360,670**
Profit /(loss) for the year	-	-	(59,505,802)	(59,505,802)
Other comprehensive income	-	-	411,020	411,020
As at 31 March 2017	**156,716,270**	**23,100,000**	**329,449,618**	**509,265,888**

Figures in brackets indicate deductions.

The notes as set out in pages 21 to 53 form an integral part of these financial statements.

Cash flow statement

For the year ended 31 March In LKR	Note	Group 2017	Group 2016	Company 2017	Company 2016
OPERATING ACTIVITIES					
Profit/(loss) before tax from continuing operations		**37,575,171**	46,784,281	**(59,867,444)**	(16,302,193)
Profit/(loss) before tax from discontinuing operations, re-presented		**-**	-	**-**	-
Profit/(loss) before tax		**37,575,171**	46,784,281	**(59,867,444)**	(16,302,193)
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment		**10,890,720**	10,500,767	**1,432,412**	1,434,401
Finance income	**6**	**(232,458)**	(2,718,147)	**(225,317)**	(2,717,899)
Dividend income	**2**	**(43,862)**	(22,481)	**(43,862)**	(1,170,210)
Finance cost	**5**	**51,700,832**	47,118,172	**-**	-
Gratuity provision and related costs	**25**	**1,567,988**	1,527,139	**1,260,755**	1,204,762
Write back of other payables	**3**	**(2,346,842)**	(4,068,994)	**(30,289)**	-
Impairment of trade & other receivables	**19.2**	**2,480,066**	851,000	**-**	-
Provision for impairment of fall in value of investment in subsidiary	**4**	**-**	-	**63,425,230**	14,587,698
Amortisation of lease rental paid in advance	**13**	**296,780**	296,780	**-**	-
Increase in investment properties	**3**	**(25,000,000)**	(50,000,000)	**-**	-
(Appreciation)/Depreciation in fair value of FVTPL		**132,167**	80,246	**132,169**	80,246
Disposal gain on property, plant and equipment	**3**	**(7,800,000)**	-	**(7,800,000)**	-
Write back of other short term loans	**26.1**	**(2,005,653)**	-	**-**	-
		67,214,909	50,348,763	**(1,716,346)**	(2,883,195)
Working capital adjustments:					
(Increase) / Decrease in inventories		**2,315,648**	548,103	**-**	57,645
(Increase) / Decrease in trade and other receivables		**8,232,827**	4,148,916	**363,320**	(127,733)
(Increase) / Decrease in amounts due from related parties		**15,999**	11,407	**(17,723,565)**	(68,473,241)
(Increase) / Decrease in other current assets		**1,719,767**	430,226	**109,183**	183,368
Increase / (Decrease) in trade and other payables		**(995,457)**	3,015,850	**(268,102)**	-
Increase / (Decrease) in amounts due to related parties		**(138,252)**	3,996,125	**271,129**	141,336
Increase / (Decrease) in other current liabilities		**2,912,321**	2,339,570	**(205,871)**	171,078
		81,277,762	64,838,960	**(19,170,252)**	(70,930,742)
Interest received		**232,455**	2,715,255	**225,317**	2,717,899
Finance expenses paid		**(43,868,612)**	(46,771,495)	**-**	-
Tax paid		**(54,668)**	(1,070,225)	**-**	-
Employee benefit paid	**25**	**(322,500)**	(424,000)	**-**	-
Net cash flow from/(used in) operating activities		**37,264,437**	19,288,495	**(18,944,935)**	(68,212,843)
INVESTING ACTIVITIES					
Disposal of property, plant and equipment	**3**	**7,800,000**	-	**7,800,000**	-
Purchase and construction of property, plant and equipment		**(156,293)**	(9,453,860)	**-**	-
Long-term deposits made with Ceylon Electricity Board		**-**	(2,377,231)	**-**	-
Dividend received	**2**	**43,862**	22,481	**43,862**	1,170,210
Net cash flow from/(used in) investing activities		**7,687,569**	(11,808,610)	**7,843,862**	1,170,210
FINANCING ACTIVITIES					
Proceeds from bank borrowings	**26.1**	**-**	2,122,432	**-**	-
Proceeds from exercise of share issue/rights issue	**22**	**-**	16,982,450	**-**	16,982,450
Dividend paid to NCI		**-**	(254,743)	**-**	-
Direct costs on share issue/rights issue	**22**	**-**	(352,028)	**-**	(352,028)
Repayment of bank borrowings	**26.1**	**(49,849,172)**	(68,049,660)	**-**	-
Repayment of finance lease	**26.1.1**	**(8,957,796)**	(9,271,055)	**-**	-
Net cash flow from/(used in) financing activities		**(58,806,968)**	(58,822,604)	**-**	16,630,422
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(13,854,962)**	(51,342,719)	**(11,101,073)**	(50,412,211)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		**7,074,887**	58,417,606	**16,508,988**	66,921,199
CASH AND CASH EQUIVALENTS AT THE END		**(6,780,075)**	7,074,887	**5,407,915**	16,508,988
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Favorable balances					
Cash in hand and at bank	**30**	**659,488**	753,614	**102,470**	286,628
Investment in Repos/ CPs (less than three months)	**30**	**5,513,889**	16,222,360	**5,513,889**	16,222,360
Unfavourable balances					
Bank overdrafts	**30**	**(12,953,452)**	(9,901,087)	**(208,444)**	-
Total cash and cash equivalents		**(6,780,075)**	7,074,887	**5,407,915**	16,508,988

Figures in brackets indicate deductions.
The notes as set out in pages 21 to 53 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 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, as at and for the year ended 31 March 2017, encompasses "the Company" referring to Ascot Holdings PLC as the holding Company and "the Group" referring to the companies that have been consolidated therein.

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% of the issued share capital of ASCOT Yala (Private) Limited, ASCOT Leisure (Private) Limited & ASCOT Ambalangoda (Private) Limited which are in the business of hoteliering. There were no business operations for these companies since its incorporation.

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 2017 were authorised for issue by the Board of Directors on 08 September 2017.

1.1.5 Responsibility for financial statements

The responsibility of the Board of Directors in relation to the financial statements is set out in the Statement of Directors' Responsibility report in the Annual report.

1.2 BASIS OF PREPARATION

1.2.1 Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No.15 of 1995, which requires compliance with Sri Lanka Accounting Standards promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and with the requirements of the Companies Act No. 07 of 2007.

1.2.2 Basis of measurement

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

1.2.3 Presentation and functional currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), 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.

1.2.4 Materiality and aggregation

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

1.2.5 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. (Note 34)

1.3 BASIS OF CONSOLIDATION

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017. The financial statements of the subsidiaries are prepared in compliance with the Group's accounting policies unless stated otherwise.

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee.

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting right.

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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 acquisition either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combinations are expensed 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.

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 as current when it is:

- Expected to be realised or intended to be 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
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period The Group classifies all other assets as non-current.

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 10.2
- Investment properties - Note 14
- Financial instruments (including those carried at amortised cost) - Note 10

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 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
Plant and Machinery	10
Motor Vehicles	4
Office Equipment	3
Computer Accessories	3-4

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 whenever 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 as 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 income statement 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:

- 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 though 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 income statement. The losses arising from impairment are recognised in the income statement as finance costs. The Group did not have any held- to-maturity investments during the years ended 31 March 2017 and 2016.

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 income statement 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 2017 and 2016.

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, 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.

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, recognized 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 income statement 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.

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, 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 income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, 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 received. 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 and in the case of quoted securities is the ex-dividend date.

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.

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. 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.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of 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 deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 GENERAL

1.5.1 Events occurring after the reporting date
All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the financial statements.

1.5.2 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1.5.3 Non-current assets held for distribution to equity holders of the parent and discontinued operations

The Group classifies non-current assets and disposal Groups as held for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a distribution rather than through continuing use. Such non-current assets and disposal Groups classified as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal Group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the decision to distribute will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for distribution.

Assets and liabilities classified as held for distribution are presented separately as current items in the statement of financial position.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

If the criteria are no longer met to classify Non - Current assets held for distribution to equity holders of the parent and discontinued operations, the group shall cease to classify the asset (or disposal group) as held for sale.

The group shall measure a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

- its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, impairment losses ,if any that would have been recognised had the asset (or disposal group) not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

Additional disclosures are provided in Note 32. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

1.5.4 Comparative information

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year. (Note 34)

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.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

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.

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.

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 2017.

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

Certain new accounting standards and amendments / improvements to existing standards have been published, that are not mandatory for 31 March 2017 reporting periods. None of those have been early adopled by the group/ company. Pending the detailed review of standards and interpretations, the extent of the impact has not been determined by the management.

SLFRS 9 Financial Instruments

SLFRS 9 replaces the existing guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from LKAS 39. SLFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under SLFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

SLFRS 16 Leases

SLFRS 16 provides a single lessee accounting model, requiring leases to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value even though lessor accounting remains similar to current practice. This supersedes: LKAS 17 leases, IFRIC 4 determining whether an arrangement contains a lease, SIC 15 operating leases - incentives; and SIC 27 evaluating the substance of transactions involving the legal form of a lease. Earlier application is permitted for entities that apply SLFRS 15 Revenue from Contracts with customers. SLFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The following amendments and improvements are not expected to not have a significant impact on the Company's/ Group's Financial Statements.

- Amendments to SLFRS 10 and LKAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- LKAS 7 Disclosure Initiative - Amendments to LKAS 7.
- LKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses Amendments to LKAS 12.
- SLFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to SLFRS 2.
- Applying SLFRS 9 Financial Instruments with SLFRS 4 Insurance Contracts - Amendments to SLFRS 4.

For the year ended 31 March		Group		Company	
In LKR		2017	2016	2017	2016
2	**REVENUE**				
	Interest income on loans to subsidiaries	**-**	-	**20,585,352**	20,946,180
	Rental income derived from investment property	**108,000,000**	99,000,000	**-**	-
	Sale of paving blocks	**74,643,765**	72,377,121	**-**	-
	Dividend income	**43,862**	22,481	**43,862**	1,170,210
		182,687,627	171,399,602	**20,629,214**	22,116,390
3	**OTHER OPERATING INCOME**				
	Change in fair value of investment property	**25,000,000**	50,000,000	**-**	-
	Net Gain on disposal of property, plant & equipment	**7,800,000**	-	**7,800,000**	-
	Write back of other payables	**2,346,842**	4,068,994	**30,289**	-
		35,146,842	54,068,994	**7,830,289**	-
4	**OTHER OPERATING EXPENSES**				
	Net loss on financial instruments at fair value through profit or loss	**114,232**	81,014	**114,232**	81,014
	Bank charges	**69,605**	53,205	**30,271**	30,850
	Impairment of investment in subsidiary	**-**	-	**63,425,230**	14,587,698
	Penalty expense	**123,067**	-	**70,752**	-
	Rates & NBT	**2,340,000**	2,274,149	**-**	295,580
	Realized loss on share trading	**20,729**	-	**20,729**	-
	Impairment of other receivables	**1,784,229**	-	**-**	-
	Operating expenses arising from Discontinued Operations , Re-Presented	**-**	1,430	**-**	-
		4,451,862	2,409,798	**63,661,214**	14,995,142
5	**FINANCE EXPENSES**				
	Interest expenses on bank overdraft	**1,417,058**	1,410,740	**-**	-
	Interest expenses on bank borrowings	**48,231,695**	42,350,952	**-**	-
	Interest expenses on finance lease	**2,052,079**	3,356,480	**-**	-
		51,700,832	47,118,172	**-**	-
6	**FINANCE INCOME**				
	Interest income on short-term investments (Repos/ CPs)	**232,458**	2,718,147	**225,317**	2,717,899
		232,458	2,718,147	**225,317**	2,717,899
7	**PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS**				
	Profit/(loss) before tax is stated after charging all expenses including the following;				
	Directors' emoluments	**18,693,868**	17,836,800	**14,631,316**	14,640,000
	Auditors' fees				
	- Ernst & Young	**1,077,526**	1,054,187	**485,526**	451,187
	Non-audit services	**374,031**	72,131	**93,004**	32,326
	Staff cost				
	- Defined benefit plan cost	**527,323**	523,596	**222,351**	203,485
	- Defined contribution plan cost - EPF & ETF	**990,711**	1,133,728	**449,806**	631,214
	- Other staff cost (excluding defined benefit plan cost and defined contribution plan cost)	**8,694,293**	9,735,454	**4,589,130**	4,471,101
	Depreciation of property, plant & equipment and lease hold assets	**10,890,720**	10,500.767	**1,432,412**	1,434,401
	Impairment of trade receivables	**2,480,066**	851,000	**-**	-
	Impairment of other receivables	**1,784,229**	-	**-**	-

ASCOT Holdings PLC
Notes to the financial statements contd...

For the year ended 31 March In LKR		Note	Group 2017	Group 2016	Company 2017	Company 2016
8	**TAX EXPENSE**					
	Current income tax:					
	Current income tax charge	**8.1**	**54,668**	628,069	**-**	-
	Under / (Over) provision in respect of current income tax of previous year	**8.1**	**(46,200)**	-	**-**	-
	Deferred tax:					
	Relating to origination and reversal of temporary differences		**9,306,388**	14,305,276	**(361,642)**	(347,482)
	Income tax on intercompany dividend		**-**	127,525	**-**	-
	Income tax attributable to a discontinued operation	**32**	**-**	311,111	**-**	-
	Income tax attributable to a discontinued operation, Re-presented	**32**	**-**	(311,111)	**-**	-
	Income tax expense reported in the income statement		**9,314,856**	15,060,870	**(361,642)**	(347,482)
8.1	**Reconciliation between tax expense and the product of accounting profit**					
	Profit/(loss) before tax	**7**	**37,575,171**	46,784,281	**(59,867,444)**	(16,302,193)
	Intra-group adjustments		**-**	13,514,658	**-**	-
	Disallowable expenses		**29,862,043**	45,702,373	**66,324,110**	17,578,456
	Allowable expenses including capital allowance claimed		**(78,124,064)**	(107,760,261)	**(7,920,361)**	(1,448,082)
	Income not liable for income tax		**-**	6,590,254	**-**	-
	Tax loss setoff against Statutory Income	**8.3**	**(147,182)**	(1,690,956)	**-**	-
	Taxable profit/(loss) for the year		**(10,834,032)**	3,140,349	**(1,463,695)**	(171,819)
	Income tax charged at					
	Income tax @ 28%		**-**	-	**-**	-
	Income tax @ 20%		**54,668**	628,069	**-**	-
	Under/(Over) provision in respect of previous year		**(46,200)**	-	**-**	-
	Charge for the year		**8,468**	628,069	**-**	-
	Deferred tax charge/(reversal)	**8.2**	**9,306,388**	14,305,276	**(361,642)**	(347,482)
	Income tax on intercompany dividend		**-**	127,525	**-**	-
	Income tax attributable to discontinued operation	**32**	**-**	311,111	**-**	-
	Income tax attributable to discontinued operation, Re-Presented	**32**	**-**	(311,111)	**-**	-
	Income tax expense reported in the income statement		**9,314,856**	15,060,870	**(361,642)**	(347,482)
8.2	**Deferred tax expense/(reversal)**					
	Income statement					
	Deferred tax expense arising from;					
	Accelerated depreciation for tax purposes		**36,925,037**	14,679,638	**(8,630)**	(10,149)
	Retirement benefit obligations		**(348,738)**	(308,879)	**(353,012)**	(337,333)
	Deferred tax tax losses recognized on accounts of carried forward losses	**24.1**	**(27,269,911)**	(65,483)	**-**	-
	Deferred tax charge/(reversal)		**9,306,388**	14,305,276	**(361,642)**	(347,482)
	Other comprehensive income					
	Deferred tax relating to re-measurement gains/(losses) on employee benefit liabilities		**228,856**	291,665	**159,841**	231,498
		24	**9,535,244**	14,596,941	**(201,801)**	(115,983)
8.3	**Tax losses carried forward**					
	Tax losses brought forward		**502,113,925**	472,556,876	**330,188,575**	330,016,756
	Tax losses for the year		**10,834,032**	31,248,005	**1,463,695**	171,819
	Adjustments on finalisation of liability		**(1,442,835)**	-	**134,266**	-
	Tax loss set-off against statutory income		**(147,182)**	(1,690,956)	**-**	-
	Tax losses carried forward		**511,357,940**	502,113,925	**331,786,536**	330,188,575

LKR 411.7 Mn. of unused tax losses for which no deferred tax asset is recognised in the statement of financial position.

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 2016/17 (Y/A 2015/16 - 28%).

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	**10%**
		Starting from 01 April 2014	**20%**

9 EARNINGS/(LOSS) PER SHARE

	Note	Group		Company	
		2017	2016	**2017**	2016
9.1 Basic earnings/(loss) per share					
Profit/(loss) attributable to equity holders of the parent		**23,703,816**	24,342,564	**(59,505,802)**	(15,954,711)
Weighted average number of ordinary shares	**9.3**	**12,657,555**	12,103,146	**12,657,555**	12,103,146
Basic earnings/(loss) per share		**1.87**	2.01	**(4.70)**	(1.32)
9.2 Diluted earnings/(loss) per share					
Profit/(loss) attributable to equity holders of the parent		**23,703,816**	24,342,564	**(59,505,802)**	(15,954,711)
Adjusted weighted average number of ordinary shares		**12,657,555**	12,103,146	**12,657,555**	12,103,146
Diluted earnings/(loss) per share		**1.87**	2.01	**(4.70)**	(1.32)
9.3 Amounts used as denominator					
Ordinary shares at the beginning of the year		**12,657,555**	11,978,257	**12,657,555**	11,978,257
Bonus element on warrants exercised and right issue		**-**	83,945	**-**	83,945
Effect of warrants exercised		**-**	40,944	**-**	40,944
Weighted average number of ordinary shares in issue before dilution		**12,657,555**	12,103,146	**12,657,555**	12,103,146
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		**12,657,555**	12,103,146	**12,657,555**	12,103,146

10 FINANCIAL INSTRUMENTS

10.1 Financial assets and liabilities by class

Set out below is a comparison by class of the carrying amounts and fair values of the group's and company's financial instruments that are carried in the financial statements.

Financial assets by class	Group		Company	
	Carrying value	Fair value	Carrying value	Fair value
As at 31 March	2017		2017	
In LKR				
Financial instruments in current assets				
Trade and other receivables	**8,533,207**	8,533,207	**547,321**	547,321
Amounts due from related parties	**195,951**	195,951	**151,162,915**	151,162,915
Financial assets-fair value through profit or loss	**1,006,055**	1,006,055	**1,006,055**	1,006,055
Short-term investments	**5,513,889**	5,513,889	**5,513,889**	5,513,889
Cash in hand & at bank	**659,488**	659,488	**102,470**	102,470
Total	**15,908,590**	15,908,590	**158,332,650**	158,332,650

Financial assets by class	Group		Company	
	Carrying value	Fair value	Carrying value	Fair value
As at 31 March	2016		2016	
In LKR				
Financial instruments in current assets				
Trade and other receivables	**19,246,098**	19,246,098	**910,640**	910,640
Amounts due from related parties	**211,950**	211,950	**175,197,494**	175,197,494
Financial assets-fair value through profit or loss	**1,138,222**	1,138,222	**1,138,222**	1,138,222
Short-term investments	**16,222,360**	16,222,360	**16,222,360**	16,222,360
Cash in hand & at bank	**753,614**	753,614	**286,628**	286,628
Total	**37,572,244**	37,572,244	**193,755,344**	193,755,344

Financial liabilities by class	Group		Company	
	Financial liabilities measured at amortised cost		Financial liabilities measured at amortised cost	
As at 31 March	2017	2016	2017	2016
In LKR				
Financial instruments in non-current liabilities				
Interest bearing borrowings	**1,960,161**	267,899,809	**-**	-
Financial instruments in current liabilities				
Trade & other payables	**10,754,985**	11,750,442	**604,339**	902,730
Amounts due to related parties	**11,176,463**	11,314,715	**412,465**	141,336
Interest bearing borrowings	**301,202,049**	96,075,023	**-**	-
Bank overdrafts	**12,953,452**	9,901,087	**208,444**	-
Total	**338,047,110**	396,941,076	**1,225,248**	1,044,066

The management assessed that, cash in hand and at bank, short-term investments, amounts due from related parties, trade and other receivables, trade and other payables, amount due to related parties and bank overdrafts 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/ company.

The management also assessed its interest bearing borrowings and since they are approximate to the floating market interest rates and considered not significantly variable from fair value.

As at 31 March 2017, loan installments of two months amounting to Rs. 15,696,138 (Accrued interest amounting to Rs. 7,496,138 and capital outstanding amounting to Rs. 8,200,000) were overdue by Ascot Developments (Pvt) Ltd. Therefore, the total loan outstanding of the term loan facility from Bank of Ceylon amounting to Rs. 295,778,668 (Note 26) was classified under financial instruments in current liabilities.

10 FINANCIAL INSTRUMENTS - GROUP (Contd…)

10.2 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 and the Company held the following financial instruments carried at fair value in the statement of financial position.

As at 31 March	2017			
In LKR	Group			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Investment property				
Commercial property- land and building (Note 14)	**1,100,000,000**	-	-	1,100,000,000
	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)	**1,006,055**	1,006,055	-	-

During the reporting period ended 31 March 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

As at 31 March	2016			
In LKR	Group			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Investment property				
Commercial property- land and building (Note 14)	**1,075,000,000**	-	-	1,075,000,000
	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)	**1,138,222**	1,138,222	-	-

11 FINANCIAL RISK MANAGEMENT

The group has exposure to the following risks from financial instruments

1. Credit risk
2. Liquidity risk
3. Market risk

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included through out these consolidated financial statements.

The board of directors has the overall responsibility for the establishment and oversight of the group's financial risk management frame work which includes developing and monitoring the group's financial risk mangement policies.

Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group activities. The Ascot Holdings PLC audit committee overseas how management monitors compliance with the group's financial risk managements policies and procedures, and review the adequacy of the financial risk management frame work in relation to the risk faced by the group.

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.

11 FINANCIAL RISK MANAGEMENT (Cont...)

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 subjected 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 FVTPL, 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 fulfill their obligations.

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					2017			
As at 31 March	Note	Cash in hand and at bank	Fair value through profit or loss	Trade and other receivables	Short-term investments	Amounts due from related parties	Total	% of allocation
In LKR								
Trade & other receivables	**11.1.1.1**	**-**	**-**	**8,533,207**	**-**	**-**	**8,533,207**	**54%**
Amounts due from related parties	**11.1.1.2**	**-**	**-**	**-**	**-**	**195,951**	**195,951**	**1%**
Financial assets - Fair value through profit or loss	**11.1.1.3**	**-**	**1,006,055**	**-**	**-**	**-**	**1,006,055**	**6%**
Short-term investments	**11.1.1.4**	**-**	**-**	**-**	**5,513,889**	**-**	**5,513,889**	**35%**
Cash in hand and at bank	**11.1.1.4**	**659,488**	**-**	**-**	**-**	**-**	**659,488**	**4%**
Total credit risk exposure		**659,488**	**1,006,055**	**8,533,207**	**5,513,889**	**195,951**	**15,908,590**	**100%**

					2016			
As at 31 March	Note	Cash in hand and at bank	Fair value through profit or loss	Trade and other receivables	Short-term investments	Amounts due from related parties	Total	% of allocation
In LKR								
Trade & other receivables	**11.1.1.1**	-	-	19,246,098	-	-	19,246,098	51%
Amounts due from related parties	**11.1.1.2**	-	-	-	-	211,950	211,950	1%
Financial assets - Fair value through profit or loss	**11.1.1.3**	-	1,138,222	-	-	-	1,138,222	3%
Short-term investments	**11.1.1.4**	-	-	-	16,222,360	-	16,222,360	43%
Cash in hand and at bank	**11.1.1.4**	753,614	-	-	-	-	753,614	2%
Total credit risk exposure		753,614	1,138,222	19,246,098	16,222,360	211,950	37,572,244	100%

Company					2017			
As at 31 March	Note	Cash in hand and at bank	Fair value through profit or loss	Trade and other receivables	Short-term investments	Amounts due from related parties	Total	% of allocation
In LKR								
Trade & other receivables	**11.1.1.1**	**-**	**-**	**547,321**	**-**	**-**	**547,321**	**0%**
Amounts due from related parties	**11.1.1.2**	**-**	**-**	**-**	**-**	**151,162,915**	**151,162,915**	**96%**
Financial assets - Fair value through profit or loss	**11.1.1.3**	**-**	**1,006,055**	**-**	**-**	**-**	**1,006,055**	**1%**
Short-term investments	**11.1.1.4**	**-**	**-**	**-**	**5,513,889**	**-**	**5,513,889**	**3%**
Cash in hand and at bank	**11.1.1.4**	**102,470**	**-**	**-**	**-**	**-**	**102,470**	**0%**
Total credit risk exposure		**102,470**	**1,006,055**	**547,321**	**5,513,889**	**151,162,915**	**158,332,650**	**100%**

					2016			
As at 31 March	Note	Cash in hand and at bank	Fair value through profit or loss	Trade and other receivables	Short-term investments	Amounts due from related parties	Total	% of allocation
In LKR								
Trade & other receivables	**11.1.1.1**	-	-	910,640	-	-	910,640	0%
Amounts due from related parties	**11.1.1.2**	-	-	-	-	175,197,494	175,197,494	91%
Financial assets - Fair value through profit or loss	**11.1.1.3**	-	1,138,222	-	-	-	1,138,222	1%
Short-term investments	**11.1.1.4**	-	-	-	16,222,360	-	16,222,360	8%
Cash in hand and at bank	**11.1.1.4**	286,628	-	-	-	-	286,628	0%
Total credit risk exposure		286,628	1,138,222	910,640	16,222,360	175,197,494	193,755,344	100%

11 FINANCIAL RISK MANAGEMENT (Cont...)

11.1.1.1 Trade receivables

As at 31 March In LKR	Note	Group 2017	Group 2016	Company 2017	Company 2016
Neither past due nor impaired		**757,078**	4,648,392	-	-
Past due but not impaired					
30–60 days		**1,370,939**	3,347,583	-	-
61–90 days		**26,765**	454,671	-	-
91–180 days		**93,052**	344,529	-	-
> 181 days		**4,738,052**	4,330,809	-	-
Impaired		**4,139,477**	1,659,411	-	-
Gross carrying value		**11,125,363**	14,785,395	-	-
Less: impairment provision					
Individually assessed impairment provision	**19.2**	**(4,139,477)**	(1,659,411)	-	-
Total		**6,985,886**	13,125,984	-	-

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

11.1.1.2 Amounts due from related parties

The company's/group's amounts due from related party mainly consists of the balance from subsidiaries (companies under common control) and other related companies respectively.

11.1.1.3 Fair value through profit or loss

The financial asset class of fair value through profit or loss consist of quoted investments held for trading purposes.

11.1.1.4 Credit risk relating to cash and cash equivalents

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

11.2 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.

All liquidity policies and procedures are subjected to review and approval by the Board of Directors. Daily reports cover the liquidity position of the group and operating subsidiaries.

11.2.1 Net (debt)/cash

As at 31 March In LKR	Group 2017	Group 2016	Company 2017	Company 2016
Cash in hand and at bank	**659,488**	753,614	**102,470**	286,628
Short term investments - less than three months	**5,513,889**	16,222,360	**5,513,889**	16,222,360
Liquid Assets	**6,173,377**	16,975,974	**5,616,359**	16,508,988
Bank overdrafts	**12,953,452**	9,901,087	**208,444**	-
Liquid Liabilities	**12,953,452**	9,901,087	**208,444**	-
(Net debt) Cash	**(6,780,075)**	7,074,887	**5,407,915**	16,508,988

ASCOT Holdings PLC
Notes to the financial statements contd...

11 FINANCIAL RISK MANAGEMENT (Cont...)

11.2.2 Maturity analysis

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

Group As at 31 March In LKR	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	2017 Between 3 - 4 years	Between 4 - 5 years	More than 5 years	Total
Interest bearing borrowings	**302,681,506**	**2,594,396**	**-**	**-**	**-**	**-**	**305,275,902**
Trade and other payables	**10,754,985**	**-**	**-**	**-**	**-**	**-**	**10,754,985**
Amounts due to related parties	**11,176,463**	**-**	**-**	**-**	**-**	**-**	**11,176,463**
Bank overdrafts	**12,953,452**	**-**	**-**	**-**	**-**	**-**	**12,953,452**
Total	**337,566,406**	**2,594,396**	**-**	**-**	**-**	**-**	**340,160,802**

As at 31 March In LKR	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	2016 Between 3 - 4 years	Between 4 - 5 years	More than 5 years	Total
Interest bearing borrowings	125,409,899	119,049,248	101,852,772	91,769,886	-	-	438,081,804
Trade and other payables	11,750,442	-	-	-	-	-	11,750,442
Amounts due to related parties	11,314,715	-	-	-	-	-	11,314,715
Bank overdrafts	9,901,087	-	-	-	-	-	9,901,087
Total	158,376,143	119,049,248	101,852,772	91,769,886	-	-	471,048,049

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

Company As at 31 March In LKR	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	2017 Between 3 - 4 years	Between 4 - 5 years	More than 5 years	Total
Trade and other payables	**604,339**	-	-	-	-	-	**604,339**
Amounts due to related parties	**412,465**	-	-	-	-	-	**412,465**
Bank overdrafts	**208,444**	-	-	-	-	-	**208,444**
Total	**1,225,248**	-	-	-	-	-	**1,225,248**

As at 31 March In LKR	Within 1 year	Between 1 - 2 years	Between 2 - 3 years	2016 Between 3 - 4 years	Between 4 - 5 years	More than 5 years	Total
Trade and other payables	910,640	-	-	-	-	-	910,640
Amounts due to related parties	141,336	-	-	-	-	-	141,336
Bank overdrafts	-	-	-	-	-	-	-
Total	1,051,976	-	-	-	-	-	1,051,976

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 FVTPL 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.

	Group		Company	
	Increase/ (decrease) in basis points	Effect on profit before tax (LKR)	Increase/ (decrease) in basis points	Effect on profit before tax (LKR)
2017	+ 125	(3,700,874)	+ 125	-
	-125	3,700,874	-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 or 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 2017	Group 2016	Company 2017	Company 2016
Interest bearing borrowings	A	**303,162,210**	363,974,832	**-**	-
Stated capital and reserves	B	**668,504,007**	644,247,197	**509,265,888**	568,360,670
Non-controlling interest	C	**92,420,805**	87,828,812	**-**	-
Total equity	D = B + C	**760,924,812**	732,076,009	**509,265,888**	568,360,670
Debt/Equity * 100	E = A/D	**40%**	50%	**0%**	0%

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 2017	Total 2016
Cost							
Freehold assets							
At the beginning of the year	**83,886,176**	**18,055,864**	**8,448,383**	**29,722,085**	**4,052,187**	**144,164,695**	190,603,658
Additions	**-**	**76,793**	**79,500**	**-**	**-**	**156,293**	8,057,974
Transfers	**(28,203,862)**	**28,203,862**	**-**	**-**	**-**	**-**	-
Disposal	**-**	**-**	**-**	**(10,948,500)**	**-**	**(10,948,500)**	-
Assets held for distribution (Note 32)	**-**	**54,496,938**	**-**	**-**	**-**	**54,496,938**	(54,496,938)
At the end of the year	**55,682,314**	**100,833,457**	**8,527,883**	**18,773,585**	**4,052,187**	**187,869,426**	144,164,695
Leasehold assets							
At the beginning of the year	**-**	**37,082,583**	**-**	**-**	**-**	**37,082,583**	25,000,000
Additions	**-**	**-**	**-**	**-**	**-**	**-**	12,082,583
At the end of the year	**-**	**37,082,583**	**-**	**-**	**-**	**37,082,583**	37,082,583
Total value of assets	**55,682,314**	**137,916,040**	**8,527,883**	**18,773,585**	**4,052,187**	**224,952,009**	181,247,278
Depreciation and impairment							
Freehold assets							
At the beginning of the year	**3,748,872**	**33,112,644**	**8,089,730**	**18,694,077**	**-**	**63,645,323**	102,401,860
Charge for the year	**1,184,115**	**3,606,582**	**229,320**	**4,305,896**	**-**	**9,325,913**	9,351,511
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	-
Disposal	**-**	**-**	**-**	**(10,948,500)**	**-**	**(10,948,500)**	-
Assets held for distribution (Note 32)	**-**	**48,108,047**	**-**	**-**	**-**	**48,108,047**	(48,108,047)
At the end of the year	**4,932,987**	**84,827,273**	**8,319,050**	**12,051,473**	**-**	**110,130,783**	63,645,323
Leasehold assets							
At the beginning of the year	**-**	**19,838,366**	**-**	**-**	**-**	**19,838,366**	18,689,110
Charge for the year	**-**	**1,564,807**	**-**	**-**	**-**	**1,564,807**	1,149,256
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	-
At the end of the year	**-**	**21,403,173**	**-**	**-**	**-**	**21,403,173**	19,838,366
Total depreciation and impairment	**4,932,987**	**106,230,446**	**8,319,050**	**12,051,473**	**-**	**131,533,956**	83,483,689
Carrying value							
As at 31 March 2017	**50,749,327**	**31,685,594**	**208,833**	**6,722,112**	**4,052,187**	**93,418,053**	
As at 31 March 2016	80,137,304	2,187,437	358,653	11,028,008	4,052,187	97,763,589	

12.1.1 Land & buildings

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

The table below sets out information about significant unobservable inputs used in measuring fair value of land

Category	Location	Valuation technique	Significant unobservable input	Range of estimate (weighted average) for unobservable input (Rs'000)	Fair value measurement sensitivity to unobservable input
Freehold Land	Kal-eliya, Veyangoda	Open market basis	Land- Rate per perch	35 to 200	Significant increase/(decrease) in estimated price per perch in isolation would result in a significantly higher / (lower) fair value.

12.1.2 Plant & machinery

Plant & machinery with a carrying amount of LKR 7.1 Mn (2016 - LKR 8.1 Mn) are subjected to a first charge to secure one of the Group's bank loan.

12.1.3 Assets held for distribution

There were no assets held for distribution as at 31 March 2017 (Note 32).

12.1.4 Fully depreciated assets

Property, plant and equipment includes fully depreciated assets amounting to LKR 14,482,627 (2016 - LKR 19,461,810) and continue to be in use by the Group.

12.2 Company

As at 31 March In LKR	Furniture, Fitting & office equipment	Motor Vehicles	Total 2017	Total 2016
Cost				
At the beginning of the year	**6,831,057**	**16,248,500**	**23,079,557**	23,079,557
Additions	**-**	**-**	**-**	-
Disposals	**-**	**(10,948,500)**	**(10,948,500)**	-
At the end of the year	**6,831,057**	**5,300,000**	**12,131,057**	23,079,557
Depreciation				
At the beginning of the year	**6,621,864**	**12,485,698**	**19,107,562**	17,673,161
Charge for the year	**107,412**	**1,325,000**	**1,432,412**	1,434,401
Disposals	**-**	**(10,948,500)**	**(10,948,500)**	-
At the end of the year	**6,729,276**	**2,862,198**	**9,591,474**	19,107,562
Carrying value				
As at 31 March 2017	**101,781**	**2,437,802**	**2,539,583**	
As at 31 March 2016	209,193	3,762,802		3,971,995

12.2.1 Fully depreciated assets

Property, plant and equipment includes fully depreciated assets amounting to LKR 6,831,051 (2016 - LKR 17,457,321) and continue to be in use by the company.

13 LEASE RENTALS PAID IN ADVANCE

As at 31 March In LKR	Group 2017	Group 2016
At the beginning of the year	**28,787,690**	29,084,470
Addition for the year	**-**	-
Amortisation for the year	**(296,780)**	(296,780)
At the end of the year	**28,490,910**	28,787,690

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.

13.1 Details of lease rentals paid in advance;

Property As at 31st March	Land extent (in acres)	Lease period	Amount 2017	2016
ASCOT Leisure (Pvt) Ltd - Yala (Palatupana) wild life tourism zone	7.0	99 years from 13-05-2014	**28,490,910**	28,787,690

14 INVESTMENT PROPERTY

	Group 2017	2016
At the beginning of the year	**1,075,000,000**	1,025,000,000
Additions / transfers	-	-
Change in fair value during the year	**25,000,000**	50,000,000
Impairment/derecognition	-	-
At the end of the year	**1,100,000,000**	1,075,000,000

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 2017 and 2016, 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 70,100 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	2017
Freehold property ASCOT Development (Pvt) Ltd TB Jayah Mawatha, Colombo 10.	Land & Building	Investment Basis	Estimated rental value per sq. foot per month Outgoings	**LKR 125** **35%**

As at 31 March Property	Type of Instrument	Method of Valuation	Significant Unobservable Inputs	2016
Freehold property ASCOT Development (Pvt) Ltd TB Jayah Mawatha, Colombo 10.	Land & Building	Investment Basis	Estimated rental value per sq. foot per month Outgoings	**LKR 110** **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 108 MN for 12 months occupancy. (2016 - LKR 99 MN for 11 months occupancy). Direct operating expenses on investment property for the year LKR 12.5 MN (2016 - LKR 11.5 MN).

14.4 Land of the investment property is subjected to a first charge to secure one of the group's bank loan. The details are shown in Note 26.2 to the financial statements.

As at 31 March

		Effective holding % 2017	Effective holding % 2016	Number of shares 2017	Number of shares 2016	2017 LKR	2016 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	**94,372,928**	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%	**3,546,941**	100	**35,468,410**	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
						436,561,603	394,803,461
	Provision for fall in value of investment made by the Company						
	L & A Quarries (Private) Limited***					**(78,012,928)**	(14,587,698)
	Company investment in subsidiary					**358,548,675**	380,215,763

*Pending share allotment for an amount of LKR 35,872,928 of L & A Quarries (Private) Limited as at 31 March 2017.

** During the year, authorised share capital of Ascot Leisure (Private) Limited was increased by LKR 5,885,214 by issue of 588,521 ordinary shares of LKR 10 each, as consideration in kind for the amount due from Ascot Leisure (Private) Limited to Ascot Holdings PLC. (Further, 2,958,219 Ordinary shares of LKR 10 each was issued in respect of previous year pending share allotment amounting to LKR 29,582,196)

*** In 2017, the impairment provision of LKR 78,012,928 represent the write-down of investment in the L&A Quarries (Pvt) Ltd (mining segment) out of which LKR 63,425,230 was recognised in the income statement as other operating expense since the investment does not generate cash inflows, and the investment's fair value less cost of disposal is lower than its carrying value. The recoverable amount is LKR 16,360,000 as at 31 March 2017 its fair value less costs of disposal. This fair value was determined based on the independent valuer's valuation.

		Group	
16	**INTANGIBLE ASSETS**	**2017**	**2016**
	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;

	2017 LKR	2016 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.

As at 31 March In LKR		Group 2017	Group 2016
17	**OTHER NON-CURRENT ASSETS**		
	Deposit made to Ceylon Electricity Board - Ascot Development (Pvt) Ltd & Ascot Leisure (Pvt) Ltd	**5,877,231**	5,877,231
	Deposit made to Urban Council Ambalangoda on 50 year lease period - Ascot Ambalangoda (Pvt) Ltd	**2,100,000**	2,100,000
		7,977,231	7,977,231

	As at 31 March In LKR		Group 2017	Group 2016	Company 2017	Company 2016
18	**INVENTORIES**					
	Raw materials		**774,529**	813,696	**-**	-
	Finished goods		**2,473,145**	3,787,019	**-**	-
	Mechanical spare parts		**1,166,180**	2,128,786	**-**	-
			4,413,854	6,729,501	**-**	-
19	**TRADE & OTHER RECEIVABLES**					
	Trade receivables	**19.1**	**6,985,886**	13,125,984	**-**	-
	Refundable deposit		**1,071,500**	2,746,500	**71,500**	346,500
	Other debtor-miscellaneous		**475,821**	3,373,614	**475,821**	564,140
			8,533,207	19,246,098	**547,321**	910,640
19.1	**Trade receivables**					
	Trade receivables (Gross)		**11,125,363**	14,785,395	**-**	-
	Impairment of trade receivables*		**(4,139,477)**	(1,659,411)	**-**	-
			6,985,886	13,125,984	**-**	-

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

19.2	**Movement in impairment of trade receivables**	Group Individually impaired LKR	Group Total LKR
	As at 1 April 2016	**(1,659,411)**	**(1,659,411)**
	Charge for the year	**(2,480,066)**	**(2,480,066)**
	As at 31 March 2017	**(4,139,477)**	**(4,139,477)**

	As at 31 March	No. of shares 2017	No. of shares 2016	2017 LKR	2016 LKR
20	**FINANCIAL ASSETS-FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**				
	Group / Company - Quoted investments				
	Ceylon Investment PLC	**908**	908	**36,320**	47,852
	Pan Asia Banking Corporation PLC	**24,875**	23,600	**383,075**	542,800
	Dankotuwa Porcelain PLC	**9,950**	9,950	**59,700**	67,660
	Piramal Glass Ceylon PLC	**94,100**	94,100	**526,960**	479,910
		129,833	128,558	**1,006,055**	1,138,222

	As at 31 March In LKR	Group 2017	Group 2016	Company 2017	Company 2016
21	**OTHER CURRENT ASSETS**				
	Deposits & prepayments	**3,343,304**	4,781,615	**117,346**	226,530
	VAT receivable	**-**	145,907	**-**	-
	Income tax recoverable	**68,865**	148,479	**-**	-
	WHT receivable	**86,243**	86,242	**86,243**	86,242
	Other assets	**22,803**	78,739	**17,803**	17,803
		3,521,215	5,240,982	**221,392**	330,575

	As at 31 March	2017 No. of shares	2017 Value of shares LKR	2016 No. of shares	2016 Value of shares LKR
22	**STATED CAPITAL**				
	Fully paid ordinary shares				
	At the beginning of the year	**12,657,555**	**156,716,270**	11,978,257	140,085,848
	Share issue/ rights issue	**-**	**-**	679,298	16,982,450
	Direct costs on share issue/ rights issue	**-**	**-**	-	(352,028)
	At the end of the year	**12,657,555**	**156,716,270**	12,657,555	156,716,270

	As at 31 March In LKR	Revenue reserve 2017	Other components of equity* 2017	Total 2017	Revenue reserve 2016	Other components of equity 2016	Total 2016
23	**RESERVES**						
23.1	**Group**						
	At the beginning of the year	**464,430,927**	**23,100,000**	**487,530,927**	439,369,312	23,100,000	462,469,312
	Profit/(loss) for the year	**23,703,816**	**-**	**23,703,816**	24,342,564	-	24,342,564
	Other comprehensive income	**552,994**	**-**	**552,994**	719,051	-	719,051
	At the end of the year	**488,687,737**	**23,100,000**	**511,787,737**	464,430,927	23,100,000	487,530,927
23.2	**Company**						
	At the beginning of the year	**388,544,400**	**23,100,000**	**411,644,400**	403,903,827	23,100,000	427,003,827
	Profit/(loss) for the year	**(59,505,802)**	**-**	**(59,505,802)**	(15,954,711)	-	(15,954,711)
	Other comprehensive income	**411,020**	**-**	**411,020**	595,284	-	595,284
	At the end of the year	**329,449,618**	**23,100,000**	**352,549,618**	388,544,400	23,100,000	411,644,400

*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 2017	Group 2016	Company 2017	Company 2016
24	**DEFERRED TAX LIABILITY/(ASSETS)**				
	At the beginning of the year	**115,238,062**	100,641,121	**1,646,833**	1,530,850
	Charge /(release)	**9,535,244**	14,596,941	**201,800**	115,983
	At the end of the year	**124,773,306**	115,238,062	**1,848,633**	1,646,833

The closing deferred tax asset and liability balances relate to the following;

		Group 2017	Group 2016	Company 2017	Company 2016
24.1	**Deferred tax liability**				
	Accelerated depreciation for tax purposes	**154,824,984**	117,831,763	**-**	-
	Tax losses carried forward	**(28,014,148)**	(744,237)	**-**	-
		126,810,836	117,087,526	**-**	-
	Deferred tax expense reclassified as liabilities directly associated with assets held for sale	**-**	(1,788,889)	**-**	-
		126,810,836	115,298,637	**-**	-
24.2	**Deferred tax assets**				
	Employee benefit liabilities	**2,143,223**	2,023,343	**1,812,543**	1,619,373
	Accelerated depreciation for tax purposes	**(105,695)**	(173,878)	**36,090**	27,460
	Tax losses carried forward	**-**	-	**-**	-
		2,037,528	1,849,465	**1,848,633**	1,646,833

As at 31 March	Group		Company	
In LKR	2017	2016	2017	2016
25 EMPLOYEE BENEFIT LIABILITIES				
At the beginning of the year	**7,226,223**	7,164,743	**5,783,473**	5,405,493
Current service cost	**817,323**	785,658	**624,573**	610,158
Interest cost on employee benefit liabilities	**750,665**	741,481	**636,182**	594,604
Payments	**(322,500)**	(424,000)	**-**	-
Re-measurement gains/(losses) on employee benefit liabilities	**(817,344)**	(1,041,659)	**(570,861)**	(826,782)
At the end of the year	**7,654,367**	7,226,223	**6,473,367**	5,783,473

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

	2017	2016	2017	2016
Discount rate	**11%**	11%	**11%**	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	Group		Company	
In LKR	Discount rate	Salary increment rate	Discount rate	Salary increment rate
2017				
Effect on the employee benefit liability				
Increase by one percentage point	**(405,957)**	**415,882**	**(387,155)**	**415,882**
Decrease by one percentage point	**436,208**	**(394,005)**	**415,882**	**(394,005)**
2016				
Effect on the employee benefit liability				
Increase by one percentage point	(387,982)	417,777	(359,897)	387,527
Decrease by one percentage point	418,064	(394,589)	387,527	(366,257)

The demographic assumption underlying the valuation is the retirement age of 55 years and average duration of the defined benefit obligation as at the end of reporting period is 5.5 years (2016 - 5.7)

As at 31 March	Group		Company	
In LKR	2017	2016	2017	2016
26 INTEREST BEARING BORROWINGS				
Non current				
Bank borrowings	**896,255**	263,226,510	-	-
Finance lease liability (less than 05 years)	**1,063,906**	4,673,299	-	-
	1,960,161	267,899,809	-	-
Current				
Bank borrowings	**295,778,668**	83,297,585	-	-
Finance lease liability	**5,423,381**	10,771,785	-	-
Other short-term loans	**-**	2,005,653	-	-
	301,202,049	96,075,023	-	-
Repayable within one year	**301,202,049**	96,075,023	-	-
Repayable after one year				
Repayable between one and five years	**1,960,161**	267,899,809	-	-
	303,162,210	363,974,832	-	-

26.1 Group	2017			
	Bank borrowings	Finance lease	Other short-term loans	Total
At the beginning of the year	346,524,095	17,526,455	2,005,653	**366,056,203**
Finance lease charge un-amortized	-	(499,511)	-	**(499,511)**
New loans obtained	-	-	-	**-**
Repayments	(49,849,172)	(10,539,657)	-	**(60,388,829)**
Write - Back of other short term loans	-	-	(2,005,653)	**(2,005,653)**
At the end of the year	296,674,923	6,487,287	-	**303,162,210**

26.1.1 Analysis of Finance lease obligations by year of repayment

	Group 2017	Group 2016	Company 2017	Company 2016
Finance lease obligations repayable over 1 year from year-end				
Gross Liability	**1,087,933**	5,077,160	-	-
Finance charge un-amortized	**(24,027)**	(403,861)	-	-
Net lease obligations repayable over 1 year from year-end	**1,063,906**	4,673,299	-	-
Finance lease obligations repayable within 1 year from year-end				
Gross Liability	**5,898,827**	12,449,259	-	-
Finance charge un-amortized	**(475,446)**	(1,677,474)	-	-
Net lease obligations repayable within 1 year from year-end	**5,423,381**	10,771,785	-	-
Net Finance Lease obligation	**6,487,287**	15,445,084	**-**	**-**

26.2 Details of the long term loans - Group

Lender	Nature of facility	Approved facility	Repayment terms	Interest rate	Security
ASCOT Development (Private) Limited					
Bank of Ceylon	Term loan	400,000,000	72 months commencing from 1/4/2014 including 12 months grace period.	Monthly at the rate of AWPLR + 3.5% per annum	Primary mortgage (2397) over lots 01 & 02 depicted in plan No. 2762 dates 3/06/1998 for Rs. 400 Mn.
As at 1/11/2016 company has reschedule the loan outstanding with re arranged monthly instalments and within the originally approved re-payment period as below					
Bank of Ceylon	Term loan	303,863,624	41 Monthly installments commencing from 1/11/2016	Monthly at the rate of AWPLR + 3.5% per annum	Primary mortgage (2397) over lots 01 & 02 depicted in plan No. 2762 dates 3/06/1998 for Rs. 400 Mn.
L & A Quarries (Private) Limited					
Pan Asia Bank	Finance lease	25,000,000	The lease period is 48 months, commenced from February 2013.	22%	-
Amtrad Ltd					
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 AWPLR	-
	Term Loan 04	605,000	The loan to be waived off upon full settlement of term loan no 01.	0%	-
Lanka Orix Finance PLC	Term loan	2,122,432	36 monthly instalments, commenced on 07/08/2015.	14%	-
	Finance lease	10,686,697	36 monthly instalments, commenced on 20/06/2015.	13.5%	-

As at 31 March In LKR		Group 2017	Group 2016	Company 2017	Company 2016
27	**TRADE AND OTHER PAYABLES**				
	Trade payables	**1,039,496**	1,397,982	**-**	-
	Accrued expenses	**8,838,402**	9,066,084	**-**	-
	Unclaimed dividend	**604,339**	604,339	**604,339**	604,339
	Other payables	**272,748**	682,037	**-**	298,391
		10,754,985	11,750,442	**604,339**	902,730

As at 31 March In LKR		Note	Group 2017	Group 2016	Company 2017	Company 2016
28	**INCOME TAX LIABILITIES**					
	At the beginning of the year		**78,428**	1,021,128	**32,228**	32,228
	Charge for the year	8.1	**54,668**	628,069	**-**	-
	Under provision in respect of previous years	8.1	**(46,200)**	-	**-**	-
	Payments and set off against refunds		**(54,668)**	(1,570,769)	**-**	-
	At the end of the year		**32,228**	78,428	**32,228**	32,228
29	**OTHER CURRENT LIABILITIES**					
	Staff cost payable		**58,995**	1,896,196	**-**	-
	Taxes payable		**8,208,784**	5,412,613	**3,217,665**	3,217,665
	Payable on services provided		**402,125**	449,725	**402,125**	449,725
	Accrued expenses & other provisions		**8,985,039**	1,498,710	**874,412**	1,032,683
	Rent advance received		**9,000,000**	9,000,000	**-**	-
			26,654,943	18,257,244	**4,494,202**	4,700,073
30	**CASH AND CASH EQUIVALENTS**					
	Cash in hand & cash at bank		**659,488**	753,614	**102,470**	286,628
	Investment in Repos/ CPs (less than three months)		**5,513,889**	16,222,360	**5,513,889**	16,222,360
	Bank overdraft		**(12,953,452)**	(9,901,087)	**(208,444)**	-
	Reported for cashflows		**(6,780,075)**	7,074,887	**5,407,915**	16,508,988

31 RELATED PARTY TRANSACTIONS

31.1 Parent and ultimate controlling party

Company does not have an identifiable parent of its own.

31.2 Transactions with key management personnel

31.2.1 Loans to directors

No loans have been given to the Directors of the Company.

31.2.2 Key management personnel compensation

Key management personnel comprises the Directors of the company and details of compensation are given in Note 31.3.4 to the financial statements.

31.3 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 relevant commercial terms and conditions.

(ii) Ascot Holdings PLC, provides financial services to its subsidiaries and charges interest.

(iii) The list of directors at each of the subsidiary companies have been disclosed in group directory 2016/17.

31 RELATED PARTY TRANSACTIONS (Contd…)

For the year ended 31 March In LKR	Group 2017	Group 2016	Company 2017	Company 2016
31.3.1 Amounts due from related parties				
Subsidiaries				
Ascot Development (Pvt) Ltd	**-**	-	**50,687,952**	53,513,658
L & A Quarries (Pvt) Ltd	**-**	-	**-**	28,720,511
Amtrad Limited	**-**	-	**91,908,274**	81,184,038
Ascot Leisure (Pvt) Ltd	**-**	-	**131**	5,760,510
Ascot Yala (Pvt) Ltd	**-**	-	**42,810**	42,810
Ascot Ambalangoda (Pvt) Ltd	**-**	-	**8,336,199**	5,788,418
	-	-	**150,975,366**	175,009,945
Other related companies				
Manna Wind Power Farms (Pvt) Ltd	**62,447**	62,447	**62,445**	62,445
North East Wind Power (Pvt) Ltd	**62,447**	62,447	**62,447**	62,447
Capital Wind Power (Pvt) Ltd	**62,657**	62,657	**62,657**	62,657
Amtrad Uva (Pvt) Ltd	**6,400**	6,400	**-**	-
CKR Tea (Pvt) Ltd	**-**	16,000	**-**	-
Camion Lanka Logistic (Pvt) Ltd	**2,000**	2,000	**-**	-
	195,951	211,950	**187,549**	187,549
	195,951	211,950	**151,162,915**	175,197,494
31.3.2 Amounts due to related parties				
Subsidiaries				
Amtrad Limited	**-**	-	**412,465**	141,336
	-	-	**412,465**	141,336
Other related companies				
Boston Capital (Pvt) Ltd	**4,985,000**	4,985,000	**-**	-
Amtrad Holdings Limited	**4,105,532**	4,205,532	**-**	-
Fairway Building Management services (Pvt) Ltd	**2,085,931**	2,124,183	**-**	-
	11,176,463	11,314,715	**-**	-
	11,176,463	11,314,715	**412,465**	141,336
31.3.3 Transactions with related parties				
Rendering of services (Granting of loans and other financial assistance)				
Subsidiaries				
Ascot Development (Pvt) Ltd	**-**	-	**25,459,253**	105,230,900
L & A Quarries (Pvt) Ltd	**-**	-	**-**	10,921,000
Amtrad Limited	**-**	-	**2,900,000**	20,995,532
	-	-	**28,359,253**	137,147,432
Receiving of services (Settlement of loans)				
Subsidiaries				
Ascot Development (Pvt) Ltd	**-**	-	**36,165,000**	97,640,000
Amtrad Limited	**-**	-	**3,106,000**	3,100,000
	-	-	**39,271,000**	100,740,000
Interest received/(paid)				
Subsidiaries				
Ascot Development (Pvt) Ltd	**-**	-	**7,875,041**	7,142,412
L & A Quarries (Pvt) Ltd	**-**	-	**-**	3,270,969
Amtrad Limited	**-**	-	**12,710,311**	10,532,799
	-	-	**20,585,352**	20,946,180
Receiving of services				
Fairway Building Management Service (Pvt) Ltd	**-**	2,727,756	**-**	-
	-	2,727,756	**-**	-
Settlements of amount due to other related companies				
Amtrad Holdings Limited	**100,000**	-	**-**	-
	100,000	-	**-**	-

31.3.4 Compensation of key management personnel

For the year ended 31 March In LKR	Group 2017	Group 2016	Company 2017	Company 2016
Salaries and other short-term employee benefits	**15,000,000**	13,800,000	**13,860,000**	12,840,000
Termination benefits	**486,135**	324,708	**486,135**	324,708
	15,486,135	14,124,708	**14,346,135**	13,164,708

31 RELATED PARTY TRANSACTIONS (Contd…)

31.3.5 No provisions were made in respect of amounts due from related parties.

31.3.6 No security has been obtained for related party receivables and all related party dues are payable on demand.

31.3.7 Interest on amounts due from related parties are charged at the rate of 15% (per annum). It's decided based on the inter banking rates, associated risks and purpose for which funds are used.

32 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 31 March 2016, the Board of Directors of L & A Quarries (Pvt) Ltd decided to sell the crusher plant situated at Nawagamuwa. The sale of this plant was expected to be completed by the end of the financial year 2017.

At 31 March 2016, it was therefore, classified as non-current assets held for sale and discontinued operations, as the management intended to recover the carrying amount of this asset principally through a sale transaction rather than through continuing use.

During the year ended 31 March 2017, L & A Quarries (Pvt) Ltd was unable to identify a potential buyer to complete the sale transaction, thus ceasing to classify the above asset as held for sale for all periods presented under the requirements of SLFRS 5. Further, there were no events or circumstances beyond the entity's control to justify an extension to the period to be classified as held for sale. Furthermore, the management of L & A Quarries (Pvt) Ltd was unable to demonstrate through sufficient evidence that it remained committed to sell the asset during the year ended 31 March 2017.

The results of operations of the component previously presented in discontinued operations was re-presented and included in income from continuing operations for all periods presented. Further, the amounts presented for non-current assets and liabilities classified as held for sale in the statement of financial position as at the year ended 31 March 2016 has not been reclassified or re-presented as per the requirements of SLFRS 5.

This representation has not resulted in any changes to the reported income or balances in total at a group level and now, is the basis upon which the group reports.

Further details are presented below:

32.1 For the year ended 31st March
In LKR

	2017	2016
Revenue	-	-
Cost of sales	-	(1,502,412)
Gross Profit/(Loss)	-	(1,502,412)
Distribution expenses	-	-
Administrative expenses	-	(73,259)
Finance cost	-	-
Other operating expenses	-	(1,430)
Loss before tax from discontinued operations	-	(1,577,101)
Income tax reversal	-	311,111
Loss for the year from discontinued operations	-	(1,265,990)
Loss Re-Presented to continuing operation	-	1,265,990
	-	-

32.2 Earnings/(loss) per share

Basic, profit/(loss) from discontinued operations	-	(0.10)
Diluted, profit/(loss) from discontinued operations	-	(0.10)

32.3 The major classes of asset and liability of Mining Segment classified as held for sale as at 31 March are, as follows:

As at 31 March
In LKR

	2017	2016
Assets		
Property, plant and equipment	-	6,388,889
Non-current assets classified as held for sale	-	6,388,889
Liabilities		
Deferred tax liability	-	1,788,889
Liabilities directly associated with assets held for sale	-	1,788,889
Net assets directly associated with disposal group	-	4,600,000

33 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 In LKR	**2017**
Non-current assets	**1,103,500,000**
Current assets	**1,694,918**
Total assets	**1,105,194,918**
Non-current liabilities	**124,282,607**
Current liabilities	**366,344,319**
Total liabilities	**490,626,926**
Equity attributable to equity holders of the parent	**512,243,422**
Non-controlling interests	**102,325,570**
Non-controlling interests %	**16.65%**
Revenue	**108,000,000**
Profit/(loss) for the year	**47,650,015**
Profit attributable to equity holders of the parent	**39,716,288**
Profit attributable to non-controlling interests	**7,933,727**
Total comprehensive income for the year, net of tax	**47,650,015**
Dividend paid	**-**
Net cash inflow from operating activities	**45,658,971**
Net cash generated from financing activities	**(45,103,036)**
Total net cash (outflow)/inflow	**555,935**

34 COMPARATIVE INFORMATION

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

Group **As at 31 March 2016** In LKR **Income statement**	**Note**	**Current presentation**	**As reported previously**	**Difference**
Cost of sales	34.1	**91,263,576**	94,473,040	(3,209,464)
Administrative expenses	34.1	**28,950,707**	24,165,572	4,785,135
Other operating expenses	32.1	**2,409,798**	2,408,368	1,430

34.1 There were no operations for L & A Quarries (Pvt) Ltd (a wholly owned subsidiary of Ascot Holding PLC) in the year ended 31 March 2017 & 2016. The cost of sale amounting to Rs. 3,209,464 incurred for the period ended 31 March 2016, was thus re-classified to administration expenses to ensure better presentation.

Furthermore, cost of sales amounting to Rs. 1,502,412 and administration expenses amounting to Rs. 73,259 previously classified results from discontinued operations were re-presented under administration expenses in align with the requirements of SLFRS 5. refer note 32.1 for further details.

35 COMMITMENT AND CONTINGENCIES

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

36 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

37 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 is 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total revenue	20,629	22,116	-	-	74,644	72,377	108,000	99,000	-	-	-	-	203,273	193,493
Intra group revenue	(20,585)	(22,093)	-	-	-	-	-	-	-	-	-	-	(20,585)	(22,093)
External revenue	44	23	-	-	74,644	72,377	108,000	99,000	-	-	-	-	182,688	171,400
Segment results														
Results from operating activities	(60,093)	(19,020)	(4,909)	(6,666)	501	(10,849)	113,674	136,284	-	(296)	39,871	(8,269)	89,044	91,184
Net finance income/ (cost)	225	2,718	(884)	(5,646)	(17,489)	(15,354)	(53,906)	(47,064)	-	-	20,586	20,946	(51,468)	(44,400)
Profit/ (loss) before tax	(59,867)	(16,302)	(5,793)	(12,312)	(16,988)	(26,203)	59,768	89,221	(2,969)	(2,636)	63,424	15,016	37,575	46,784
Tax	362	347	2,340	(1,888)	101	(111)	(12,118)	(13,282)	-	-	-	(127)	(9,314)	(15,061)
Depreciation on property, plant & equipment	1,433	1,434	2,761	3,107	6,697	5,960	-	-	-	-	-	-	10,891	10,501
Impairment on property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment on investment in subsidiary	63,425	14,588	-	-	-	-	-	-	-	-	(63,425)	(14,588)	-	-
Increase in fair value of investment properties	-	-	-	-	-	-	25,000	50,000	-	-	-	-	25,000	50,000
Total assets	521,491	579,921	16,718	22,688	85,344	98,462	1,105,195	1,084,352	37,019	37,359	(505,643)	(551,116)	1,260,124	1,271,666
Additions to property, plant & equipment	-	-	-	-	156	18,323	-	-	-	1,817	-	-	156	20,140
Non interest bearing liabilities														
Deferred tax liability	-	-	2,528	3,079	-	-	124,283	112,220	-	-	-	-	126,811	115,299
Employee benefit obligations	6,473	5,783	-	-	1,181	1,443	-	-	-	-	-	-	7,654	7,226
Trade and other payables	604	903	159	181	9,703	10,414	289	252	-	-	-	-	10,755	11,750
Cash flows														
Segment cash flows from operating activities	(18,944)	(67,043)	(28,517)	6,981	5,200	11,792	45,659	60,161	-	-	33,866	7,397	37,264	19,288
Segment cash flows from investment activities	7,844	-	-	-	(156)	(3,137)	-	-	-	-	-	(8,672)	7,688	(11,809)
Segment cash flows from financing activities	-	16,630	28,334	(6,988)	(8,170)	(4,877)	(45,103)	(64,863)	-	-	(33,868)	1,275	(58,807)	(58,823)

Group Directory 2016/17

The holding Company is located at 80/3A Layard's Road, Colombo 05. 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 : 2040444
Directors : R M M J Ratnayake - Chairman
R A Iriyagolle, N D Gunaratne (Resigned w.e.f 31.07.2017), D J Gunaratne, M D A Weerasooriya
Stated capital : LKR 156,716,270

Amtrad Limited (PB 1317) (80%)
Manufacturer of Cement Pavers and Blocks
Incorporated in 2010
Registered Address :
No. 410/115, Bauddhaloka Mawatha, Colombo 07.
Tel : 2040444
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 : 2040444
Directors : R A Iriyagolle, N D Gunaratne (Resigned w.e.f 31.07.2017)
Stated capital : LKR 58,500,000

ASCOT Developments (Pvt) Limited (PV 12802) (83.35%)
Commercial Property Development
Incorporated in 2009
Registered Address :
No. 410/115, Bauddhaloka Mawatha, Colombo 07.
Tel : 2040444
Directors : R A Iriyagolle, N D Gunaratne (Resigned w.e.f 31.07.2017),
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 : 2040444
Directors : R A Iriyagolle, N D Gunaratne (Resigned w.e.f 31.07.2017)

ASCOT Leisure (Pvt) Limited * (PV 84290) (100%)**
Operator of hotels
Incorporated in 2012
Registered Address :
No. 410/115, Bauddhaloka Mawatha, Colombo 07.
Tel : 2040444
Directors : R A Iriyagolle, N D Gunaratne (Resigned w.e.f 31.07.2017)

ASCOT Yala (Pvt) Limited * (PV 95511) (100%)**
Operator of hotels
Incorporated in 2013
Registered Address :
No. 410/115, Bauddhaloka Mawatha, Colombo 07.
Tel : 2040444
Directors : R A Iriyagolle, N D Gunaratne (Resigned w.e.f 31.07.2017)

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

Ten Year Summary

LKR '000										
31st March	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Operating Results										
Turnover	53,298	51,577	100,741	57,525	77,067	149,692	347,847	222,168	171,400	182,688
Profit before Tax	**(17,338)**	**17,575**	**(14,387)**	**144,676**	**(35,917)**	**19,621**	**37,154**	**45,102**	**46,784**	**37,575**
Income Tax	(2,711)	(3,471)	(3,946)	(66,555)	(11,642)	(10,929)	(11,138)	(13,968)	(15,061)	(9,315)
Profit After Tax	**(20,049)**	**14,104**	**(18,333)**	**78,121**	**(47,559)**	**8,692**	**26,016**	**6,909**	**31,723**	**28,260**
Minority Interest	(1,560)	3,615	(8,077)	30,733	(3,312)	(2,016)	5,763	13,196	7,381	4,556
Profit/(Loss) Attributable to the Group	**(18,489)**	**10,489**	**(10,256)**	**47,388**	**(44,247)**	**10,708**	**20,253**	**(6,287)**	**24,342**	**23,704**
Capital Employed										
Stated Capital	92,399	92,399	92,399	92,399	92,399	92,399	92,399	140,086	156,716	156,716
Capital Reserves	165,765	165,765	165,765	23,100	23,100	23,100	23,100	23,100	23,100	23,100
Revenue Reserves	282,525	292,868	282,611	472,664	415,729	424,995	445,300	439,369	464,431	488,688
Shareholders' Funds	**540,689**	**551,032**	**540,775**	**588,163**	**531,228**	**540,494**	**560,799**	**602,555**	**644,247**	**668,504**
Minority Interest	117,217	120,832	112,755	143,488	61,755	62,254	68,033	80,672	87,829	92,421
Total Liabilities	297,263	490,240	425,941	513,708	519,409	631,793	704,596	592,837	539,590	499,199
Total Equity & Liabilities	**955,169**	**1,162,104**	**1,079,471**	**1,245,359**	**1,112,392**	**1,234,541**	**1,333,428**	**1,276,064**	**1,271,666**	**1,260,124**
Assets Employed										
Non-Current Assets	713,504	909,042	906,018	1,117,898	1,006,773	1,133,859	1,155,146	1,160,459	1,215,735	1,236,280
Current Assets	241,665	253,062	173,453	127,461	105,619	100,682	178,282	115,605	55,931	23,844
Total Assets	**955,169**	**1,162,104**	**1,079,471**	**1,245,359**	**1,112,392**	**1,234,541**	**1,333,428**	**1,276,064**	**1,271,666**	**1,260,124**
LKR										
Share Price	41	21	38	118	200	157	114	36	24	23
Earnings/(loss) per Share	(2.32)	1.31	(1.28)	5.93	(5.54)	1.36	1.90	(0.58)	2.01	1.87
Dividend per Share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Book Value per Share	68	69	68	74	68	68	70	50	51	53

Investor Information

Shareholder Information
Distribution of Shareholders as at 31st March 2017

Shareholding	Resident			Non Resident			Total		
	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%
01 to 1,000	1,548	376,204	2.97	15	4,038	0.03	1563	380,242	3.00
1,001 to 10,000	354	1,145,926	9.05	3	16,512	0.13	357	1,162,438	9.18
10,001 to 100,000	60	1,410,188	11.14	-	-	-	60	1,410,188	11.14
100,001 to 1,000,000	4	2,589,041	20.46	-	-	-	4	2,589,041	20.46
Over 1,000,000	3	7,115,646	56.22	-	-	-	3	7,115,646	56.22
Total	**1,969**	**12,637,005**	**99.84**	**18**	**20,550**	**0.16**	**1,987**	**12,657,555**	**100.00**

Categories of Shareholders

	Number of Shareholders	%	Number of Shareholders	%
Individual	1,867	93.96	3,242,082	25.61
Institutional	120	6.04	9,415,473	74.39
Total	**1,987**	**100.00**	**12,657,555**	**100.00**

Twenty (20) Largest Shareholders as at 31st March 2017

Name	No of Shares	Percentage
PAN ASIA BANKING CORPORATION PLC/AXIS INVESTMENTS (PVT) LTD	3,344,399	26.42%
ST. LOUIS CAPITAL (PVT) LTD	2,069,263	16.35%
SEYLAN BANK PLC / MR.W.D.N.H.PERERA	1,701,984	13.45%
LB FINANCE PLC / BOSTON CAPITAL (PVT) LTD	973,291	7.69%
MR. F.M. FIRDOUSE	928,775	7.34%
BOSTON CAPITAL (PVT) LTD	426,975	3.37%
SUMMIT FINANCE PLC / BOSTON CAPITAL (PVT) LTD	260,000	2.05%
ASHA FINANCIAL SERVICES LIMITED/MR.C.N.PAKIANATHAN	84,870	0.67%
MR.W.W.D.D.S.PERERA	82,991	0.66%
AXIS INVESTMENTS (PVT) LTD	49,303	0.39%
MR. P. G. W SIRISENA	47,250	0.37%
MR. T. G THORADENIYA	46,275	0.37%
MR. T. H RASSOOL	46,240	0.37%
MR. L.U.W. DE ZOYSA/ MR. L. G. N DE ZOYSA	45,735	0.36%
MS. N. R FONSEKA	44,780	0.35%
MRS. A. W. R NILANTHI	44,360	0.35%
MR. R. K. M. S MAHAMMADU	37,338	0.29%
MR. J. A. S. WIJESINGHA/SAMPATH BANK PLC CORPORATE FINANCE DEPARTMENT	36,666	0.29%
POLGAHAWELA SANASA SOCIETIES UNION LTD	35,025	0.28%
PAN ASIA BANKING CORPORTION PLC/ALMAR INTERNATIONAL (PVT) LTD	34,985	0.28%
Total	**10,340,505**	**81.70%**

The percentage of shares held by the public as at 31st March 2017 was 60.05%.
The number of shareholders representing the public holding was 1,979.

Share Trading Information for the period 1st April 2016 to 31st March 2017

	2017
Closing Price	**LKR 23.00**
Highest	**LKR 48.40**
Lowest	**LKR 21.10**
No. of Shares Traded	**3,018,899**
Value of Shares Traded	**106,782,767**
No. of Transactions	**3,768**

Investor Information contd...

Shareholder Information
Distribution of Shareholders as at 31st March 2016

Shareholding	Resident			Non Resident			Total		
	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%	Number of Shareholders	Total Shareholding	%
01 to 1,000	1,615	408,072	3.23	14	4,026	0.03	1,629	412,098	3.26
1,001 to 10,000	371	1,092,754	8.63	4	19,712	0.16	375	1,112,466	8.79
10,001 to 100,000	54	1,257,819	9.94	-	-	-	54	1,257,819	9.94
100,001 to 1,000,000	6	2,933,193	23.17	-	-	-	6	2,933,193	23.17
Over 1,000,000	3	6,941,979	54.84	-	-	-	3	6,941,979	54.84
Total	**2,049**	**12,633,817**	**99.81**	**18**	**23,738**	**0.19**	**2,067**	**12,657,555**	**100.00**

Categories of Shareholders

	Number of Shareholders	%	Number of Shareholders	%
Individual	1,951	94.39	3,061,742	24.19
Institutional	116	5.61	9,595,813	75.81
Total	**2,067**	**100.00**	**12,657,555**	**100.00**

Twenty (20) Largest Shareholders as at 31st March 2016

Name	No of Shares	Percentage
PAN ASIA BANKING CORPORTION PLC/AXIS INVESTMENTS (PVT) LTD	3,344,399	26.42%
ST. LOUIS CAPITAL (PVT) LTD	2,570,013	20.30%
SEYLAN BANK PLC / MR.W.D.N.H.PERERA	1,027,567	8.12%
LB FINANCE PLC / BOSTON CAPITAL (PVT) LTD	973,291	7.69%
MR. F.M. FIRDOUSE	756,849	5.98%
BOSTON CAPITAL (PVT) LTD	426,975	3.37%
N P CAPITAL LTD	407,991	3.22%
GEORGE STEUART FINANCE PLC / BOSTON CAPITAL (PVT) LTD	260,000	2.05%
DR. D. L PIYASIRI	108,087	0.85%
MR.W.W.D.D.S.PERERA	82,991	0.66%
ASHA FINANCIAL SERVICES LIMITED/MR.C.N.PAKIANATHAN	64,148	0.51%
PAN ASIA BANKING CORPORTION PLC/ALMAR INTERNATIONAL (PVT) LTD	52,380	0.41%
AXIS INVESTMENTS (PVT) LTD	49,303	0.39%
PEOPLE'S LEASING & FINANCE PLC/ MR.M.A.U.GNANATHILAKE	47,980	0.38%
MR. P.G.W.SIRISENA	47,250	0.37%
MR. T. G THORADENIYA	46,275	0.37%
MR. L.U.W. DE ZOYSA	45,735	0.36%
MS. N. R FONSEKA	44,780	0.35%
WALDOCK MACKENIE LIMITED/MR.S.S THANGARAJAH	41,557	0.33%
MR. A.S.W JAYAWARDENE	36,666	0.29%
Total	**10,434,237**	**82.42%**

The percentage of shares held by the public as at 31st March 2016 was 60.05%.
The number of shareholders representing the public holding was 2,059.

Share Trading Information for the period 1st April 2015 to 31st March 2016

	2016
Closing Price	LKR 23.60
Highest	LKR 47.70
Lowest	LKR 22.00
No. of Shares Traded	2,916,132
Value of Shares Traded	LKR 110,055,007
No. of Transactions	4,901

Notice of Meeting

Notice is hereby given that the 47th 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 29th September 2017 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 2017 with the Report of the Auditors thereon.

2. 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.

3. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors and to authorize the Directors to determine their remuneration.

4. 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 : 31st August 2017

Note:

(a) The member entitled to attend and vote at the abovementioned 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 S S P Corporate Services (Private) Limited, No.101, Inner Flower Road, Colombo 3 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 Mudiyanselage Mohan Joseph Ratnayake	of Colombo or failing him
Mr. Rohan Abhaya Iriyagolle	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

....(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 29th September 2017, 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 2017 with the Report of the Auditors thereon.		
2. 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.		
3. To re-appoint Messrs Ernst & Young, Chartered Accountants, as Auditors for the ensuing year and to authorise the Directors to determine their remuneration.		
4. To authorise the Directors to determine contributions to charities.		

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

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 S S P Corporate Services (Pvt.) Ltd. No.101, Inner Flower Road, Colombo 3 not later than 48 hours before the time appointed for the 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 SSP Corporate Services (Pvt) Limited, No. 101, Inner Flower Road, Colombo 3 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.

Notes

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 (Resigned w.e.f 31.07.2017)
Mr D J Gunaratne PC
Mr M D A Weerasooriya

Audit Committee
Mr R M M J Ratnayake
Mr M D A Weerasooriya

Related Party Transactions Review Committee
Mr M D A Weerasooriya
Mr R M M J Ratnayake
Mr R A Iriyagolle

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, Bauddhaloka Mawatha,
Colombo 7,
Sri Lanka.

Tel : 011 2040444
Fax : 011 2507690
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.

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

ASCOT Holdings PLC

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