



CT LAND DEVELOPMENT PLC



Annual Report 2022 - 2023

An **Iconic Landmark**



CT Land Development PLC is the owning company of Majestic City, Sri Lanka's premier shopping mall-cum-entertainment complex, the vision of the founding Chairman, the late Mr. Albert A. Page.

We are a part of CT Holdings Group of Companies and take pride in continuing the founding Chairman of Mr. Albert A. Page's pioneering vision of growth and success in every activity we undertake....

Majestic City, fondly known as MC by many, is situated in the heart of Colombo and has been the pulse of all Lankans for over four decades. True to its name it is a city which is majestic in structure as well as in the array of services offered. Covering all aspects of entertainment from Cinemas to Gaming arcades, Shopping to Food and Beverage Outlets, it's a retreat for the young and the old. With the convenience of multiple access and over 160 parking slots, it also houses several ATMS as well as a leading Supermarket, making it the perfect one-stop-shop for locals as well as tourists. Being the trailblazer in bringing a premier lifestyle experience that elevated our city to international standards, Majestic City is still the most sought out shopping destination by one and all.

An **Iconic Landmark**



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Fast Food and Drinks



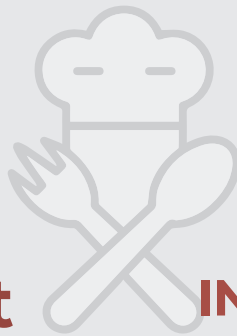
INTERNATIONAL
FRANCHISE
RESTAURANT



FOOD ARCADE



Supermarket



INTERNATIONAL BRANDS
AND FASHION BOUTIQUES



MULTIPLEX WITH
THREE SCREENS



Wide Array of Products



Banks and ATMs

Financial Highlights

Year ended 31st March	Company							
	2023		2022		2021	2020	2019	2018
	Rs. '000	% Change	Rs. '000	% Change	Rs. '000	Rs. '000	Rs. '000	Rs. '000
OPERATING RESULTS								
Revenue	349,472	138.1%	146,783	-58%	347,468	559,710	594,634	565,115
Results from Operating Activities	245,375	236.8%	72,852	-52%	152,001	315,336	569,772	550,686
Finance Cost	24,876	-247.8%	(16,835)	5%	(16,100)	(6,975)	(869)	(716)
Share of Profit-Equity Accounted Investee	-	-100.0%	(41,848)	-42%	(72,681)	(48,853)	(33,142)	(17,266)
Profit before Taxation	220,499	1456.2%	14,169	-78%	63,220	259,508	535,761	532,704
Profit after Taxation	(51,582)	204.1%	(16,964)	-113%	127,738	187,330	412,228	410,012
Total Comprehensive Income for the year	(46,777)	353.4%	(10,316)	-108%	123,343	179,184	416,515	406,199
ASSETS								
Non Current Assets	4,976,092	3.2%	4,819,600	1.3%	4,755,874	4,743,615	4,249,510	4,027,301
Current Assets	144,596	-9.1%	159,012	-23%	206,396	207,782	490,566	326,668
EQUITY & LIABILITIES								
Stated Capital	1,982,500	0.0%	1,982,500	0.0%	1,982,500	1,982,500	1,982,500	1,982,500
Reserves	1,951,823	-3.0%	2,011,277	-0.5%	2,021,593	1,959,187	1,962,814	1,627,549
Deferred Liabilities	792,346	53.9%	514,785	5.8%	486,624	560,058	492,790	467,040
Other Long Term Liabilities	298,224	-16.4%	356,587	70.7%	208,910	233,062	249,370	212,725
Current Liabilities	95,795	-15.6%	113,461	-56.8%	262,642	216,590	52,602	64,155
KEY INDICATORS								
Earnings per Share (Rs.)	(0.64)	353.5%	(0.21)	-108.1%	1.57	2.31	5.07	5.05
Net Assets per Share (Rs.)	48.42	-1.5%	49.15	-0.3%	49.28	48.51	48.56	44.43
Market Price per Share (Rs.)	27.10	5.0%	25.80	-4.4%	27.00	20.40	28.40	31.10
OTHERS								
Market Capitalization (Rs. '000)	2,201,875	5.0%	2,096,250	-4.4%	2,193,750	1,657,500	2,307,500	2,526,875
Price Earnings Ratio (times)	(47.07)	-76.8%	(203.22)	-1283.3%	17.17	8.85	5.60	6.16
Dividends per Share (Rs.)	-	-	-	-100.0%	0.75	2.25	1.00	3.50
Interest Cover (times)	(9.86)	-327.9%	4.33	-54.2%	9.44	45.21	655.60	769.11
Current Ratio (times)	1.51	7.7%	1.40	78.3%	0.79	0.96	9.33	5.09
Dividend Yield (%)	-	-	-	-100.0%	2.78	11.03	3.52	11.25
Equity to Total Assets (%)	76.83	-4.2%	80.22	-0.6%	80.69	79.61	83.23	82.91
Number of Shares in Issue ('000)	81,250	0.0%	81,250	0.0%	81,250	81,250	81,250	81,250

Pinnacles of the History...

1983

09 March

Incorporation of CT Land Development PLC

1988

22 March

The company was listed as a quoted Public Company following the public Issue of shares in January 1988

1991

4 April

Phase -I of the Majestic City complex ceremonially inaugurated

1987

14 June

The foundation stone for Phase I of the 'Majestic City' complex was laid



1993

June

Commencement of Construction work on Phase -II

1994

7 December

Phase -II of the "Majestic City" Complex was inaugurated

**2006**

January

The refurbishment work commenced for improvements to the outer façade, car parks, flooring and lighting

2009

June

The refurbishment work completed including additional seating Space in basement Food Court, new outlook in Galle Road entrance and atrium modifications etc. in order to provide better facilities.

2011

1 December

Completed the refurbishment of the fifth floor of the Majestic City complex and set up three new cinemas



Chairman's Message

Dear Shareholder,

The Financial Year 2022/23 was a tumultuous year defined by challenges and disruptions brought about by the lingering aftereffects of the COVID-19 pandemic, interest rate hikes, and a volatile geopolitical and economic environment. Despite these upheavals in the past 12 months and the resultant difficulties faced by many businesses, we are pleased to report a much-improved performance for the year. The Company reported a pre-tax profit (excluding gain on revaluation of the Company's Investment Property) of Rs 57.7 million (FY 2022: Loss of Rs 124.6 million).

Revenue and net profit before tax for the year 2022/2023 recorded increases over the previous year. The increase in Revenue is due to the revision in rental rates, although some discounts on the agreed rates continue to be given, in order to support and sustain some tenants. Occupancy levels are slightly lower than the previous year at 71% (2022 – 73%). Service charges, however, continue to be charged at rates computed to recover the cost of such tenant services. The entirety of the cost of tenant services, however, will not be recovered due to the lower occupancy levels. The gain on revaluation of investment property for the year amounted to Rs 162.8 Mn compared to Rs 180.6 Mn in the previous year. The Company reverted to the income-based revaluation method for the year, compared to the cost-based model used in the previous two years.

The operational expenses of the Company increased by about

19% during the year. The main cause was price increases in utilities, fuel costs during power outages, and revision of rates by service providers for security, Janitorial services, etc. Staff remuneration and related costs also increased due to revisions in keeping with the general trend. The management continues to look at all possible ways to curtail costs and improve profitability.

The Company had an Income Tax charge of Rs 272 Mn comprising entirely of Deferred Tax charges on the gain on revaluation of Investment Property, which is a non-cash expense. The high charge is due to the increase in Tax rates during the year and because this tax charge affects the cumulative revaluation gains on the investment property over time. Due to the current year's charge, the bottom line of the Company for the year turned to a negative figure of Rs 51.6 Mn.

The Directors do not recommend the payment of a dividend for the year 2022/23.

Sri Lanka is now transitioning out of the COVID-19 pandemic phase. We are hopeful that the plans and decisions made at the national macro-economic level will bear fruit and that the country would be placed on a path to economic growth and prosperity. This will, in turn, positively impact the property sector and the Company, which would likely see much improvement in the financial results going forward. However, customer habits and behaviors also continue to change, requiring better services, more amenities, and tailored experiences to cater to varying customer needs. Our

quick response to such changes, we believe, will draw in tenants and customers and return Majestic City as one of the most favored shopping destinations. The management continues to explore all available options to undertake the necessary upgrades to the Majestic City Mall in a prudent manner, which would meet customer expectations while providing a steady return to shareholders on such investments.

To all my fellow Directors, I extend our heartfelt gratitude for your invaluable support, counsel, and guidance as we strive to build this Company in the current business climate. On behalf of my colleagues on the Board, I thank the management team, and all our business partners for their hard work in the current year. I am confident that CTLD is on a steady footing as we enter the next financial year and look to the future.

(Signed)
Louis Page
Chairman

05th July 2023

Profile of Directors

Mr. L. R. Page *Chairman, Non-Executive Director*

Louis R Page is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (UK). He is also the Chairman of the holding company CT Holdings PLC and fellow subsidiary Cargills (Ceylon) PLC. He has held a number of Board and Senior Management positions at the highest level in overseas public companies and public institutions.

Mr. Joseph Page *Deputy Chairman/ Managing director, Executive Director*

Mr. Joseph C. Page is a Director of CT Holdings and Cargills (Ceylon) PLC. He is the Deputy Chairman of Ceylon Theatres (Pvt.) Ltd. He has over 37 years of management experience in the private sector.

Mr. R. Selvaskandan *Independent Non-Executive Director*

Mr. Selvaskandan was admitted to the Supreme Court of Sri Lanka as an Attorney-at-Law in September of 1982. After being in private practice he joined the Attorney General's Department as a State Counsel in October 1983. Thereafter, he served as a Partner in an established law firm in Hong Kong for over 20 years. Mr. Selvaskandan is currently a Senior Partner at Varners, a leading law firm in Sri Lanka. Mr. Selvaskandan

has acted for a range of international clients in corporate and commercial transactions, M&A, banking and finance matters, investment structuring, and large-scale projects. He is considered to be a leading practitioner in the M&A and project development fields in Sri Lanka. Mr. Selvaskandan currently serves on the boards of a number of companies in the Abans group and LAUGFS group.

Mr. A. T. P. Edirisinghe *Independent Non-Executive Director*

Mr. A. T. Priya Edirisinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Fellow Member of the Chartered Institute of Management Accountants (UK), and holds a Diploma in Commercial Arbitration. He was the Senior Partner of Bakertilly Edirisinghe & Co., Chartered Accountants and currently serves as Consultant/Advisor. He is the Managing Director of PE Management Consultants (Pvt) Ltd. He counts over 50 years' experience in both public practice and in the private sector. He serves on the boards of a number of other listed and non-listed companies where in some companies he also serves as Chairman/Member of the Audit Committee, Related Party Transactions Review Committee, and Member of the Remuneration Committee. Mr. Edirisinghe is a member of the Company's Audit Committee, Related Party Transactions Review Committee, and Remuneration Committee.

Dr. T. Senthilverl *Non Executive Director*

Dr. T. Senthilverl has over five decades of active engagement in manufacturing, trading, land development, irrigation, power and energy, construction, management, industrial turnkey projects, air and sea cargo logistics and trading. He is a director of several public and private companies including C.W. Mackie PLC, Lotus Hydro PLC, Kelani Valley Canneries Ltd. and Senthilverl Holdings (Pvt.) Ltd. He is also the Chairman of Dollar Corporation.

Mr. Sanjay Niles *Executive Director*

Mr. Sanjay Chandrahasan Niles is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants, UK. He is also a Director of CT Holdings PLC, Executive Director of Ceylon Theatres (Pvt) Ltd., and a Director of other Companies within the CT Holdings Group.

Mr. Ranjit Page *Non-Executive Director*

Mr. Ranjit Page was an instrumental part of the team which transformed Cargills from a company serving a few to a company serving the needs of communities across the country. He led the team in establishing the Cargills business model, expanding into food retailing, food manufacturing, restaurants, and banking. Today, he is the Deputy Chairman/Managing

Profile of Directors (contd.)

Director of CT Holdings PLC and is the Deputy Chairman/Chief Executive Officer of Cargills (Ceylon) PLC.

Mr. P. P. Edirisinghe
Independent Non-Executive Director

Mr. Priyan Edirisinghe is a Chartered Accountant with over 20 years' experience in the private sector and in the professional practice. He has served for over 18 years at Baker Tilly Edirisinghe & Co., Chartered Accountants, and presently a Senior Partner. He is an Independent, Non-Executive Director of Dialog Finance PLC. He is also a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA), and Associate Member of the Chartered Institute of Marketing UK (ACIM). He holds a Master of Business Administration (MBA) from the University of Southern Queensland, Australia. Mr. Edirisinghe is also the Chairman of the Company's Audit Committee and Related Party Transactions Review Committee.

Mr. H. A. S. Madanayake
Independent Non-Executive Director

Mr. Suren Madanayake had his education at Royal College, Colombo and qualified as a Mechanical Engineer from the University of Texas at Austin, USA. He was appointed to the Board of ACL Cables PLC in June 1991 and appointed as Managing Director in September 2005. When Kelani Cables PLC was acquired in October 1999, he was appointed as Managing Director of Kelani Cables PLC and Lanka Olex Cables (Private) Ltd which is

the holding Company of Kelani Cables PLC. In 2003 he was appointed as Deputy Chairman of Kelani Cables PLC.

He also serves as the Chairman of Resus Energy PLC, Managing Director of ACL Cables PLC and ACL Plastics PLC and Director of Cables Solutions (Pvt) Ltd., Ethimale Plantations (Pvt) Ltd., ACL Electric (Pvt) Ltd., Ceylon Bulbs and Electricals Ltd., ACL Metals and Alloys (Pvt.) Ltd., ACL Polymers (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt.) Ltd., Ceylon Copper (Pvt.) Ltd., SM Lighting (Pvt) Ltd., Fab Foods (Pvt.) Ltd., Ceylon Tapioca Ltd., Destination Ceylon (Pvt.) Ltd., CT Land Development PLC and National Asset Management (Pvt) Ltd. He serves as Trustee of CCC Foundation of Sri Lanka, which is an approved charity. He also captained the Royal College 1st XV Rugby team in 1987.

Mr. A. J. D. Selvanayagam
Independent Non-Executive Director

Mr. Selvanayagam is an entrepreneur serving as the Chairman/CEO of Hovael Constructions (Pvt) Ltd and in Hovael Holdings (Pvt) Ltd.

Corporate Governance

Subject	Compliance Status	Remarks
<p>1. Non-Executive Directors</p> <p>a). The Board shall include at least two non-executive directors; or one third of the total number of directors whichever is higher.</p>	Complied	The Board of Directors consists of ten directors of whom eight are non-executive directors.
<p>2. Independent Directors</p> <p>a). Two or one-third of non-executive directors appointed to the Board of Directors, whichever is higher, shall be independent.</p> <p>b). The Board shall require each non-executive director to submit a declaration annually of his/her independence or non-independence in the prescribed format.</p>	Complied Complied	Five directors out of the eight non-executive directors are independent. All non-executive directors submit signed declarations of independence / non-independence annually.
<p>3. Disclosures relating to Directors</p> <p>a). The Board shall make a determination annually as to the independence or non-independence of each non-executive director and set out in the Annual Report, the names of the directors who are deemed to be 'Independent'.</p> <p>b). In the event a director does not qualify as 'Independent' but if the Board, taking account of all the circumstances, is of the opinion that the director is nevertheless 'Independent', the Board shall specify the criteria not met and the basis for its determination in the Annual Report.</p> <p>c). The Board shall publish in its Annual Report, a brief resume of each director on its Board.</p> <p>d). Upon appointment of a new director to its Board, the company shall forthwith provide to the Exchange, a brief resume of such director for dissemination to the public.</p>	Complied Complied Complied Not applicable.	Mr. A.T.P. Edirisinghe, Mr. R. Selvaskandan, Mr. P. P. Edirisinghe, Mr. S. Madanayake and Mr. A. J. D. Selvanayagam are independent directors of the Company. Mr. A.T.P. Edirisinghe and Mr. R. Selvaskandan have served on the Board for more than 9 years. Further, Mr. A.T.P. Edirisinghe serves as a Director of the Holding Company, C T Holdings PLC, as well as other group companies. The Board of Directors, having considered their credentials and integrity has resolved that they are deemed independent. Disclosed in the Annual Report. No new Directors were appointed during the year.

Corporate Governance (contd.)

Subject	Compliance Status	Remarks
<p>4. Remuneration Committee</p> <p>a). A listed company shall have a Remuneration Committee comprising a minimum of two independent non-executive directors or exclusively by non-executive directors, a majority of whom shall be independent, whichever is higher.</p> <p>b). One non-executive director shall be appointed as Chairman of the Committee by the Board.</p> <p>c). The Remuneration Committee shall recommend the remuneration payable to executive directors and the chief executive officer, to the Board.</p> <p>d). The Annual Report should set out the names of directors comprising the Remuneration Committee, contain a statement of the remuneration policy and set out the aggregate remuneration paid to executive and non-executive directors.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>	<p>The Remuneration Committee consists of two independent non-executive directors.</p> <p>The Chairman of the Remuneration Committee is a non-executive director.</p> <p>Disclosed in the Remuneration Committee Report.</p> <p>Disclosed under Corporate Information and in the Remuneration Committee report. Remuneration paid to directors is disclosed in Notes to the Financial Statements.</p>
<p>5. Audit Committee</p> <p>a). A listed company shall have an Audit Committee comprising a minimum of two independent non-executive directors or exclusively by non-executive directors, a majority of whom shall be independent, whichever is higher.</p> <p>b). One non-executive director shall be appointed as Chairman of the Committee by the Board.</p> <p>c). Unless otherwise determined by the Audit Committee, the chief executive officer and chief financial officer of the listed company shall attend audit committee meetings.</p> <p>d). The Chairman or one member of the committee should be a member of a recognized professional accounting body.</p> <p>e). The Annual Report should set out the names of directors comprising the Audit Committee</p> <p>f). The Committee shall make a determination of the independence of the Auditors and shall disclose the basis for such determination in the Annual Report.</p> <p>g). The Annual Report shall contain a report by the Audit Committee, setting out the manner of compliance, during the period to which the Annual Report relates.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>	<p>The Audit Committee consists of three independent non-executive directors.</p> <p>The Chairman of the Audit Committee is an independent non-executive director.</p> <p>The Deputy Chairman / Managing Director attends all Audit Committee meetings.</p> <p>The Chairman of the Committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.</p> <p>Disclosed under Corporate Information and in the Audit Committee report.</p> <p>Disclosed in the Audit Committee Report.</p> <p>Disclosed in the Audit Committee Report.</p>

Corporate Governance (contd.)

Subject	Compliance Status	Remarks
<p>6. Related Party Transactions Review Committee</p> <p>a). A listed company shall have a Related Party Transactions Review Committee comprising a combination of non-executive and independent non-executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity.</p> <p>b). One independent non-executive director shall be appointed as Chairman of the Committee by the Board.</p> <p>c). The Committee shall meet at least once a calendar quarter and shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.</p> <p>d). The Listed Entity shall ensure that neither the Listed Entity nor any of its subsidiaries, acquires a substantial asset (exceeds 1/3 of the Total Assets) from, or disposes of a substantial asset to, any Related Party of the Entity without obtaining the approval of the shareholders of the Entity by way of a Special Resolution”.</p> <p>e). The Listed Entity shall make an immediate announcement to the Exchange of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements or of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.</p> <p>f). The Listed Entity shall disclose subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the financial year.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p>	<p>The Related Party Transactions Review Committee consists of three independent non-executive directors.</p> <p>The Chairman of the Related Party Transactions Review Committee is an independent non-executive director.</p> <p>The Committee met four times during the year under review, once in each quarter. The Company Secretary functions as the Secretary to the Committee and ensures that the minutes of the meetings are properly documented and communicated to the Board of Directors.</p> <p>Not applicable.</p> <p>Not applicable</p> <p>Not Applicable</p>

Corporate Governance (contd.)

Subject	Compliance Status	Remarks
g). The Listed Entity must disclose the aggregate value of recurrent Related Party Transactions entered into during the financial year in its Annual Report, if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income as per the latest Audited Financial Statements unless the transactions entered into are recurrent, of revenue or trading nature and are necessary for day-to-day operations of a Listed Entity or its subsidiaries.	Complied	Disclosed in the Notes to the Financial Statements.
h). The Annual Report shall contain a report by the Related Party Transactions Review Committee, in the prescribed format, setting out the manner of compliance.	Complied	Disclosed in the related Party Transactions Review Committee Report.
i). The members of the Related Party Transactions Review Committee should obtain 'competent independent advice' from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under consideration. A person who is in the same group of the Listed Entity or who has a significant Interest in or financial connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice.	Not applicable	Not applicable.

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee of CT Land Development PLC consists of three Non-Executive Directors. The Committee met four times during the year (Once per calendar quarter). The members and the details of their participation at meetings of the Committee during the reporting period are as follows: –

Name	Non-Executive Directors	Meetings Held	Attendance at Meetings
Mr. P. P. Edirisinghe (appointed Chairman w.e.f. 24.05.2022)	Independent	4	4
Mr. A. T. P. Edirisinghe (resigned as Chairman w.e.f. 24.05.2022)	Independent	4	4
Mr. R. Selvaskandan	Independent	4	3

The Managing Director is an ex-officio member of the Committee. The Company Secretary functions as the Secretary of the Committee.

The Committee is tasked with:-

- Reviewing Related Party Transactions,
- Calling for supporting documents and/or justification of the terms and conditions of such transactions and,
- Identifying and reporting on recurrent and non-recurrent transactions with related parties in line with the applicable CSE Rules.
- Obtaining quarterly declarations of Directors with regard to significant shareholding/ownership in group companies and companies outside of the group.

The policy adopted by the Committee is to ensure that transactions within its purview are consistent with the RPT Code of the SEC.

The Committee noted that there were no non-recurrent transactions with related parties during the year. It also noted that in respect of recurrent transactions, the transactions were in the ordinary course of business, there were no changes to practices followed over the years and general terms and conditions applicable to rental agreements entered into with related parties are similar to those entered into with non-related parties taking into account, if any, due consideration of factors such as the long term nature of the occupancy, anchor tenancies, the extent and location of the area occupied and the ability of the entity concerned to attract customers into the complex. The observations of the Committee have been communicated to the Board of Directors.

The details of the recurrent transactions entered into with Related Parties are disclosed in Note 34 to the Financial Statements.



P.P. Edirisinghe
Chairman – Related Party Transactions Review Committee

05th July 2023

Remuneration Committee Report

Remuneration Policy - As is well known, Human Resources in Companies are a vital cog in the wheel to successfully carry out its business activities in a fair and equitable manner in the interest of its shareholders, employees, and other stakeholders and in all instances, within the laws of the country to enhance / add shareholder value for the benefit of its respective stakeholders. Executive Directors and Senior Management are pivotal drivers and there is a need to ensure that such employees are adequately and fairly compensated in line with market conditions applicable to the respective sectors.

The Remuneration Committee of CT Land Development PLC consists of the following Non-Executive Directors.

Name	Non-Executive Directors	Meetings Held	Attendance at Meetings
Mr. L.R. Page Chairman	Independent	1	1
Mr. A. T. P. Edirisinghe	Independent	1	1
Mr. R. Selvaskandan	Independent	1	1

The Deputy Chairman/Managing Director of the Company is also invited to join in the deliberations as required.

The Committee is tasked with studying and recommending appropriate remuneration packages for the Executive Directors in line with applicable market values. The Committee also maintains the process of consultation with regard to the setting up of remuneration / compensation structures. After deliberations, its recommendations are forwarded for approval to the Board of Directors.

The Committee is authorised to carry out periodic reviews to ensure that remuneration is in line with market conditions.

The Committee met once during the year and all members of the Committee were present at the said meeting.

(Signed)

L.R. Page

Chairman – Remuneration Committee

05th July 2023

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Annual Report of the Board of Directors

In compliance with the provisions of the Companies Act No. 07 of 2007, the Directors present their Report on the state of affairs of the Company together with the Audited Financial Statements for the year ended 31st March 2023. The report also provides information as required by the Listing Rules of the Colombo Stock Exchange, best Accounting Practices and other disclosures deemed relevant to the stakeholders of the Company.

Principal Activity

The principal activity of the Company is property development as approved by the Urban Development Authority.

Review of Operations

The Chairman's Statement appearing on page 08 of the Annual Report gives a review of the operations carried out and the performance of the Company during the current financial year, and forms an integral part of this report.

Financial Statements

The Audited Financial Statements of the Company for the financial year ended 31st March 2023 are given on pages 22 to 66 and form an integral part of the Annual Report.

Accounting Policies

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 29 to 39.

Property, Plant & Equipment & Investment Property

The movement of property, plant and equipment is shown in Note 14 to the Financial Statements. Investment Property as shown in Note 17 is stated at market value

as at 31st March 2023. The current effective capital value of the investment property increased to Rs. 4,767 Mn which sum the Board has adopted as the fair value of the investment property in accordance with LKAS 40 and, arising therefrom, the fair value gain on investment property of Rs. 162.8 Mn. is recorded in the Statement of Comprehensive Income for the year ended 31st March 2023.

Stated Capital

The Stated Capital of the Company as at 31st March 2023 was Rs. 1.98Bn comprising 81.25Mn ordinary (voting) shares.

Directors

The directors indicated below have been Directors of the Company throughout the year under review.

Mr. R. Selvaskandan and Mr. S.C. Niles retire under Articles 103 and 104 of the Articles of Association of the Company and being eligible, offer themselves for re-election.

Pursuant to sections 210 and 211 of the Companies Act No. 7 of 2007 Mr. L.R. Page, Dr. T. Senthilverl and Mr. A.T.P. Edirisinghe who are over 70 years of age, retire and offer themselves for re-election.

The re-election of the retiring Directors has the unanimous support of the other Directors.

Details of attendance at meetings during the financial year:-

Name	Board Meetings		General Meetings	
	Held	Attended	Held	Attended
Mr. L. R. Page	4	4	1	1
Mr. J. C. Page	4	4	1	1
Mr. R. Selvaskandan	4	3	1	1
Mr. A. T. P. Edirisinghe	4	4	1	1
Mr. S. C. Niles	4	4	1	1
Mr. V. R. Page	4	4	1	1
Dr. T. Senthilverl	4	4	1	1
Mr. P. P. Edirisinghe	4	3	1	1
Mr. H. A. S. Madanayake	4	3	1	1
Mr. A. J. D. Selvanayagam	4	2	1	0

Directors' Interests in Contracts / Related Party Transactions

The Directors' interests in Contracts of the Company are included in Note 34 to the Financial Statements under related party transactions.

The Related Party Transactions Review Committee appointed by the Board was tasked with reviewing Related Party Transactions, calling for supporting documents and/or justification of the terms and conditions of such transactions and identifying and reporting on recurrent and non-recurrent transactions with related parties in line with the applicable CSE Rules. The Directors have declared their

Annual Report of the Board of Directors (contd.)

interests to the Related Party Transactions Review Committee appointed by the Board. The Directors have no direct or indirect interest in any other contract or proposed contract of the Company.

The said Committee has informed the Board that there were no non-recurrent transactions with related parties during the year. It also noted that in respect of recurrent transactions, the transactions were in the ordinary course of business, there were no changes to practices followed over the years and general terms and conditions applicable to rental agreements entered into with Related Parties are similar to those entered into with non-related parties taking into account, if any, due consideration of factors such as the long term nature of the occupancy, anchor tenancies, the extent and location of the area occupied and the ability of the entity concerned to attract customers into the complex.

The Directors hereby confirm that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange in respect of related party transactions entered into by the company during the year.

Interests Register

The Company maintains an Interests Register conforming to the provisions of the Companies Act No. 7 of 2007.

Dividends

No Dividend was paid to shareholders for the year ended 31st March 2023.

Directors' Shareholdings

The interests of the Directors in the shares of the Company at

the Balance Sheet date were as follows.

	As at 31.03.2023	As at 31.03.2022
L.R. Page	447,478	447,478
J.C. Page	1,018,007	1,018,007
R. Selvaskandan	-	-
A.T.P. Edirisinghe	-	-
S.C. Niles	3,333	3,333
V.R. Page	-	-
Dr. T. Senthilverl	4,346,725	4,346,725
P.P. Edirisinghe	-	-
H.A.S. Madanayake	-	-
A.J.D. Selvanayagam	-	-
	5,815,543	5,815,543

Donations

During the year the Company made charitable donations amounting to Rs. 143,688/- (2022-Rs. 152,110/-).

Statutory Payments

All statutory payments due to the Government of Sri Lanka and on behalf of employees have been made or accrued as at the reporting date.

Going Concern

The Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future. The Financial Statements of the Company have accordingly been prepared on a going concern basis.

Auditors

Messrs. KPMG, Chartered Accountants are deemed re-appointed in terms of section 158 of the Companies Act No. 8 of 2007. A resolution to authorize the Directors to determine their remuneration will be proposed at the General Meeting of the Company.

The fees paid to the Auditors are disclosed in Note 9 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company.

For and on behalf of the Board of Directors

(Signed)

L.R. Page
Chairman

Colombo
05th July 2023



J.C. Page
Deputy Chairman



Charuni Gunawardana
Secretary

Statement of Directors' Responsibility

Maintenance of Accounting Records

Under the provisions of the Companies Act No. 07 of 2007 ("the Act"), every company is required to maintain accounting records which correctly record and explain the Company's transactions, and will at any time enable the financial position of the Company to be determined with reasonable accuracy, enable the Directors to prepare Financial Statements in accordance with the Act and also enable the financial statements of the Company to be readily and properly audited.

Preparation of Financial Statements of the Company and Group

The Act places the responsibility on the Board of Directors to ensure that Financial Statements are prepared within the prescribed time period in conformity with the Act. Such Financial Statements of a Company shall give a true and fair view of the state of affairs of the Company as at the reporting date and the profit or loss or income and expenditure, as the case may be, of the Company for the accounting period ending on that reporting date.

Dividends

In the event of any distribution of dividends, the Board of Directors are required to satisfy themselves that the Company will, immediately after the relevant distribution is made, satisfy the solvency test, provided that such a certificate is obtained from the auditors.

Annual Report

The Board of Directors are required to prepare an Annual Report on the affairs of the Company during the

accounting period ending on the reporting date in the prescribed format and circulate the same to every shareholder of the Company within the time frame prescribed in the Act.

Independent Audit

The Act requires the Company to appoint an Auditor to audit the Financial Statements of the Company for the reporting period. Accordingly, M/s. KPMG presently function as the Auditors of the Company. Their responsibility with regard to the financial statements as Auditors of the Company are set out in the Independent Auditor's Report set out on Page 22.

Management

The Directors are responsible for the proper management of the resources of the Company. The internal control system has been designed and implemented to obtain reasonable but not absolute assurance that the Company is protected from undue risks, frauds and other irregularities.

Compliance

Considering the present financial position of the Company and the foreseeable future, the Directors have adopted the going concern basis for the preparation of these Financial Statements.

The Directors confirm that:

- (a). The Company is in compliance with the requirements of the Act as aforementioned.
- (b). These Financial Statements have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007 and applicable Sri Lanka Accounting Standards, which have been consistently applied and supported by reasonable and prudent judgments and estimates.
- (c). The Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange in respect of the related party transactions entered in to by the company during the year.
- (d). All statutory payments have been made up to date.

The Directors are satisfied that the control procedures within the Company operated effectively during the year.

By Order of the Board of Directors



Charuni Gunawardana
Company Secretary

05th July 2023

Audit Committee Report

The Audit Committee of C T Land Development PLC is appointed by the Board of Directors of the Company and reports directly to the Board. It consists of three Non-Executive Directors. The former and present Chairmen of the Audit Committee are Fellow Members of the Institute of Chartered Accountants of Sri Lanka. The composition of the members of the Audit Committee satisfies the criteria as specified in the Standards on Corporate Governance for listed Companies. The members and the details of their participation at meetings of the Committee during the reporting period are as follows:

Name	Non-Executive Directors	Meetings Held	Attendance at Meetings
Mr. P. P. Edirisinghe (appointed Chairman w.e.f. 24.05.2022)	Independent	4	4
Mr. A. T. P. Edirisinghe - (resigned as Chairman w.e.f. 24.05.2022)	Independent	4	4
Mr. R. Selvaskandan	Independent	4	3

The Audit Committee is empowered to examine all matters pertaining to the financial affairs of the Company and assist the Board of Directors in effectively discharging their duties. The Committee also reviews the process of external reporting of financial information to ensure compliance with presentation and disclosure requirements in accordance with the prevailing legal and accounting framework and best practice.

The Audit Committee also reviews the adequacy and proper continuous functioning of the Internal Control Procedures of the Company to obtain reasonable assurances that the financial statements accurately reflect the state of affairs of the Company and the results for the period to which it relates.

The Committee is also empowered to liaise directly with the External Auditors of the Company and study all matters brought to the attention of the Management by the External Auditors. The Committee met with the External Auditors once, to review matters pertaining to the Financial Statements of the year. In addition, where required, the quarterly financial statements were circulated, discussed and recommended to the Board prior to Board approval. In all instances, the Audit Committee obtained relevant declarations from relevant key officials stating that the respective financial statements are in conformity with the applicable Accounting Standards, Company Law and other Statutes including Corporate Governance Rules and that the presentation of such Financial Statements are consistent with those of the previous quarter or year as the case may be and listing any departures from financial reporting, statutory requirements and Group policies, if any.

The Deputy Chairman and/or the Finance Manager attended all Audit Committee meetings and other Senior Managers attended such meetings as and when requested to do so by the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

The Audit Committee is of the opinion that the control procedures and environment within the Company provide reasonable assurance regarding the monitoring of the operations, accuracy of the financial statements and safeguarding of assets of the Company.

The Audit Committee has assessed the independence and performance of the External Auditors, M/s. KPMG, Chartered Accountants, and has recommended to the Board of Directors that they be reappointed as Auditors of the Company for the year ending 31st March 2024.



P.P. Edirisinghe
Chairman – Audit Committee

05th July 2023

Independent Auditor's Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF CT LAND DEVELOPMENT PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CT Land Development PLC (“the Company”), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information as set out on pages 29 to 66.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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C.P. Jayatilake FCA	T.J.S. Rajakarier FCA	W.W.J.C. Perera FCA
Ms. S. Joseph FCA	Ms. S.M.B. Jayasekara FCA	W.K.D.C Abeyrathne FCA
S.T.D.L. Perera FCA	G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA
Ms. B.K.D.T.N. Rodrigo FCA	R.H. Rajan FCA	M.N.M. Shameel FCA
Ms. C.T.K.N. Perera ACA	A.M.R.P. Alahakoon ACA	Ms. P.M.K. Sumanasekara FCA
Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FTII		



01. Valuation of Investment Property	
Refer to note 17 to the financial statements	
Risk Description	Our Response
<p>As at 31st March 2023, the Company carries its Investment Property at fair value, amounting to Rs. 4.8 Bn. The Company has engaged an independent professional Valuer with appropriate expertise to determine the fair value of these properties in accordance with recognized industry standards.</p> <p>Estimating the fair value is a complex process which involves a significant degree of judgement and estimates in respect of price per perch of the land, capitalization rates, value per square feet, fair market rental and diversity of locations and nature of the land and buildings and investment properties.</p> <p>Further, the Company has incorporated risk adjustments for prevailing uncertain and volatile economic conditions in property valuation to reflect the associated risks in the valuation model based on reasonable and supportable information available to management at the reporting date.</p> <p>We identified this as a key audit matter because of the significance of the value of these properties to the Financial Statements and significant judgement/estimation involves in the valuation.</p>	<ul style="list-style-type: none"> Assessing the objectivity, independence, competence and qualifications of the external valuer. Discussions with management and the external valuer and comparison of the key assumptions used against externally published market comparable or industry data where available and challenging the reasonableness of key assumptions based on our knowledge of the industry and the possible impact on the key assumptions and the resulting valuation due to prevailing uncertain and volatile economic conditions. Assessing the key inputs used in the valuation by the independent external valuer against our expectations based on our experience, externally published market comparable and our knowledge of property market, consultation with internal valuation specialist. Assessing the objectivity, independence, competence and qualifications of the external valuer. Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the

Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.



Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and

to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
As required by section 163 (2) of the Companies Act No. 07 of 2007, 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.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2599.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

05th July 2023

Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 31st March	Note	Company	
		2023 Rs. '000	2022 Rs. '000
Revenue	6	349,472	146,783
Other Income	7	32,851	3,068
Change in Fair Value of Investment Property	17.1	162,821	180,641
Personnel Cost	8	(94,726)	(85,183)
Depreciation & Amortization	14, 15.1 & 16	(20,725)	(23,813)
Other Operating Cost		(184,318)	(148,644)
Results from Operating Activities	9	245,375	72,852
Finance Costs	10	(24,876)	(16,835)
Share of Profit/(Loss) of Equity Accounted Investee	19	-	(41,848)
Profit before Taxation		220,499	14,169
Income Tax Reversal / (Expenses)	11	(272,081)	(31,133)
Profit/(Loss) for the Year		(51,582)	(16,964)
Other Comprehensive Income			
<i>Items that will not be Reclassified to Profit or Loss</i>			
Remeasurement of Defined Benefit Liability	26	6,864	9,644
Tax on Other Comprehensive Income		(2,059)	(2,315)
Loss on Fair Value of Long Term Investment	20	-	(681)
Other Comprehensive Income /(Expense) for the Year		4,805	6,648
Total Comprehensive Income/(Expense) for the year		(46,777)	(10,316)
Loss Per Share Rs.	12	(0.64)	(0.21)

Figures in brackets indicate deductions

The notes on pages 29 to 66 form an integral part of these Financial Statements.

Statement of Financial Position

Asat 31st March	Note	Company	
		2023 Rs. '000	2022 Rs. '000
ASSETS			
Non Current Assets			
Property, Plant & Equipment	14	152,696	170,527
Right of Use Assets	15.1	40,813	42,884
Intangible Assets	16	3,375	3,592
Investment Property	17	4,767,400	4,602,597
Capital Work-in-Progress	18	11,808	-
Investment in Equity Accounted Investee	19	-	-
Other Financial Assets	20	-	-
		4,976,092	4,819,600
Current Assets			
Inventories	21	8,094	-
Trade and Other Receivables	22	66,343	57,501
Short Term Investments	23	70,095	101,427
Cash and Cash Equivalents	24	64	84
		144,596	159,012
Total Assets		5,120,688	4,978,612
EQUITY AND LIABILITIES			
Equity			
Stated Capital	25	1,982,500	1,982,500
Retained Earnings		1,951,823	2,011,277
		3,934,323	3,993,777
Non Current Liabilities			
Defined Benefit Plans - Gratuity	26	54,422	51,473
Lease Liabilities	15.2	51,080	50,608
Deferred Tax Liabilities	27	686,844	412,705
Security Deposits	28	167,309	186,681
Deferred Interest	29	23,465	18,033
Interest Bearing Borrowings	30	107,450	151,874
		1,090,570	871,374
Current Liabilities			
Trade and Other Payables	31	35,256	47,177
Lease Liabilities	15.2	4,460	4,887
Income Tax Payable	32	3,058	4,168
Interest Bearing Borrowings	30	44,424	46,236
Bank Overdraft	24	8,597	10,993
		95,795	113,461
Total Equity and Liabilities		5,120,688	4,978,612

The notes on pages 29 to 66 form an integral part of these Financial Statements.

The Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Ms. W A Y P Wijesinghe
Finance Manager


The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

The Financial Statements have been approved by the Board on 05th July 2023

Signed for and on behalf of the Board.



J.C. Page (Mr.)
Deputy Chairman/ Managing Director



A.T.P. Edirisinghe (Mr.)
Director

Statement of Changes in Equity

	Company			
	Stated Capital	Retained Earnings	FVTOCI Reserve	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2021	1,982,500	2,018,117	3,476	4,004,093
Profit for the Year	-	(16,964)	-	(16,964)
Other Comprehensive Income				
- Defined Benefit Plan Actuarial Gains (Losses) net of Tax	-	7,329	-	7,329
- Loss on Fair Value of Long Term Investment	-	-	(681)	(681)
Total Comprehensive Income	-	(9,635)	(681)	(10,316)
Realisation of FVTOCI Reseved	-	2,795	(2,795)	-
Balance as at 31st March 2022	1,982,500	2,011,277	-	3,993,777
Balance as at 01st April 2022	1,982,500	2,011,277	-	3,993,777
Surcharge tax Paid for the Year ended 31st March 2021	-	(12,681)	-	(12,679)
Adjusted Balance as at 01st April 2022	1,982,500	1,998,600	-	3,981,100
Profit/(Loss) for the Year	-	(51,582)	-	(51,582)
Other Comprehensive Income				
- Defined Benefit Plan Actuarial Gains (Losses) net of tax	-	4,805	-	4,805
Total Comprehensive Income	-	(46,777)	-	(46,777)
Balance as at 31st March 2023	1,982,500	1,951,823	-	3,934,323

The notes on pages 29 To 66 form an integral part of these Financial Statements.

Surcharge Tax

Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022 and is applicable to the Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 Mn, for the year of assessment 2020/21. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from Subsidiaries. The Surcharge Tax payable reported under income tax liability as of 31st March 2021 was paid and the liability was recognised in the Statement of Changes in Equity.

Statement of Cash Flows

For the year ended 31st March	Note	Company	
		2023 Rs'000	2022 Rs'000
Cash flows from Operating Activities			
Profit before Tax		220,499	14,169
Adjustments for:			
Depreciation & Amortization	14,16	18,653	21,031
Amortisation of Right of Use Assets	15	2,071	2,782
Change in Fair Value of Investment Properties	17	(162,821)	(180,641)
Change in Fair Value of Short-term Investments	23	(18,668)	(3,068)
Provision for Defined Benefit Obligation	26.1(a)	9,813	2,977
Provision for Impairment of Trade Receivables	22	(10,365)	3,334
Share of Loss-Equity Accounted Investee	19	-	41,848
Interest Expenses on Leases	15.2	6,662	3,769
Gain on Disposal of PPE	7	(3,818)	-
Interest Income	10	-	(59)
Interest Expenses	10	24,876	16,894
		86,902	(76,964)
Changes In;			
Inventories	21	(8,094)	-
Trade & Other Receivables		1,525	119,115
Trade & Other Payables		(11,923)	18,145
Security Deposits & Deferred Interest on Security Deposits		(13,939)	(2,385)
Cash Generated from Operating Activities		54,471	57,912
Interest Paid		(24,876)	(16,894)
Retirement Benefits (Paid)/ Received	26	-	705
Tax Paid		(13,789)	(1,859)
Net Cash Generated from Operating Activities		15,806	39,865
Cash Flow from Investing Activities			
Acquisition of Property, Plant & Equipment and Intangible Assets	14	(604)	(574)
Proceeds from disposal of Property, Plant & Equipment	-	3,818	-
Proceeds from Disposal of Long Term Investment	-	-	75,530
Interest Received		-	59
Expenses Incurred on Capital WIP	18	(11,808)	(24,384)
Expenses Incurred on Investment properties		(1,982)	-
Loans Obtained	30	-	200,000
Repayment of Interest Bearing Borrowings	30	(46,236)	(170,952)
Investments on Financial Instruments		50,000	(72,000)
Net Cash Generated /(used in) from Investing Activities		(6,812)	7,679
Cash Flow from Financing Activities			
Payment of Lease Liabilities		(6,616)	(3,600)
Net Cash used in Financing Activities		(6,616)	(3,600)
Net Increase In Cash & Cash Equivalents during The Year		2,376	43,945
Cash & Cash Equivalents at the Beginning of the Year		(10,909)	(54,854)
Cash & Cash Equivalents at the End of the Year (Note 24)		(8,533)	(10,909)

Figures in brackets indicate deductions

The notes on pages 29 To 66 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. REPORTING ENTITY

CT Land Development PLC (“the Company”) is a “Public Quoted Company” with limited liability incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The Company’s registered office is situated at No 10, Station Road, Colombo 04.

The staff strength of the Company as at 31 March 2023 is 27 (2022 - 28).

The Company is in the business of development of property, administration & maintenance.

The Company’s immediate & ultimate parent is CT Holdings PLC, which is a quoted public limited liability Company domiciled in Sri Lanka and listed in the Colombo Stock Exchange.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company which comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes thereto have been prepared in accordance with the Sri Lanka Accounting Standards (LKASs and SLFRSs) laid down by the Institute of Chartered Accountants of Sri Lanka, and the requirements of the Companies Act No. 7 of 2007.

Further, the tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the note 11.2 on Income Taxes.

2.2 Approval of Financial Statements by Directors

The Company’s Financial Statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 05th July 2023.

2.3 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis and accounting policies are applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following;

- Investment property are measured at cost at the time of acquisition and subsequently at fair value.
- The liability for defined benefit obligation is recognized as the present value of the defined benefit obligation.
- Short term investments in Unit Trusts are measured at fair value.
- Other financial assets are measured at fair value.

2.4 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Company’s functional currency. All financial information presented in Sri Lankan Rupees has been rounded up to the nearest thousands, unless stated otherwise.

2.5 Presentation of Financial Statements

The assets and liabilities of the Company presented in its Statement of Financial Position are grouped by nature and

listed in an order that reflects their liquidity and maturity pattern.

Assets and liabilities are offset and the net amount is reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously.

Income and expenses are not offset in the Statement of Profit or Loss and Other Comprehensive Income unless required or permitted by an Accounting Standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

2.6 Key accounting judgements and estimates

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.6.1 Judgements

Information about significant areas of estimation, uncertainty and critical judgements in

Notes to the Financial Statements (contd.)

applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are described in the relevant notes.

- Note 17 – Investment Property
- Note 26 – Measurement of Defined Benefit Obligation
- Note 27 – Deferred Taxation

2.6.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 26 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 17 - Determination of fair value of investment property: key valuation assumptions;
- Note 19 - Equity-accounted investees: whether the Company has significant influence over an investee; and
- Note 40 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

2.7 Materiality and Aggregation

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

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the accounting policies to all periods presented in these Financial Statements.

3.1 Financial Instruments

3.1.1 Financial Assets Initial Recognition and Measurement

The Company initially recognizes trade receivables and debt securities issued when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and Subsequent Measurement of Financial Assets

On initial recognition, financial assets are classified as amortized cost; FVOCI (Fair value through OCI) debt investment; FVOCI - equity investment; or FVTPL (Fair value through profit or loss).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first

reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets classified under amortized cost includes trade and other receivable.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition,

Notes to the Financial Statements (contd.)

the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Re-classification of Financial Assets

Re-classification of financial assets is required if the Company changes its business model for managing those financial assets. Re-classification is applied prospectively from the date of the re-classification.

De-recognition of Financial Assets

On de-recognition of a financial asset in its entirety, the difference between: The carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in profit or loss.

Impairment of Financial Instruments and Contract Assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI;

And the Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

3.1.2 Financial Liabilities

Financial Liabilities are initially recognized only when the Company becomes a party to the contractual provisions of the financial instrument. All financial liabilities are recognized initially at fair value. The Company's financial liabilities include trade and other payables. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost. A financial

Notes to the Financial Statements (contd.)

liability is derecognized only when it is extinguished - i.e. when the obligation specified in the contract is discharged or cancelled or expires.

De-recognition

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

3.2 Property, Plant and Equipment

3.2.1 Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes,

- the cost of materials and direct labour.
- any other costs directly attributable to bringing the asset to a working condition for their intended use.
- and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalized as a part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

3.2.2 Subsequent Costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

3.2.3 De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain and loss arising from de-recognition of an item of property, plant & equipment is included in profit and loss when the item is derecognized.

When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspection is derecognized.

3.2.4 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

	Depreciation	Useful Life
Buildings	2%	50
Plant & Machinery-Light, A/C Equipment	10%	10
Plant & Machinery-Other	5%	20
Furniture and Equipment	10%	10
IT Equipment	25%	04
Motor Vehicles	25%	04

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Notes to the Financial Statements (contd.)

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.3 Intangible Assets

3.3.1 Basis of Recognition

An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

3.3.2 Measurement

The cost of an intangible asset comprises of its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use.

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

3.3.3 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred.

3.3.4 Amortization

Amortisation is recognized in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful life for intangible assets held by the Company is as follows:

	Amortisation	Useful Life
Website	50%	2 years
Improvement of Leasehold property	10%	10 years

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

3.5 Identification and Measurement of Impairment

3.5.1 Non-derivative financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables (Net balance), the Company applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in a provision account.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as

Notes to the Financial Statements (contd.)

the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

3.5.2 Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.6 Equity Accounted Investee

Equity accounted investees are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Equity accounted investee is accounted for using the equity method. The Financial Statements include the Company's share of income and expenses and equity movements of equity accounted investee from the date that significant influence commences until the date significant influence ceases. When the Company's share of losses exceeds its investment in an equity accounted investee, the carrying amount of that interest is reduced to nil and

the recognition of further losses is discontinued except to the extent that the Company has incurred obligations or has made payments on behalf of the investee.

A listing of the Company's equity accounted investees is set out in Note 19 to the Financial Statements. As per the Note there were no associates for the year ended 31st March 2023.

3.7 Investment Property

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. An external, independent valuation Company, having an appropriate recognized professional qualification and recent experience in the location and category of property being valued, values the portfolio every year. The fair values are based on open market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Valuations reflect, where appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property.

Notes to the Financial Statements (contd.)

It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and where appropriate counter notices have been served validly and within the appropriate time.

Any gain or loss arising from a change in fair value is recognized in profit or loss. Rental income from investment property is accounted for as described in the accounting policy.

When an item or property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized directly in equity if it is a gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss arising in this manner is recognized in profit or loss immediately.

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

When the Company begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

3.8 Investment Property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development (development projects) and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property. At the date of transfer, the difference between fair value and cost is recorded as income in profit or loss.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure for the development qualifying as acquisition costs are capitalized. Related borrowing costs are recognized in profit or loss as they are incurred.

3.9 Liabilities and Provisions

3.9.1 Dividend payable

Provision for final dividends is recognized at the time the dividend recommended and declared by the Board of Directors, is approved by the shareholders. Interim dividends payable is recognized when the Board approves such dividend in accordance with the Companies Act No. 7 of 2007

3.9.2 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where 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.

3.10 Leases

3.10.1 As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically

Notes to the Financial Statements (contd.)

reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.10.2 As a Lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic useful life of the asset.

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies sub-lease as an operating lease.

The Company recognizes lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'revenue'.

3.11 Stated Capital - Ordinary Shares

The company's stated capital comprises of ordinary shares, which are classified as equity.

3.12 Employee Benefits

3.12.1 Defined Benefit Plan

Defined Benefit Plan is a post-employment benefit plan other than defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the

Notes to the Financial Statements (contd.)

statement of financial position date. The defined benefit obligation is calculated annually by independent actuaries, using projected unit credit method, as recommended by LKAS 19 Employee Benefit. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in the note 26 to the Financial Statements.

This liability is not externally funded and the item is grouped under non-current liabilities in the statement of financial position. However, under the payment of gratuity Act No. 12 of 1983 the liability to an employee arises only on completion of five years of continued service.

The Company recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in staff expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

3.12.2 Defined Contribution Plan

Defined contribution plan is a post-employment benefit

plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts. Obligations for contributions to Employees Provident Fund and Employees Trust Fund covering all employees are recognized as an expense in the statement of comprehensive income, as incurred.

(a) Employees' Provident Fund

The Company and employees contribute 12% and 8% respectively on the salary of each employee to the Employees' Provident Fund.

(b) Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund. The total amount recognized as an expense to the Company for contribution to ETF is disclosed in the Note 8 to the Financial Statements.

(c) Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Commitments and Contingencies

Contingent liabilities are possible obligations whose

existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote.

3.14 Turnover

The turnover of the Company represents the gross rental, service charge, car park income, promotional income, play zone income and sundry income.

3.14.1 Rental Income

Rental income from investment property leased out under operating lease is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

3.14.2 Service Charge and Car Park Income

Service charge and car park income are recognized on accrual basis in the profit or loss.

3.15 Other Income

3.15.1 Dividends

Dividend income is recognized when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

3.15.2 Others

Other income is recognized on an accrual basis. Net gains and losses of a revenue nature on the disposal of plant and equipment and other non-current assets including investments have been accounted for in profit or loss, having deducted from proceeds on disposal, the carrying

Notes to the Financial Statements (contd.)

amount of the assets and related selling expenses.

3.16 Expenses

Expenses are recognized in profit or loss as they are incurred, in the period to which they relate on an accrual basis.

3.17 Finance Costs

Finance costs comprise of interest expense on borrowings, interest on overdrafts and other charges

3.18 Taxation

3.18.1 Current taxes

The provision for Income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereon.

3.18.2 Deferred Taxation

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the

temporary difference can be utilized.

Deferred tax is not recognized for the undistributed profits of associates as the Company has control over the dividend policy of its associates and distribution of those profits.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.18.3 IFRIC - 23 interpretation addresses the accounting for income taxes when tax treatments

IFRIC - 23 interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination.

The Company applies significant judgement in identifying uncertainties over income tax treatments. The Company assessed whether the Interpretation had an impact on its Financial Statements. The Company is of the view that it is probable that its tax treatments will be accepted by the taxation authorities hence the Interpretation did not have an impact on the Financial Statements of the Company.

3.18.4 Offsetting of Tax Assets and Liabilities

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority, there is a legal right and intentions to settle on a net basis and it is allowed under the tax law.

3.19 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data 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.

3.20 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard 07 - Statement of Cash Flows. Cash and cash equivalents include notes and coins on hand, balances with banks, money at call and short notice with less than three months maturity from the date of acquisition.

3.21 Events occurring after the Reporting Period

All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in respective Notes to the Financial Statements.

3.22 Comparative information

Comparative information has been reclassified to conform to the current year's presentation, where necessary. Except when a standard permits or requires otherwise, comparative

Notes to the Financial Statements (contd.)

information is disclosed in respect of the previous period. Where the presentation or classification of items in the Financial Statements are amended, comparative amounts are reclassified unless it is impracticable.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

5. NEW AND AMENDED STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

A number of a new standards are effective for annual periods beginning after 1st April 2022 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these Financial Statements.

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

- 1) Amendments to LKAS 1 : Classification of liabilities as Current or Noncurrent.
- 2) Amendments to LKAS 1 : Disclosure of Accounting Policies.
- 3) Amendments to LKAS 8 : Definition of Accounting Estimates
- 4) Amendments to LKAS 12 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Notes to the Financial Statements (contd.)

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
6. Revenue		
Rental Income	198,267	51,018
Service Charges	108,872	63,709
Car Park Income	15,997	11,779
Promotional Income	8,075	8,328
Play Zone Income	17,629	8,701
Sundry Income	632	3,248
	349,472	146,783

7. Other Income

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Change in Fair Value of Short Term Investments(Note 23)	18,668	3,068
Bad & Doubtful Debts Provision Reversal	10,365	-
Profit/(Loss) on Disposal of PPE	3,818	-
	32,851	3,068

8. Personnel Cost

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Salaries and Wages	63,855	59,727
Contribution to Employees Provident Fund	6,660	6,205
Contribution to Employees Trust Fund	1,768	1,551
Provision for Staff Retirement Benefits	9,813	2,977
Other	12,630	14,723
	94,726	85,183

Notes to the Financial Statements (contd.)

9. Results from Operating Activities

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Results from operating activities are stated after deducting all operating expenses including the following:		
Directors Fees	9,811	7,343
Audit Fees	708	600
Legal & Secretarial Fees	2,042	1,575
Professional Fees	505	484
Depreciation & Amortization	20,725	23,813

10. Net Finance Cost

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Finance Income		
Interest Income-Money Market	-	59
	-	59
Finance expenses		
Interest on Bank Overdraft	(10,432)	(2,710)
Interest on loans	(14,444)	(14,184)
	(24,876)	(16,894)
	(24,876)	(16,835)

11. Income Tax Expense

11.1 Tax recognized in the Statement of Comprehensive Income

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
a) Current Tax (Note 11.2)		
Current Year	-	-
	-	-
b) Deferred Tax Expense (Note 27.1)		
Change in Recognized Deductible Temporary Differences	272,081	31,133
	272,081	31,133
Total Tax Expense	272,081	31,133

Notes to the Financial Statements (contd.)

11.2 Reconciliation of Accounting Profit and Taxable Income

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Profit Before Tax	220,499	14,169
Disallowable Expenses	36,971	82,313
Allowable Expenses	(100,580)	(75,153)
Income from Other Sources		
Interest Income	-	(59)
Change in Fair Value of Investment Property	(162,821)	(180,641)
Business Income	(5,931)	(159,371)
Income from Other Sources	-	59
Statutory Income	(5,931)	(159,312)
Assessable Income	(5,931)	(159,312)
Less: Deductions	-	-
Total Taxable Income	(5,931)	(159,312)
Tax Liability	-	-
Total Tax Liability	-	-
Effective Tax Rate	30%	24%

Income tax and Deferred tax have been provided as per the new rate of 30% legislated by the Inland Revenue (Amendment) Act No 45 of 2022 with effective from 1st October 2022 (2021/22-24%)

Surcharge Tax Act No. 14 of 2022 was enacted on 8 April 2022 and is applicable to the CT Holdings Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 million, for the year of assessment 2020/2021. The liability is computed at the rate of 25 per cent on the taxable income of the individual Group companies, net of dividends from subsidiaries and deemed to be an expenditure in the Financial Statements in the year of assessment which commenced on 1 April 2020.

For the Year ended 31st March	Company
	2023 Rs. '000
Profit after Tax for 31/3/2021	126,283
Surcharge tax levied under Surcharge Act	(12,679)
Comparable Profit for the year 2020/2021	113,604

Total Surcharge Tax liability of LKR 12.6 Mn has been recognised in the Financial Statements of the Company respectively as an adjustment to the 1 April 2022 retained earnings in the statement of Changes in Equity as per the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka.

Notes to the Financial Statements (contd.)

11.3 Tax Losses

	2023 Rs. '000	2022 Rs. '000
Tax Loss Brought forward	159,312	-
Adjustment Related to Prior Years	(1,411)	-
Tax Loss for the Year	5,931	159,312
	163,832	159,312

12. Loss per Share

The calculation of the Loss per Share is based on the loss attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue during the year.

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Profit/ Loss attributable to ordinary shareholders of the Company (Rs. '000)	(51,582)	(16,964)
Weighted Average no. of Ordinary Shares (Nos. '000)	81,250	81,250
Earnings/ (Loss) per share (Rs.)	(0.64)	(0.21)
Diluted Earnings/ (Loss) per Share is same as computed above.		
<i>Weighted Average no. of Ordinary Shares:</i>		
Issued ordinary shares (Rs. '000)	81,250	81,250
Effect of shares issued during the year	-	-
Weighted average no. of ordinary shares at year end	81,250	81,250

13. Dividends per Share

Dividends per share is based on the dividends paid during the year covered by the Financial Statements.

For the Year ended 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Final	-	-
Interim	-	-
Dividends per share (Rs.)	-	-

Notes to the Financial Statements (contd.)

14. Property Plant & Equipment

	Company						
	Buildings	Furniture & Equipment	IT Equipment	Motor Vehicles	Plant & Machinery	Total 2023	Total 2022
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/ Valuation							
As at 01st April	11,222	17,135	8,510	32,429	168,752	238,048	237,472
Additions	-	-	-	-	-	-	574
Transfer from WIP	-	-	-	-	-	-	-
Disposals	-	-	-	(2,500)	-	(2,500)	-
As at 31st March	11,222	17,135	8,510	29,929	168,752	235,548	238,046
Accumulated Depreciation							
As at 01st April	6,081	11,050	5,261	27,901	17,227	67,520	47,281
Charge for the Year	224	981	1,846	4,528	10,253	17,832	20,238
Disposals	-	-	-	(2,500)	-	(2,500)	-
As at 31st March	6,305	12,031	7,107	29,929	27,480	82,852	67,519
Carrying Value							
NBV as at 31/03/2023	4,917	5,104	1,403	-	141,272	152,696	
NBV as at 31/03/2022	5,141	6,084	3,249	4,528	151,525		170,527

Property, Plant and Equipment includes fully depreciated assets having a gross amount of Rs. 5.166Mn (2022 - Rs. 5.93Mn).

There is no property, plant and equipment pledged by the Company as security for facilities obtained from Banks.

As per the policy, especially due to the prevailing uncertain and volatile macro economic conditions could have on the Company assets, the Company reviewed the carrying values of property, plant and equipment as at the reporting date and determined that no impairment is necessary. The Company has evaluated its business continuity plans and is satisfied that all necessary steps have been taken to safeguard its assets.

Notes to the Financial Statements (contd.)

15. Leases

The leasehold land at No. 12, Station Road, Colombo 04 which is being used as a Car Park by the Company was reclassified as a Right to Use Leased Asset with effect from 01st April 2019 in conformity with LKAS 16.

15.1 Right of Use Assets

	Company	
	2023 Rs. '000	2022 Rs. '000
Cost		
Balance as at 01st April	51,229	51,229
Additions during the year	-	-
Balance as at 31st March	51,229	51,229
Accumulated Depreciation		
Balance as at 01st April	8,345	5,563
Amortization	2,071	2,782
Balance as at 31st March	10,416	8,345
Carrying amounts		
As at 31 March	40,813	42,884

15.2 Lease Liabilities

	Company	
	2023 Rs. '000	2022 Rs. '000
As at 1st April	55,494	55,326
Expense for the year	6,662	3,769
Payments made during the year	(6,616)	(3,600)
As at 31st March	55,540	55,494
Included in the Statement of Financial Position as below;		
Current	4,460	4,887
Non - Current	51,080	50,608
	55,540	55,494
Maturity Analysis - contractual undiscounted cash flows		
Less than one year	6,616	6,616
Upto two years	13,756	13,756
Upto five years	38,107	38,107
More than five years	69,084	75,699
Total undiscounted liabilities as at 31 March	127,563	134,177

Notes to the Financial Statements (contd.)

15.3. Amounts recognized in Profit or Loss

	Company	
	2023 Rs. '000	2022 Rs. '000
Amortization of Right-of-Use Assets	2,071	2,782
Interest expense on lease liabilities	6,662	3,769
Balance as at 31st March	8,733	6,551
Lease expense	-	-

15.4. Amounts recognized in Statement of Cash Flows

	Company	
	2023 Rs. '000	2022 Rs. '000
Total Cash outflow for Leases	(6,616)	(3,600)
	(6,616)	(3,600)

16. Intangible Assets

	Company	
	2023 Rs. '000	2022 Rs. '000
Cost		
Balance as at 01st April	6,601	6,601
Additions	604	-
Balance as at 31st March	7,205	6,601
Accumulated Amortization		
Balance as at 01st April	3,009	2,216
Amortization	821	793
Balance as at 31st March	3,830	3,009
Carrying amounts		
As at 31 March	3,375	3,592

Notes to the Financial Statements (contd.)

17. Investment Property

17.1 Reconciliation of Carrying Amount

	Land		Building		Total	
	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000
As at 01 April	2,673,875	2,545,254	1,928,722	1,762,214	4,602,597	4,307,468
Additions	-	-	1,982	114,488	1,982	114,488
Fair Value Gain	297,550	128,621	(134,729)	52,020	162,821	180,641
As at 31 March	2,971,425	2,673,875	1,795,975	1,928,722	4,767,400	4,602,597

Investment Property comprises a number of commercial units that are leased to third parties and related companies. Each of the leases contains a maximum period of 4 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

In accordance with LKAS 40, a property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the company holds it to earn rentals or for capital appreciation or for both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

During the year Company has changed the valuation technique used to determine the fair value of Property from Cost Approach to Income Method. In accordance with SLFRS 13, change to the valuation has been incorporated since valuation techniques were improved & taking the aspects of new market changes to reflect to the highest and best use of the property.

If the value of the said property was fair valued using the Cost Approach as at 31st March 2023, the fair value would have been Rs.1,493.9 million higher than it is under the Income Method.

The change is a change in accounting estimates by nature, and its effects will be recognised in the income statement and balance sheet starting from the period in which the change takes place. The change will not be applied retrospectively.

Changes in fair values are recognised in Statement of Profit or Loss & Other Comprehensive Income

17.2 Measurement of Fair Values

17.2.1 Fair Value Hierarchy

The carrying amount of investment property is the fair value of property as determined by an external, independent property valuer, having an appropriate recognized professional qualification and recent experience in the location and the category of the property being valued. Fair values were determined having regard to recent market transactions for similar properties in the same location as the company's investment property.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The negative pledge has been granted over the property at Majestic City, No.10, Station Road, Colombo 04 as security for an overdraft facility and short term borrowings (refer Note 24 and Note 30).

Notes to the Financial Statements (contd.)

17.2.2 Valuation Technique

Address	Extent	Name of the Valuer	Date of Valuation	Market Value Rs. '000
No 10, Station Road, Colombo 04	1A-2R-17.25P (70,036 Sqft)	Mr. T Weeraratne (Incorporated Valuer)	31st March 2023	4,767,400

Description	Fair Value as at 31st March 2023	Valuation Technique(s) Cost Method	Square Feet / Perch		Unobservable Inputs	Inter-relationship between key Unobservable Inputs & Fair Value Measurements
Investment Property	Rs. '000s	Rs. '000s				
Land	2,971,425	Income Approach - This approach is fair and reasonable to estimate the 'FAIR VALUE' of the freehold property	Front Land	0A-2R-35P	Voids - 10%; Annual Outgoings, rates & insurance - 45%; Capitalization - 5.4%; Income per Square Foot According to agreements with tenants	the estimated fair value would increase / decrease if Voids rate was lower / higher, Capitalization rate was higher / lower, Annual outgoings, rates and insurance was lower / higher
			Rear Land	0A-3R-22.25P		
Building (1)	1,795,975		Floor Area	277,514 Sq.ft		
	4,767,400					

18. Capital Work-in-Progress

	Company	
	2023 Rs.'000	2022 Rs.'000
Balance as at 01st April	-	90,104
Addition	11,808	24,384
Transfer to Investment Property - Building	-	(114,488)
Transfer to Property, Plant & Equipment	-	-
Balance as at 31st March	11,808	-

Notes to the Financial Statements (contd.)

19. Investment in Equity Accounted Investee

The company's investment in its associate is Rs.225.Mn (2022-Rs.225Mn). The following table analyses, in aggregate, the carrying amount and share of profit and OCI of the associate.

	Company	
	2023 Rs.'000	2022 Rs.'000
As at 1st April	-	41,848
Shares Purchased during the year	-	-
Share of Profit / (Loss)	-	(41,848)
Impairment Provision Gain / (Loss)	-	-
Share of OCI	-	-
As at 31st March	-	-

During the year, the Company did not receive any dividend from its equity accounted investee (2022-Nil). Summary of financial information for the equity accounted investee, is as follows;

	Company	
	2023 Rs.'000	2022 Rs.'000
CEYLON THEATRES (PVT) LTD		
Ownership	45%	45%
Current Assets	45,399	26,308
Non current Assets	430,902	448,039
Total Assets	476,301	474,347
Current Liabilities	209,921	185,242
Non current Liabilities	320,388	331,214
Total Liabilities	530,309	516,456
Net Assets	(54,008)	(42,109)
Income	448,799	121,072
Expenses	(443,395)	(261,605)
Total Comprehensive Income/ (Expense)	5,404	(140,533)
Company Share of Profit/ (Loss)	2,432	(63,240)
Company Share of Loss Accounted upto the value of the Investment	-	(63,240)

Notes to the Financial Statements (contd.)

20. Other Financial Assets

	No. of Shares	% Share	Company	
			2023 Rs.'000	2022 Rs.'000
C T Properties Ltd.	11,500,000	4.6%		
As at 01st April			-	76,212
Additions / (Disposals)			-	(75,531)
Impairment Provision Gain / (Loss)			-	(681)
As at 31st March			-	-

Unquoted shares of C T Properties Ltd. are classified as Fair Value Through Other Comprehensive Income assets.

These shares were disposed based on the valuation of the investment carried out at the date of disposal on 29th October 2021

21. Inventories

	Company	
	2023 Rs.'000	2022 Rs.'000
Diesel Stocks for Generator	8,094	-
	8,094	-

22. Trade and Other Receivables

As at 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Trade Receivables	29,120	36,270
Deposits & Advances	18,350	18,737
Deferred Rental Income/(Expense)	-	-
Other Receivables	18,959	12,945
	66,429	67,952
Provision for impairment	(86)	(10,451)
	66,343	57,501

Notes to the Financial Statements (contd.)

The Company re-evaluated recoverability of trade receivable balances in the light of the prevailing macro economic condition and specific provisions were made where necessary.

As at 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Movement of the provision for impairment		
As at 01 April	10,451	7,117
Provision made during the year	-	7,567
Bad Debts Written Off/ Reversal	(10,365)	(4,234)
As at 31 March	86	10,451

23. Short-term Investments

	Company			
	2023		2022	
	No. of units	Rs. '000	No. of units	Rs. '000
Balance as at 01st April	7,959	101,427	2,202	26,359
Purchase	-	-	5,757	72,000
Disposal	(3,036)	(50,000)	-	-
FV Gain / (Loss)	-	18,668	-	3,068
	4,923	70,095	7,959	101,427

Investment is held at CTCLSA Asset Management Ltd and value appreciation is earned and cumulated at the prevailing Market rates.

The Unit price as at 31st March 2023 is Rs. 14.24 (2022- Rs.12.74)

24. Cash and Cash Equivalents

	Company	
	2023 Rs. '000	2022 Rs. '000
Cash and Bank Balances	64	84
Bank Overdrafts	(8,597)	(10,993)
Cash and Cash Equivalents in the Statement of Cash Flows	(8,533)	(10,909)

The Company has obtained Overdraft Facility from Commercial Bank of Ceylon PLC for Rs. 100Mn as the Negative pledge over the property at Majestic City , No.10, Station Road, Colombo 4. Repayable On demand, based on monthly AWPLR+1.75%.

Notes to the Financial Statements (contd.)

25. Stated Capital

	No. of Shares '000			
	2023	2022	2023	2022
On Issue as at 01st April	81,250	81,250	1,982,500	1,982,500
Issued during the year	-	-	-	-
Closing balance as at 31st March	81,250	81,250	1,982,500	1,982,500

The holders of ordinary shares are entitled to one vote per individual present at meetings of the shareholders and one vote per share in case of a poll and are also entitled to receive dividends as declared from time to time.

26. Defined Benefit Plans – Gratuity

	Company	
	2023 Rs. '000	2022 Rs. '000
As at 31st March		
Liability for Defined Benefit Obligations as at 1st April	51,473	57,435
<i>Included in Profit or Loss:</i>		
Current Service Cost	2,092	1,961
Interest Cost	7,721	4,422
Past Service Cost	-	(3,406)
<i>Included in OCI:</i>		
Actuarial (Gain) / Loss immediately recognised	(6,864)	(9,644)
Payments during the year	-	-
Gratuity Payment Received for those employees who transferred	-	705
Liability for Defined Benefit Obligations as at 31st March	54,422	51,473
26.1 (a) Amount Recognized in the Statement of Comprehensive Income		
Current Service Cost	2,092	1,961
Past service Cost	-	(3,406)
Interest Cost	7,721	4,422
Provision for Staff Retirement Benefit (Note 8)	9,813	2,977
26.1 (b) Amount Recognized in Other Comprehensive Income		
Actuarial (Gain) / Loss arising from;		
- Experience Adjustment	(2,626)	(9,644)
- Financial Assumptions	(4,639)	-
- Demographic Assumptions	401	-
	(6,864)	(9,644)

Notes to the Financial Statements (contd.)

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the the-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Income Statement.

26.1 (c) Principal Actuarial Assumptions used

The following are the principal actuarial assumptions at the reporting date

The defined benefit obligation liability of the Company is based on an actuarial valuation carried out by Mr. M. Poopalanathan (AIA) of Actuarial & Management Consultants (Pvt) Ltd. an Independent Actuary. The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert

As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zerocoupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing Employee benefit obligations as per LKAS 19. Further, the salary increment rate of 15% is considered appropriate to be in line with the Company's targeted future salary increments when taking into account the current market conditions and inflation rate.

Due to the discount rate and salary increment rate assumptions used, nature of non-financial assumptions and experience of the assumptions of the company, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions

As at 31st March	Company	
	2023 Rs. '000	2022 Rs. '000
Financial Assumptions		
Discount Rate	20.0%	15.0%
Salary Increment Rate	15.0%	12.5%
Demographic Assumptions		
Staff Turnover rate	3%	1%
Retirement Age (Years)	60/66	60/66

Assumptions regarding future mortality are based on the A1967/70 issued by the Institute of Actuaries, London. Weighted average duration for retirement obligation is 5 years.

Notes to the Financial Statements (contd.)

26.1 (d) Sensivity of Assumptions Employed in Actuarial Valuation

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would affect the defined benefit obligation by the amounts shown below.

Change in Assumption	31st March 2023		31st March 2022	
	Increase Rs. '000	Decrease Rs. '000	Increase Rs. '000	Decrease Rs. '000
Discount Rate (Change by 1%)	(1,763)	1,885	(2,259)	2,455
Salary Increment Rate (Change by 1%)	2,038	(1,930)	2,576	(2,404)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another and such methodology has not been changed compared to the previous year

27. Deferred Tax Liabilities

	2023 Rs. '000	2022 Rs. '000
As at 1 April	412,705	379,257
Recognised in statement of profit or loss	272,080	31,133
Recognised in other comprehensive income	2,059	2,315
As at 31 March	686,844	412,705

As at 31st March	Temporary Difference		Assets		Liabilities		Net Liability	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000s	2022 Rs.'000s	2023 Rs.'000s	2022 Rs.'000s	2023 Rs.'000s	2022 Rs.'000s
Investment Property-Land	907,202	609,625	-	-	272,161	60,963	272,161	60,963
Investment Property-Building	1,522,860	1,628,647	-	-	456,858	390,875	456,858	390,875
Property,Plant & Equipment	92,334	70,607	-	-	27,700	16,946	27,700	16,946
Intangible Assets	149	184	-	-	45	44	45	44
Defined Benefit Obligations	(54,422)	(51,473)	(16,327)	(12,353)	-	-	(16,327)	(12,353)
Bad Debt Provision	(86)	(10,451)	(26)	(2,508)	-	-	(26)	(2,508)
Right of Use Lease Liability	(14,728)	(12,611)	(4,418)	(3,027)	-	-	(4,418)	(3,027)
Tax Losses	(163,829)	(159,312)	(49,149)	(38,235)	-	-	(49,149)	(38,235)
Net Deferred Tax (Assets) / Liabilities	2,289,480	2,075,216	(69,919)	(56,123)	756,763	468,828	686,844	412,705

Notes to the Financial Statements (contd.)

27.1 Movement in Deferred Tax balances during year

	2022-2023				2021-2022			
	Balance as at 01st April	Recognized in Profit or Loss	Recognized in OCI	Balance as at 31st March	Balance as at 01st April	Recognized in Profit or Loss	Recognized in OCI	Balance as at 31st March
Investment Property-Land	60,963	211,198	-	272,161	48,100	12,862	-	60,963
Investment Property-Building	390,875	65,983	-	456,858	343,061	47,814	-	390,875
Property, Plant & Equipment	16,946	10,755	-	27,700	5,832	11,114	-	16,946
Intangible Assets	44	-	-	44	75	(31)	-	44
Defined Benefit Obligations	(12,353)	(6,032)	2,059	(16,327)	(13,784)	(884)	2,315	(12,353)
Bad Debt Provision	(2,508)	2,483	-	(26)	(1,708)	(800)	-	(2,508)
Right of Use Lease Liability	(3,027)	(1,392)	-	(4,418)	(2,318)	(708)	-	(3,026)
Tax Losses	(38,235)	(10,914)	-	(49,149)	-	(38,235)	-	(38,235)
As at 31st March	412,705	272,080	2,059	686,844	379,257	31,133	2,315	412,705

Income tax and Deferred tax have been provided as per the new rate of 30% legislated by the Inland Revenue (Amendment) Act No 45 of 2022 with effect from 1st October 2022 (2021/22-24%). The deferred tax charge in the Income Statement includes Rs.263.9 Mn for the Company relating to the tax rate differential. The deferred tax charge in the Other Comprehensive Income statement includes Rs. 0.41 Mn for the Company relating to the tax rate differential.

Deferred tax assets including those related to tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

28. Security Deposits

For the year ended 31st March	2023 Rs. '000	2022 Rs. '000
Related Companies	7,032	5,275
Others	160,277	181,406
	167,309	186,681

29. Deferred Interest

For the year ended 31st March	2023 Rs. '000	2022 Rs. '000
On Security Deposits Received	23,465	18,033
	23,465	18,033

Notes to the Financial Statements (contd.)

30. Interest bearing borrowings

For the year ended 31st March	2023 Rs. '000	2022 Rs. '000
As at 01 April	198,110	169,062
Obtained during the Year	-	200,000
Repayment during the Year	(46,236)	(170,952)
As at 31 March	151,874	198,110
Term Loan liabilities		
Payable after one Year	107,450	151,874
Payable within one Year	44,424	46,236
	151,874	198,110

Facility	Principal Amount (Rs. '000)	Amount Outstanding (Rs. '000)	Repayment terms & Interest	Security offered
Term Loan Facility	160,000	121,494	54 Monthly instalments. Repayable in full within 05 years with a grace period of 06 Months. Interest to be serviced at 8.25% per annum	General Terms and conditions of Term Loans
Term Loan Facility under green financing	40,000	30,380	54 Monthly instalments. Repayable in full within 05 years with a grace period of 06 Months. Interest to be serviced at 8% per annum	General Terms and conditions of Term Loans

31. Trade & Other Payable

For the year ended 31st March	2023 Rs. '000	2022 Rs. '000
Trade Creditors	13,191	13,000
Other Payables	5,877	7,399
Deferred Rental income	-	13,768
Dividends Payable	10,580	10,580
Accrued Expenses	5,608	2,430
	35,256	47,177

Notes to the Financial Statements (contd.)

32. Income Tax Payable

For the year ended 31st March	2023 Rs. '000	2022 Rs. '000
As at 1st April	4,168	6,027
Less: Payments made during the Year	(1,110)	(1,859)
Provision made during the Year	-	-
As at 31st March	3,058	4,168

33. Financial Risk Management

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these Financial Statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board consists of eight non-executive directors including six independent directors with wide financial and commercial knowledge and experience.

The Board discharges its governance responsibility through the Board of Directors and the Audit Committee. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee is responsible for monitoring compliance with the Company's risk management policies and procedures.

Notes to the Financial Statements (contd.)

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arise principally from the Company's receivables from customers.

The maximum exposure to credit risk at the reporting date was as follows;

Carrying value

	Company	
	2023 Rs.'000s	2022 Rs.'000s
Trade Receivables	29,120	36,270
Deposits & Advances	18,350	18,737
Other Receivables	18,959	12,945
Less : Provision for Impairment of Trade & Other Receivables	(86)	(10,451)
Cash & Cash Equivalents	64	84
Short Term Investment	70,096	101,427

Management of Credit Risk

Trade & Other Receivables

The Company has a well-established credit control policy & process to minimize credit risk. Customers are categorized according to segments and credit limits have been fixed as per the security deposits given by the respective customer. Transactions will be started only when the company receives the security deposit from the customers and further invoicing will be accommodated only for the customers whose outstanding balance do not exceed the security deposit.

The Company's exposure to credit risk is influenced mainly by the individual credibility of each tenant.

The Board of Directors has established a credit policy under which each new tenant is analysed individually for creditworthiness. The Company's review of each tenant includes review of their business activities and legal ownership for the business

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The aging of gross trade receivables at the reporting date are as follows

	2023 Rs.'000	2022 Rs.'000
Below 31 days	19,597	14,045
31 - 62 days	5,569	5,406
63 - 93 days	2,909	4,931
94 - 124 days	959	1,167
Over 125	86	10,721
	29,120	36,270

Notes to the Financial Statements (contd.)

The movement in the provision for impairment in respect of trade and other receivables during the year was as follows.

	Company	
	2023 Rs.'000s	2022 Rs.'000s
Asat 1st April	10,451	7,117
Impairment loss recognised	-	7,568
Bad Debts Written off/(Reversal)	(10,365)	(4,234)
Asat 31st March	86	10,451

The Company believes that the unimpaired amounts that are past due by more than 45 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk. Based on the Company's monitoring of customer credit risk, the company believes that, except as indicated above, no impairment allowance is necessary in respect of trade receivables not past due.

Cash & Cash equivalents

The Company held cash of Rs.64,450 as at 31st March 2023 (2022 - Rs.84,450).

The Company has obtained Overdraft Facility and Term Loan Facility from Commercial Bank of Ceylon PLC for Rs. 300Mn secured by a Negative pledge over the property at Majestic City, No.10, Station Road, Colombo 4.

Corporate Guarantee

A Corporate Guarantee not exceeding Rs.25,000,000 has been given by the Company to Commercial Bank of Ceylon PLC, for granting banking facilities to Ceylon Theatres (Pvt) Ltd

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Notes to the Financial Statements (contd.)

The following are the contractual maturities of financial liabilities, including estimated Lesae interest.

The maturity analysis of Liabilities of the Company:

As at 31 March 2023	Contractual Cash Flows					
	Carrying Value Rs.'000	Total Rs.'000	Current		Non Current	
			Upto 1 year Rs.'000	Upto 2 years Rs.'000	Upto 5 years Rs.'000	Above 5 years Rs.'000
Bank Overdrafts	8,597	8,597	8,597	-	-	-
Trade and Other Payables	19,068	19,067	19,067	-	-	-
Lease Liabilities	55,541	113,321	6,809	14,656	43,551	48,306
Interest Bearing Borrowings	151,874	173,680	55,208	99,488	18,985	-

As at 31 March 2022	Contractual Cash Flows					
	Carrying Value Rs.'000	Total Rs.'000	Current		Non Current	
			Upto 1 year Rs.'000	Upto 2 years Rs.'000	Upto 5 years Rs.'000	Above 5 years Rs.'000
Bank Overdrafts	10,993	10,993	10,993	-	-	-
Trade and Other Payables	34,169	34,169	34,169	-	-	-
Lease Liabilities	55,494	134,177	6,616	13,756	38,107	75,699
Interest Bearing Borrowings	198,110	234,363	60,682	106,773	66,907	-

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

Currency risk is the risk that the value of a foreign currency financial instrument will fluctuate due to a change in foreign exchange rates.

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 Company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations. The Company manages its interest rate risk by monitoring and managing of cash flow, by keeping borrowings to a minimum and negotiating favorable rates on borrowings and deposits and by borrowing at fixed rates.

Notes to the Financial Statements (contd.)

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings).

as at 31 March	2023 Rs.'000	2022 Rs.'000
Finance cost	(24,876)	(16,835)
+100 basis points	(46,340)	(39,128)
-100 basis points	7,107	4,810

Equity Risk

Equity risk is "the financial risk involved in holding equity in a particular investment.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance when this is effective

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital, which the Company defines as Results from Operating Activities divided by Total Shareholders' Equity. The Company also monitors the level of dividends to ordinary shareholders.

Notes to the Financial Statements (contd.)

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows.

As at 31st March	Company	
	2023 Rs.'000s	2022 Rs.'000s
Total Liabilities	1,186,365	984,835
Less: Cash and Cash Equivalents	(64)	(84)
Net debt	1,186,301	984,751
Total equity	3,934,323	3,993,777
Net Debt to Equity Ratio at 31 March	0.30	0.25

There were no changes in the company's approach to capital management during the year.

Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs)

31st March 2023	Note	Carrying Amounts (Rs.'000)					Fair Values (Rs.'000)				
		FVTPL Rs.'000	FAMAAC Rs.'000	FVTOCI Rs.'000	OFL Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000	
Financial Assets Measured at Fair Value											
Investments	20	-	-	-	-	-	-	-	-	-	-
Short Term Investments	23	70,095	-	-	-	70,095	-	70,095	-	70,095	-
		70,095	-	-	-	70,095	-	70,095	-	70,095	-
Financial Assets Not Measured at Fair Value											
Trade and Other Receivables	22	-	66,343	-	-	66,343	-	-	-	-	-
Cash and Cash equivalents	24	-	64	-	-	64	-	-	-	-	-
		-	66,407	-	-	66,407	-	-	-	-	-
Financial Liabilities Measured at Fair Value											
Security Deposits	28	-	-	-	167,309	167,309	-	-	167,309	167,309	-
Financial Liabilities Not Measured at Fair Value											
Trade and Other Payables*	31	-	-	-	19,067	19,067	-	-	-	-	-
Bank Overdraft/(Secured)	24	-	-	-	8,597	8,597	-	-	-	-	-
		-	-	-	27,664	27,664	-	-	-	-	-

Notes to the Financial Statements (contd.)

31st March 2022	Note	Carrying Amounts (Rs.'000)					Fair Values (Rs.'000)			
		FVTPL Rs.'000	FAMAAC Rs.'000	FVTOCI Rs.'000	OFL Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial Assets Measured at Fair Value										
Investments	18	-	-	-	-	-	-	-	-	-
Short Term Investments	23	101,427	-	-	-	101,427	-	101,427	-	101,427
		101,427	-	-	-	101,427	-	101,427	-	101,427
Financial Assets Not Measured at Fair Value										
Trade and Other Receivables	22	-	57,501	-	-	57,501	-	-	-	-
Cash and Cash equivalents	24	-	84	-	-	84	-	-	-	-
		-	57,585	-	-	57,585	-	-	-	-
Financial Liabilities Measured at Fair Value										
Security Deposits	28	-	-	-	186,681	186,681	-	-	186,681	186,681
Financial Liabilities Not Measured at Fair Value										
Trade and Other Payables*	31	-	-	-	34,169	34,169	-	-	-	-
Bank Overdraft/(Secured)	24	-	-	-	10,993	10,993	-	-	-	-
		-	-	-	45,162	45,162	-	-	-	-

* Accrued Expenses that are not Financial Liabilities are not included

During the year there were no any transfers between the levels.

FVTPL - Fair Value through Profit or Loss

FAMAAC - Financial Assets measured at Amortized Cost

FVTOCI - Fair Value Through OCI

OFL - Other Financial Liabilities

34. Related Party Transactions

Parent and the Ultimate Controlling Party

The Company is a subsidiary of C T Holdings PLC, the ultimate parent, which owns 67.9% of the controlling interest of the Company.

34.1 Transactions, Arrangements and Agreements involving Key Management Personnel (KMP) and their close family members (CFM);

According to Sri Lanka Accounting Standard 24 - Related Party Disclosures, Key Management Personnel are those having authority for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors has been classified as Key Management Personnel of the Company.

Close Family Members (CFM) of a KMP are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include;

- the individual's domestic partner and children;
- children of the individual's domestic partner; and
- dependents of the individual or the individual's domestic partner

CFM are related parties to the entity. There were no transactions other than those disclosed below with CFM during the year

Notes to the Financial Statements (contd.)

The following Directors are Directors of CT Holdings PLC as well.

Mr. L. R. Page
 Mr. J. C. Page
 Mr. A. T. P. Edirisinghe
 Mr. V. R. Page
 Mr. S. C. Niles

a. Loans given to Key Management Personnel

There are no loans given to Directors or Key Management Personnel during the year.

b. Key Management Personnel compensation for the period comprised the following.

	2023 Rs.'000	2022 Rs.'000
Short term employee benefits	41,479	42,962
Post employment benefits	-	-
	41,479	42,962

c. Key Management Personnel and Directors transactions

Directors of the company control 7.16% (2022-7.16%) of the voting shares of the Company.

A number of key management personnel and their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Company during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably expected to be available, on similar transactions to non-key management personnel of related entities on an arm's length basis.

There are no other transactions and outstanding balances with key management personnel except for the items mentioned in Note No. 34.1(b).

Notes to the Financial Statements (contd.)

34.2 The aggregate value of transactions and outstanding balances related to Related Parties are as follows.

Parties Accommodated	Relationship	Transaction	Transaction Value for the year ended 31st March				Balance outstanding as at 31st March - Due From / (Due To)	
			2023		2022		2023	2022
			Rs.'000	% of Total Revenue	Rs.'000	% of Total Revenue	Rs.'000	Rs.'000
Ceylon Theatres (Pvt) Ltd	Group Company	Rental & Service Charges	17,977	6%	1,362	5%	6,538	10,811
		Security Deposit	-	-	-	0.0%	(2,011)	(2,011)
CT CLSA Securities (Pvt) Ltd	Group Company	Rental & Service Charges	13,326	4%	9,021	1%	43	-
		Security Deposit	-	-	-	-	(780)	(780)
CT CLSA Capital (Pvt) Ltd	Group Company	Rental & Service Charges	2,104	0.7%	1,477	0.3%	-	-
		Security Deposit	-	-	-	-	(128)	(128)
Comtrust Asset Management (Pvt) Ltd	Group Company	Rental & Service Charges	3,981	1.3%	3,412	0.6%	25	-
		Security Deposit	-	-	-	-	(295)	(295)
		Income from Investment	18,668	-	3,068	-	-	-
CT CLSA Holdings Ltd	Group Company	Short Term Investment	(50,000)	-	72,000	-	70,096	101,427
		Rental & Service Charges	4,101	1.3%	3,859	0.7%	22	-
		Security Deposit	-	-	-	-	(334)	(334)
Cargills Foods Co. (Pvt) Ltd	Group Company	Rental & Service Charges	40,180	13.1%	21,698	4.2%	669	-
		Security Deposit	-	-	-	-	(2,249)	(2,249)
		Purchases	-	-	-	-	-	-
Cargills Food Processors (Pvt) Ltd	Group Company	Rental & Service Charges	32,971	10.7%	13,231	2.4%	447	-
		Security Deposit	-	-	-	-	(1,234)	(1,234)
Millers Ltd	Group Company	Services Provided	465	-	408	-	-	-

The rental and service charges are from the related parties who have occupied the investment property. The terms and conditions of the Related Party transactions (other than for Ceylon Theatres (Pvt) Ltd.) are general terms applicable to all tenants taking into consideration factors such as the long term nature of the occupancy, the extent and location of the area occupied and the ability of the entity concerned to attract customers into the complex.

35. Litigation and Claims

There is no litigation and no claims against the Company as at the reporting date.

36. Employee and Industrial Relations Issues

There are no Employee and Industrial Relations Issues as at the reporting date.

37. Assessment of Going Concern

The Financial Statements of CT Land Development PLC for the year ended 31 March 2023, have been prepared on the basis that the Company is a going concern.

Based on the prevailing information, the management has considered the consequences of the uncertainty faced by the country and, whilst these challenges would have a bearing on the inflation, space rental demand and supply chain, Company has adapted strategies to mitigate its impact and

Notes to the Financial Statements (contd.)

does not contemplate a significant doubt upon the entity's ability to continue as a going concern

38. Events after the reporting date

No circumstances have arisen since the reporting date which would require adjustments to or disclosure in the Financial Statements other than those disclosed in the Financial Statement.

39. Commitments

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control. There were no material contingencies outstanding as at the reporting date.

40. Contingent Liabilities

Contingent Liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard - LKAS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless its occurrence is remote.

The Deputy Commissioner of Inland Revenue has made an additional assessment of Income Tax for the year ended 31st March 2018 of Rs. 60.5 Mn on the company and also imposed a penalty of Rs. 29.6 Mn by considering the difference between the total value of credits in the Company's Bank current account and the declared revenue as undeclared revenue. The Company's Financial Statements have been prepared on an accruals basis as per generally accepted accounting principles and have been duly audited and reported on by the Auditors. The declared revenue of the Company according to its Financial Statements is accurate and the assumption made by the Deputy Commissioner that all deposits other than fund transfers need to be considered as revenue cannot be accepted. A full reconciliation between the Company's declared revenue and the total value of deposits credited to our Bank Account has been carried out and included in an appeal made to the CGIR through the Tax Consultants. The Appeal is still pending.

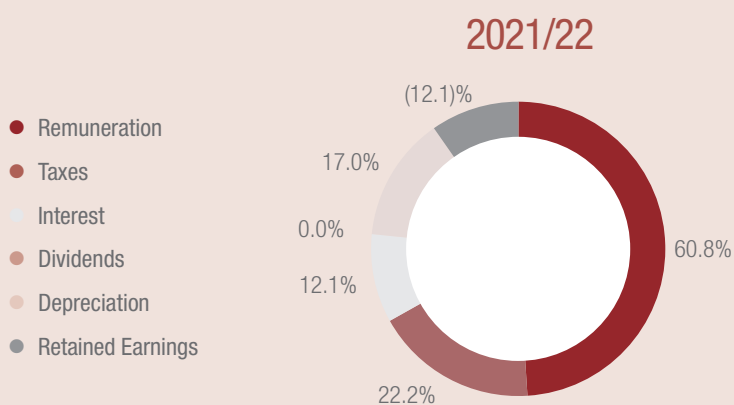
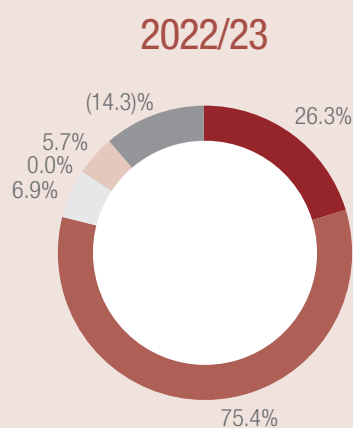
No adjustments have been made in the Financial Statements in this regard as the management of the Company believes that there is no likelihood of an unfavourable outcome.

Corporate Guarantee

A Corporate Guarantee not exceeding Rs.25,000,000 has been given by the Company to Commercial Bank of Ceylon PLC, for granting the banking facilities to Ceylon Theatres (Pvt) Ltd

Statement of Value Added

Year ended 31st March	Company						
	2023		2022		2021		
	% of Total	Rs. '000	% of Total	Rs. '000	% of Total	Rs. '000	
Creation of Value Added							
Revenue		349,472		146,783		347,468	
Operating Expenses		(184,318)		(148,644)		(143,043)	
Value Added from Operations		165,154		(1,861)		204,425	
Other Income		32,851		3,127		2,179	
Change in Fair Value of Investment Property		162,821		180,641		43,213	
Share of Profit/(Loss) of Equity Accounted Investee		-		(41,848)		(72,681)	
Total Value Added		360,826		140,059		177,136	
Distribution of Value Added							
To Associates							
Salaries, Wages and related costs		26.25	94,726	60.82	85,183	44.43	78,710
To Government							
as Income Taxes		-	-	-	-	9.36	16,584
as Deferred Taxes		75.40	272,081	22.23	31,133	(45.79)	(81,102)
			272,081		31,133		(64,518)
To Lenders of Capital							
as Interest		6.89	24,876	12.06	16,894	9.09	16,100
To Shareholders							
as Dividends		-	-	-	-	34.40	60,938
Retained for Growth							
Depreciation		5.74	20,725	17.00	23,813	10.79	19,106
Retained Earnings		(14.29)	(51,582)	(12.11)	(16,964)	37.71	66,800
			(30,858)		6,849		85,906
		100.00	360,826	100.00	140,058	100.00	177,136



Shareholder and Investor Information

1. STOCK EXCHANGE LISTING

The issued ordinary shares of CT Land Development PLC are listed with the Colombo Stock Exchange.

2. DISTRIBUTION OF SHAREHOLDINGS

Size of shareholding	31st March 2023				31st March 2022			
	Shareholders		Holdings		Shareholders		Holdings	
	Number	%	Number	%	Number	%	No.	%
1-1,000	1606	62.6%	438,391	0.5%	1,617	62.5%	443,570	0.5%
1,001-10,000	776	30.3%	2,371,847	2.9%	787	30.4%	2,440,230	3.0%
10,001-100,000	156	6.1%	3,736,414	4.6%	156	6.0%	3,738,204	4.6%
100,001-1,000,000	22	0.9%	6,583,678	8.1%	22	0.9%	7,062,572	8.7%
1,000,001-Over	5	0.2%	68,119,670	83.8%	5	0.2%	67,565,424	83.2%
	2,565	100%	81,250,000	100%	2,587	100%	81,250,000	100%

3. ANALYSIS OF SHAREHOLDERS

	31st March 2023				31st March 2022			
	Shareholders		Holdings		Shareholders		Holdings	
	Number	%	Number	%	Number	%	No.	%
Individuals	2,446	95%	69,179,207	85%	2,462	95%	12,577,447	96%
Institutions & Corporate Holdings	119	5%	12,070,793	15%	125	5%	68,672,553	4%
	2,565	100%	81,250,000	100%	2,587	100%	81,250,000	100%

	31st March 2023				31st March 2022			
	Shareholders		Holdings		Shareholders		Holdings	
	Number	%	Number	%	Number	%	No.	%
Non Residents	45	2%	1,142,994	1%	45	2%	1,142,994	1%
Residents	2,520	98%	80,107,006	99%	2,542	98%	80,107,006	99%
	2,565	100%	81,250,000	100%	2,587	100%	81,250,000	100%

Shareholder and Investor Information (contd.)

4. TOP 20 SHAREHOLDERS

The holding of top 20 shareholders as at 31st March 2023 is given below

As at	31st March 2023		31st March 2022	
	Number of shares	%	Number of shares	%
1 C T Holdings PLC	55,139,348	67.9%	55,139,348	67.9%
2 Seylan Bank PLC/Senthilverl Holdings (Pvt) Ltd	6,525,150	8.0%	5,043,275	6.2%
3 Sampath Bank PLC/Dr. T. Senthilverl	4,346,725	5.3%	4,346,725	5.3%
4 Mr. A.A. Page	1,090,440	1.3%	1,090,440	1.3%
5 Mr. J.C. Page	1,018,007	1.3%	1,018,007	1.3%
6 Mrs. Cecillia Page	460,007	0.6%	860,007	1.1%
7 Tudawe Brothers Limited	835,175	1.0%	835,175	1.0%
8 Merrill J Fernando & Sons (Pvt) Limited	654,225	0.8%	654,225	0.8%
9 Mrs. T. Selvaratnam	626,355	0.8%	626,355	0.8%
10 Mrs. J.N. Mather	451,030	0.6%	451,030	0.6%
11 Mr. L.R. Page	447,478	0.6%	447,478	0.6%
12 Merchant Bank of Sri Lanka- C. Sathkumara	320,212	0.4%	264,502	0.3%
13 Mr. S. N. D. Abeyagunawardene	432,816	0.5%	183,100	0.2%
14 Ms. M.M. Page	400,000	0.5%	-	-
15 Mr. P.G.K. Fernando	274,415	0.3%	274,415	0.3%
16 Bank of Ceylon A/c Ceybank Century Growth Fund	188,354	0.2%	188,354	0.2%
17 Dr. A.C. Visvalingam	164,952	0.2%	169,053	0.2%
18 Orit Apparels Lanka (Pvt) Ltd.	166,667	0.2%	-	-
19 Mr. G.C. Goonetilleke	153,357	0.2%	-	-
20 Mr. V R Jayasinghe	140,284	0.0%	-	-
21 Mr. A.M. Weerasinghe	-	-	553,809	0.0%
22 E.W. Balasuriya & Co. (Pvt) Ltd	-	-	622,689	0.8%
23 Mrs. M.P.R. Silva	-	-	175,000	0.2%
24 Mr. S. Srikanthan	-	-	193,000	0.2%
	73,834,997	90.7%	73,135,987	90.0%
Other Shareholders	7,415,003	9.3%	8,114,013	10.0%
	81,250,000	100%	81,250,000	100%

5. SHARE VALUATION

The market value of each Ordinary share on 31st March 2023 was Rs.27.10 (2022 - Rs. 25.80) the highest and lowest values recorded during the year ended 31st March 2023 were Rs. 29.90 and Rs. 19.00 respectively. The highest value was recorded on 24th March 2023 and the lowest value was recorded on 26th April 2022.

Shareholder and Investor Information (contd.)

6. Share Trading

For the year ended 31st March	2023	2022
No. of Transactions	820	2,603
No. of Shares Traded	1,236,979	2,349,278
Value of Shares Traded (Rs.)	30,780,296	65,105,857

7. Dividends

The Directors have not recommended a Dividend for the year ended 31st March 2023

8. Public Holding

The percentage of shares held by the public and number of public shareholders as at 31st March 2023 are 16.06% (2022- 16.64%) and 2,554 (2022 - 2,576) respectively.

The Float adjusted Market Capitalization of the Company as at 31st March 2023 was Rs. 353.6Mn (31/03/2022 - Rs. 348.9 Mn).

According to the Minimum Listing Requirements of the Diri Savi Board of the CSE on which the company is listed, the public holding % should be 10% and the number of shareholders should be 200. The company is in compliance with these requirements as per Option 2 of clause 7.13.1 (b).

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of the Company will be held at the Institute of Chartered Accountants of Sri Lanka, Malalasekara Mawatha, Colombo 07 on Friday, 28th July 2023 at 10.00 a.m. and the business to be brought before the meeting will be:

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 31st March 2023 with the Report of the Auditors thereon.
2. To re-elect Mr. R. Selvaskandan who is due to retire by rotation and is eligible for re-election.
3. To re-elect Mr. S.C. Niles who is due to retire by rotation and is eligible for re-election.
4. To re-elect Mr. L.R. Page who is 73 years of age as a Director.
“Resolved that Mr. Louis Page, a retiring Director, who has attained the age of seventy three years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director”
5. To re-elect Mr. A.T.P. Edirisinghe who is 77 years of age as a Director.
“Resolved that Mr. A.T.P. Edirisinghe, a retiring Director, who has attained the age of seventy seven years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director”
6. To re-elect Dr. T. Senthilverl who is 77 years of age as a Director.
“Resolved that Dr. T. Senthilverl, a retiring Director, who has attained the age of seventy seven years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the appointment of the said Director”
7. To authorise the Directors to determine the remuneration of the Auditors, Messrs. KPMG, who are deemed reappointed as auditors at the General Meeting of the Company in terms of Section 158 of the Companies Act No. 7 of 2007.

The Annual Report and Financial Statements of the Company for the year ended 31st March 2023 are available on the:

- Corporate Website: <https://www.majesticcity.lk/doc/Annual-Report-2022-23.pdf>
- The Colombo Stock Exchange : <https://www.cse.lk/home/company-info/CTLD.N0000/financial>

The said Annual Report and Financial Statements of CT Land Development PLC for 2022-2023 can also be accessed by scanning the following QR code.



For clarification on how to download and/or access the Annual Report and Financial Statements, please contact:

Ms. Saku Perera on 0740602220 during office hours (8.30 a.m. to 5.00 p.m. on weekdays.)

By order of the Board,



Charuni Gunawardana
Secretary
Colombo

05th July 2023

Notice of Annual General Meeting (contd.)

Notes:

1. Members are encouraged to vote by Proxy through the appointment of the Chairman of the Board of Directors of the company to represent them and vote on their behalf. Shareholders are advised to complete the Form of Proxy and indicate their voting preferences on the specified resolutions to be taken up at the Meeting and submit the same to the company in accordance with the instructions given on the reverse of the Form of Proxy.
2. A member is entitled to appoint a proxy to attend and vote at the meeting in his or her stead and the proxy need not be a member of the Company.
3. A Form of Proxy is enclosed for this purpose.
4. In the event the Company is required to take any further action in relation to the Meeting in the best interests of the attendees in the context of any communication, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of additional announcements made to the Colombo Stock Exchange.

Form of Proxy

For use at the Fortieth Annual General Meeting

I/We.....

 of being a Member/Members of CT Land Development PLC
 do hereby appoint of
 whom failingofor failing him/her the Chairman of
 the Meeting as my/our proxy to represent me/us and to vote on my/our behalf at the Fortieth Annual
 General Meeting of the Company to be held on 28th July 2023 and at any adjournment thereof and at
 every Poll which may be taken in consequence thereof in the manner indicated below.

Ordinary Resolutions (The resolutions are as indicated in the Notice of Meeting in the Annual Report)

Resolution No.	1	2	3	4	5	6	7
For							
Against							

.....
 Signature of Shareholder (s)

.....
 Date

Notes:

- Strike out whichever is not desired.
- Instructions as to completion are set out on the reverse hereof.
- A Proxy holder need not be a member of the company.
- Please indicate how you wish your vote to be cast by placing an "X" in the space provided. If no indication is given, or if there is, in the view of the proxy holder, any doubt (by reason of the manner in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy Holder should vote, the Proxy Holder in his/her discretion may vote as he/she thinks fit.

Form of Proxy (contd.)

INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY:

1. To be valid, the completed Form of Proxy should be deposited at the Registered Office of the company at No. 10, Station Road, Colombo 04 not less than 48 hours before the time appointed for holding the meeting.
2. In perfecting the form, please ensure that all details are legible. If you wish to appoint a person other than the Chairman as your Proxy, please fill in your full name and address and the name and address of the Proxy holder and sign in the space provided and fill in the date of the signature.
3. The instrument appointing a Proxy shall, in the case of an individual, be signed by the appointer or by his Attorney and in the case of a limited liability company must be executed under its Common Seal or in such other manner prescribed by its Articles of Association or other constitutional documents.
4. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy, if it has not already been registered with the Company.
5. In the case of joint holders, only one needs to sign. The votes of the senior holder who tenders a vote will alone be counted.
6. In the case of non-resident Shareholders, the stamping will be attended to upon return of the completed form of proxy to Sri Lanka.

Corporate Information

Legal Form

A Quoted Public Company with Limited liability incorporated under the Companies Act No. 17 of 1982 on 09th March 1983 and re-registered under the Companies Act No. 07 of 2007.

Registration No.

PQ 159

Registered Office

10, Station Road, Colombo 4
Phone: +94112508673/4
Fax: : +94112592427
Email: info@majesticcity.lk
[Web: www.majesticcity.lk](http://www.majesticcity.lk)

Board of Directors

Mr. L R Page (Chairman)
Mr. J C Page (Deputy Chairman/Managing Director)
Mr. A T P Edirisinghe
Mr. R Selvaskandan
Mr. S C Niles
Mr. V R Page
Dr. T Senthilverl
Mr. P. P. Edirisinghe
Mr. H. A. S. Madanayake
Mr. A J D Selvanayagam

Company Secretary / Legal Consultant

Ms. Charuni Gunawardana

Management

Mr. J C Page (Deputy Chairman/Managing Director)
Mr. Udaya Jayasooriya (General Manager/ Engineer)
Ms. W A Y P Wijesinghe (Finance Manager)
Mr. A.C. Hewage (Accounts Manager- Tenant Relationship)

Holding Company

C T Holdings PLC

Audit Committee

Mr. P P Edirisinghe (Chairman)
Mr. R Selvaskandan
Mr. A.T.P. Edirisinghe

Remuneration Committee

Mr. L R Page (Chairman)
Mr. A T P Edirisinghe
Mr. R Selvaskandan

Related Party Transactions Review Committee

Mr. P P Edirisinghe (Chairman)
Mr. R Selvaskandan
Mr. A T P Edirisinghe

Auditors

KPMG
Chartered Accountants

Tax Consultants

KPMG
Chartered Accountants

Bankers

Cargills Bank Ltd
Commercial Bank of Ceylon PLC

Stock Exchange Listing

Colombo Stock Exchange



CT LAND DEVELOPMENT PLC