

OUR WORLD

your

Taking Sri Lanka to the world.



OUR


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Founded over one hundred and fifty years ago, Carson Cumberbatch PLC has been a pillar of the Sri Lankan economy in more ways than one. With wide-ranging interests spreading from plantations and real estate to financial services and leisure, we have strengthened and dominated every sector we operate in.

Over the years, Carsons has entered many new markets, reaching far beyond our own shores to enter diverse regional markets, offering them a new standard of excellence in products and services owned and operated by us.

As a true Sri Lankan conglomerate with regional presence, we are proud to be a flagship company of the nation, taking our own strength and value across our borders and into the world beyond.

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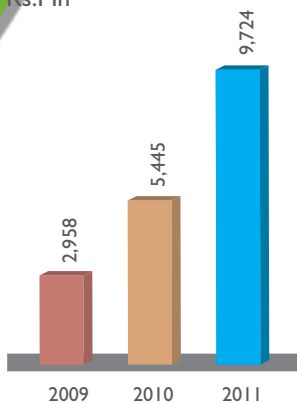
Financial Highlights

(All figures in Sri Lankan Rupees thousands unless otherwise stated)

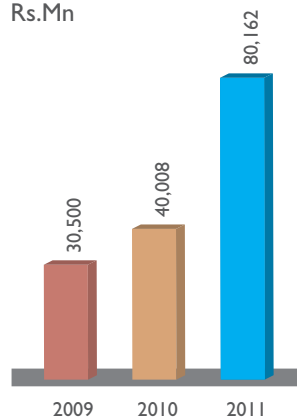
For the year ended 31st March	2011	2010	% Change	2009
Group revenue	36,348,462	21,327,821	70	16,795,047
Profit from operations	12,478,585	7,237,000	72	5,013,934
Profit before taxation	12,293,283	6,879,407	79	3,767,804
Profit after taxation	9,724,054	5,445,355	79	2,958,487
EBITDA	13,117,766	7,947,431	65	6,514,561
Cash earning per share (Rs)	66.80	40.47	65	33.17
Operating cash flow	4,058,814	2,604,948	56	1,723,854
Profit attributable to ordinary shareholders	4,620,322	3,286,911	41	1,782,346
Shareholders' funds*	24,037,944	20,046,121	20	13,090,363
Net assets*	49,103,909	29,475,499	67	18,872,244
Total assets	80,161,911	40,008,550	100	30,500,547
Return on ordinary shareholders' funds (%)	19.13	16.12	19	13.31
Earnings per share (Rs.)	23.42	16.45	42	8.87
Net assets per ordinary share (Rs.)	122.40	102.07	20	66.66
Dividend per share (Rs)	2.00	2.00	-	1.50
Market value per share (Rs)	635	547	16	116
Market capitalization (Company)	124,666	52,611	137	11,167
Revenue to Government	7,336,338	4,705,283	(56)	3,767,580
Group employment (Nos.)	11,672	6,943	68	5,083

* Excluding preference share capital

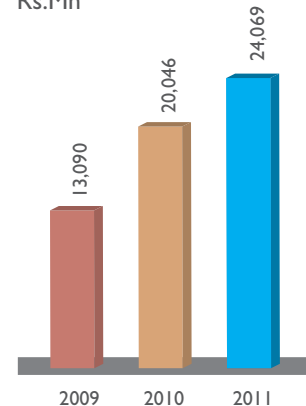
Net Profit
Rs.Mn



Total Assets
Rs.Mn

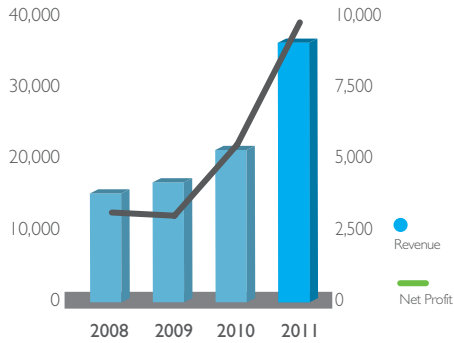


Shareholders Funds
Rs.Mn

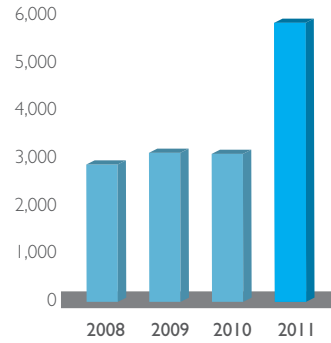


Financial Trends

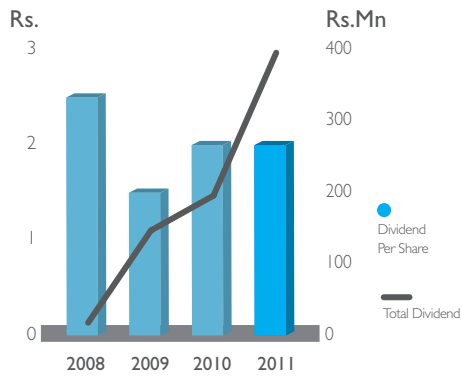
Revenue and Net Profit
Rs.Mn



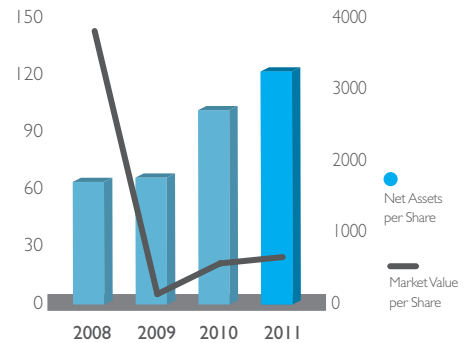
Capital Expenditure
Rs.Mn



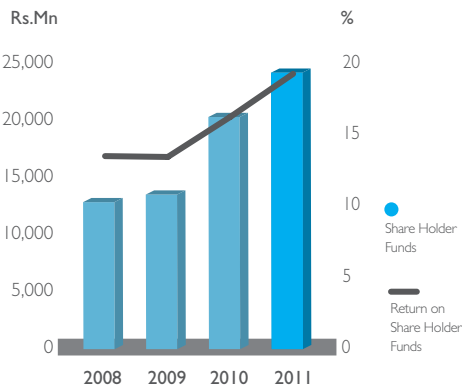
Dividend Per Share and Total Dividend



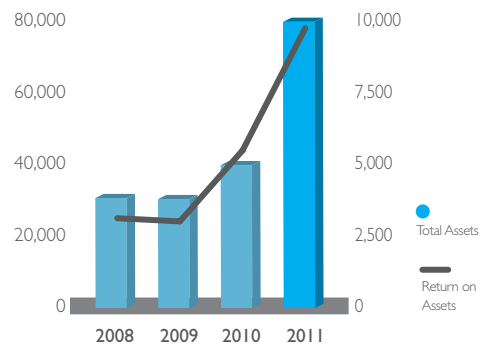
Net Assets per Share and Market Value per Share
Rs.



Share Holder Funds and Return on Share Holder Funds



Total Assets and Return on Assets
Rs.Mn



Summary of Operating Segments

Carson Cumberbatch PLC and consolidated subsidiaries and associates
(In Sri Lankan rupees thousands)

For the year ended 31st March	Growth in 5 year time	2011	2010	2009	2008	2007
REVENUE						
Investment Holdings	322%	6,720,748	4,930,186	7,086,720	1,453,232	1,592,082
Oil palm plantations	474%	22,791,074	11,877,219	9,349,344	9,991,072	3,971,290
Beverage	185%	11,867,534	8,293,766	6,371,164	5,345,881	4,160,178
Real estate	84%	179,744	192,979	115,458	95,008	97,767
Hotels	182%	336,758	222,784	187,465	163,873	119,611
Airlines	(63%)	4,173	7,421	8,516	7,760	11,367
Management services	79%	200,281	139,107	145,045	127,530	111,601
	318%	42,100,312	25,663,462	23,263,712	17,184,356	10,063,896
Intra-group transactions	674%	(5,751,850)	(4,335,641)	(6,468,665)	(1,941,184)	(742,662)
Consolidated Revenues	290%	36,348,462	21,327,821	16,795,047	15,243,172	9,321,234
SEGMENTAL PROFIT						
Investment holdings	236%	1,862,551	1,237,512	1,204,038	(117,356)	553,727
Oil palm plantations	563%	6,759,890	3,698,451	1,945,897	3,046,052	1,019,282
Beverage	727%	1,052,186	652,952	115,595	202,241	127,282
Real estate	(87%)	26,760	(126,588)	(270,098)	9,900	207,109
Hotels	245%	61,900	19,329	(13,499)	(31,291)	(42,575)
Airlines	(209%)	(3,306)	892	882	913	3,024
Management services	6%	(35,927)	(37,193)	(24,328)	(40,610)	(38,163)
Consolidated Net Earnings	431%	9,724,054	5,445,355	2,958,487	3,069,849	1,829,686
SEGMENTAL NET WORTH						
Investment holdings	159%	12,210,050	6,485,012	4,062,890	4,375,285	4,707,972
Oil palm plantations	330%	28,646,599	16,530,279	9,896,243	10,621,615	6,660,692
Beverage	142%	5,182,872	3,766,861	2,600,932	2,284,962	2,141,770
Real estate	3%	2,121,560	2,020,755	1,813,135	2,010,572	2,063,849
Hotels	109%	1,106,863	918,318	893,321	592,174	530,375
Airlines	121%	1,000	3,793	3,357	3,754	(4,710)
Management services	(100%)	(35)	26,731	46,116	38,175	52,889
Consolidated Net Worth	205%	49,268,909	29,751,749	19,315,994	19,926,537	16,152,837

a
true Sri Lankan
conglomerate
Management Reports

Chairman's Review

I welcome you to the 98th Annual General Meeting of the Company and on behalf of the Board of Directors take pleasure in presenting the Annual Report and Audited Financial Statements for the financial year that ended on 31 March, 2011.



79%↑
PAT Rs. 9.7 billion

Dear shareholders,

I welcome you to the 98th Annual General meeting of the Company and it gives me great pleasure to present, on behalf of the Board of Directors, the Annual Report and Audited Financial Statements for the year ended 31st March 2011. The year turned out to be one of optimism and excellent performance for all our areas of business based in Sri Lanka and overseas. The core sectors, oil palm plantations, brewery and investments recorded appreciable growth in profits and net worth, while the real estate and leisure sectors were able to record positive contributions to the bottom line.

The Sri Lankan economy forged ahead in the year 2010, recording a GDP growth of 8%, a landmark in the post war

have supported the currency this year. Progressive policy changes presented through the budget of 2010 have laid the foundation for the private sector to extrapolate its growth plans, supported by the conducive environment for raising capital created by the low interest rate regime and thriving capital markets.

It is our view that the private sector must seize this golden opportunity to create business models that can transform local companies into globally competitive enterprises, whose management capabilities, skills, technology and product / service quality must be able to stand side by side with global giants in their comparable industries. The quality of our corporates must improve sufficiently to create a new breed of Sri Lankan multinationals.

“ The investment sector performed to its full potential in the year under review, recording a growth in profits and net worth in its equity portfolio that outperformed the benchmark indices on the Colombo Stock Exchange by a wide margin. ”

Going forward, Guardian would look to increase its participation in private equity ventures, and seek appropriate strategic partnerships to enhance its presence in the local private equity market. Furthermore, the investment sector will also take steps to extend its competencies to managing outsourced funds, foremost among them a country fund open to foreign investors seeking local market exposures through the route of a mutual fund.

recovery period. This was in the midst of trying conditions in the global economy where most nations continue to grapple with the fallout from the recession, while the Asian economies have maintained their growth trajectories supported by state intervention and domestic spending power. Unforeseen change in the Middle Eastern region has led to disruption in oil supplies, prompting the escalation of oil prices and the ensuing impact on commodities.

In Sri Lanka, the sense of optimism that energized growth & investment has further consolidated, with significant investment in infrastructure by the government and growth in private sector investment. This has enhanced the investment ratio to 28% of GDP. Macro economic stability prevailed, supported by a low interest rate regime which fuelled investments, while inflation was contained at single digit levels despite rising global oil & commodity prices mitigated by a stable currency. Increased remittances and capital flows complemented by export growth

Group consolidated profit after tax, stood at Rs. 9.7 bn, recording a growth of 79% and reflecting the pay back from significant investments made in the last decade into the plantation, brewery and investment sectors. Of the post tax profits, the plantation sector accounted for 69%, brewery 11% and investments 19%. The total net worth of the balance sheet grew 66%, and shareholder value as represented by market capitalization grew 137% as against a growth in the All Share Price Index of 94%. Five year compound annual growth in profits and net assets was 68% and 35% respectively, while market capitalization has grown 48% on average in the last five years, when the comparable growth in the stock market index was 27%. We are happy to have created value for our shareholders in this manner, and wish to propose a dividend of Rs. 2/- per share this year for their approval.

Chairman's Review

The plantation business took several strides in its efforts to strengthen its business model by making an offer of USD36mn to acquire a downstream palm oil processing and speciality fats manufacturing unit based in Malaysia with production facilities in India. The Indian market in particular, will offer vast growth opportunities due to its population, growing incomes and better lifestyles. This acquisition compensates the sector's risk exposure to the vagaries of the commodity business by opening up a market with more predictable demand supply conditions and greater price stability. The speciality fats production units in Malaysia and India supply the bulk of their produce as input into the processed food industry and thus move our plantation business closer to the value added consumer end of the industry. Meanwhile, our upstream expansion continues to grow with hectareage increasing to 97,823 ha, helping us secure further economies of scale leading to lower unit costs. Scaling up of operations has also secured us the opportunity to further mitigate our cost structures by having our own logistics and supply chain arrangements, R&D facilities, bulk buying economies, which would otherwise have not been possible with a smaller scale of operations.

The brewery sector completed a 30% capacity expansion plan to support the increase in domestic demand, bringing the total volume brewed this year to 800,000hl. Demand originated from new regional markets, higher disposable incomes, growth in tourism and a conducive environment for entertainment events. Further investments to support the fledgling domestic market would prove to be fairly lucrative and improve short term returns. Our strategic emphasis on the domestic market was complemented by our investment into the regional market through our 22.5% stake in the Indian joint venture with Carlsberg. This project has proved to have a long gestation period, given the complexity and vastness of the Indian market already dominated by local brewers. The continued funding needs to support the footprint and capacity expansion plans of this venture has forced us to make a choice between putting resources locally into the beer business or investing for the long haul into India, since doing both is not within our means at present. Thus it appears that the brewery business is likely to opt out of India through a sell out to Carlsberg, in the ensuing year. Lion's focus on exports too would continue where it is being marketed as a brand.

The investment sector was strengthened by the superlative performance of the Colombo Stock Exchange for the second year running, which increased the discretionary portfolio within the investment sector to Rs.15bn. It was able to focus on new growth areas during the year, having branched out into several business segments that complemented its original focus on managing a listed portfolio. These new areas of business encompassed enhancement of the scope of the portfolio into specialised asset classes as well as a widening of the fund management business. With the expansion of the capital markets,

the investment business segmented its business into more specialized asset categories, and re-aligned its strategy by creating asset specific investment vehicles for private and listed equity under Ceylon Guardian Investment Trust PLC, in order to offer investors the ability to invest according to their risk appetite. The outsourced fund management business was strengthened with the re-launch of the country fund, enhancement of the outsourced client base and entry into the mutual funds space in partnership with Acuity Partners (Private) Limited, the investment banking arm of the Hatton National Bank and DFCC Bank.

The real estate and leisure sectors were able to turnaround their performance and make a positive contribution to Group profit this year. The business models of these two sectors require re-thinking in order to align them towards larger scale, higher ROE businesses that can contribute to Group bottom line and performance over time. What we do have in these two sectors are reasonable asset bases that can be put to more productive use, provided they are strengthened with capital, know how, management skills and access to wider markets that can help them start generating better value. These two areas of the business are likely to receive more management attention in the coming years.

In conclusion, I would like to thank all our staff in Sri Lanka and overseas who worked tirelessly to capitalize on the tremendous opportunities that have come our way in recent times. The quality of our Group's performance has been enhanced by their knowledge, skills and positive attitude to work. I thank the policy makers and all regulatory authorities we deal with for their support and facilitation of our business and their understanding of our business sensitivities; and our associates for their patronage and confidence in us. Thank you to my colleagues on the Board and members of the Audit Committee for their valuable contribution. And most important I express my sincere thanks to our shareholders for having confidence in the management and we hope you will continue to stay with us as we move forward towards creating greater value in our enterprise. As we live through a time of change, prosperity and progress in our country, I would like to express a thought, quoted from the American Gen. George S. Patton a veteran of both World Wars that..... "one must accept the challenges, so that you may feel the exhilaration of victory". There is no better time than right now for Sri Lanka to accept those challenges!

(Sgd.)
Tilak De Zoysa
Colombo

26th May, 2011.

Financial Review

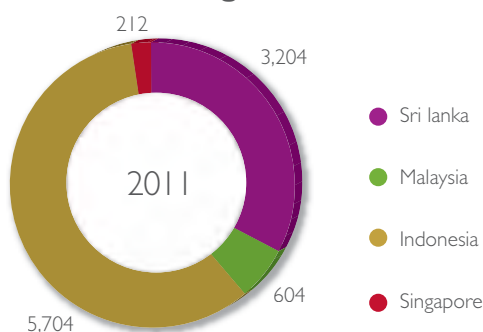
Financial year 2010/11 turned out to be the best year so far in the long history of Carsons Group, with the Group recording its highest ever revenue and profit numbers by a long margin. Group revenue reached Rs.36.3Bn, which was a remarkable 70% increase over the last year. Spurred on by this revenue surge, Profit after tax reached Rs.9.7Bn, a 79% increase over previous year's performance

An analysis of Group revenue indicated that contribution from sale of goods was 75%, which is the result of Group's two mainstay producers, palm oil and brewery. Investment income contributed 19% to the Group revenue which includes dividend income and investment trading revenue.

Sector	PAT Rs. Mn	% growth over last year
Beverage	1,052.2	61%
Investment holdings	1,862.5	51%
Oil palm plantations	6,760.0	83%
Real estate	26.8	79%
Leisure	58.6	190%

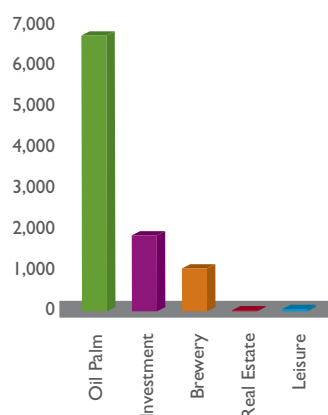
From the above table it is evident that all sectors of the Group have shown strong growth over the previous year and the 03 key sectors have in turn contributed positively to the Group Profit after tax. All 03 key sectors have had organic growth supported by favourable economic, social and political factors prevalent in their respective geographical markets.

Share of Regional Profits



The overall profit growth of 79% was derived 69% from oil palm followed by 19% from investment holdings and 11% from beverage. It is also noted that 67% of the profit contribution has come from our regional overseas business.

Share of Group Profits Rs.'000



Consolidated profits translated to earnings per share (EPS) of Rs.23.42, using the post-subdivision and post capitalization number of ordinary shares of 196,386,914. Previous year's EPS amounts to Rs.16.45 when the same share number denominator is used in the EPS calculation. This is an increase of 42%. Company level EPS stands at Rs.3.22 as opposed to previous year's figure of Rs.0.04. Board of Directors of the Company proposes a dividend of Rs. 2/- per share for the year under review, subject to the approval of the share holders at the forthcoming Annual General Meeting. Price Earnings Ratio calculated by using the year end closing market price of a share of the Company at Rs.635 and the EPS would give a PER of 27 times while the comparable diversified sector PE is 33 times.

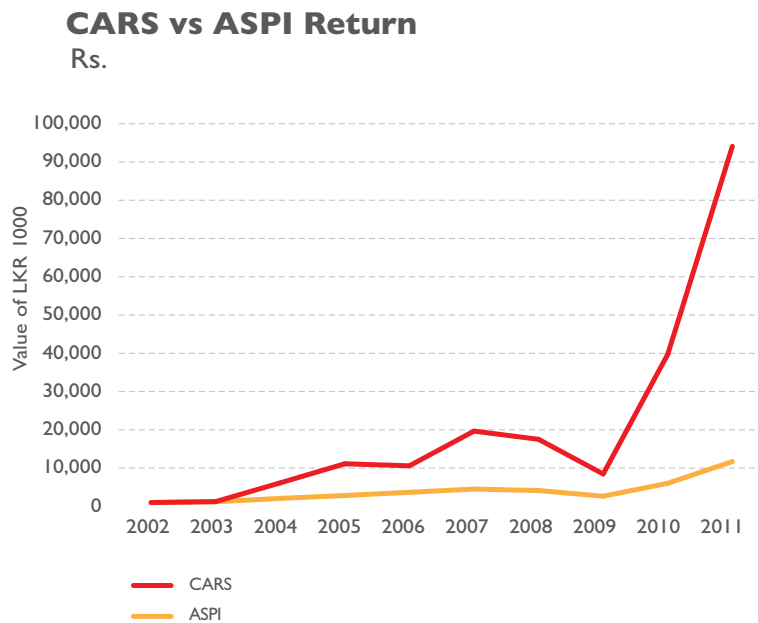
Total net assets of the Group increased sharply to Rs.49.2 Bn as opposed to Rs.29.7 Bn in previous year. This is an increase of 66%. Of the total net assets of the Group 58% is accounted for by oil palm plantations, 25% by investment holdings and 10% by beverages. Net assets growth also was mainly contributed by these 3 key sectors of the Group.

Financial Review

The Equity attributable to the share holders of Carson Cumberbatch PLC, Rs.24.2 Bn can be compared with the market capitalization of the Company , which stood at Rs.107.3 Bn. The market capitalization grew by 104% supported by general market sentiments, strong performance indicators of the Group and also by the additional liquidity brought about by the 2:1 sub-division of the ordinary shares of the Company. Price to book value of the Company at year end stood at 5.2 times.

A shareholder who invested Rs. 1,000 in the share in 2002 would have accumulated a wealth of Rs. 94,089 as shown in chart below, with the bulk (99.7%) coming in the form of capital gains. Capital gains in the stock was primarily driven by net profit growth (34.8%), which recorded an average growth of 46.7% over the 10 years and the combined impact of net profit and PE growth (63.2%).The PE ratio recorded a marginal growth of 12.2% over the same period.

Total Group gross debt as at end of financial year stood at Rs.22.4 Bn as against the previous year's comparable figure of Rs.5.2 Bn. However, the net debt balance after netting-off against the cash and cash equivalents reduced to Rs.11.3 Bn as against Rs.4.1 Bn for the previous year end. Similarly, though the debt/equity ratio for the year under review is a high of 46%, the net debt/equity ratio is an acceptable 23.1%. Majority of the borrowings were from the oil palm plantation sector which pumped in resources to its aggressive expansion plan in developing new planted hectareage.



Group Structure

OIL PALM PLANTATION

Goodhope Asia Holdings Ltd.

• 2008* • 87.98%

Agro Asia Pacific Limited

• 2010* • 100%

Shalimar (Malay) PLC

• 1909* • 95.89%

Selinsing PLC

• 1907* • 94.81%

Indo-Malay PLC

• 1906* • 89.49%

Good Hope PLC

• 1910* • 93.87%

Agro Harapan

Lestari (Private) Limited

• 2008* • 100%

AHL Business Solutions

(Private) Limited

• 2010* • 100%

PT Agro Indomas

• 1989* • 91.31%

PT Agro Bukit

• 2004* • 95%

PT Agro Asia Pacific

• 2008* • 100%

PT Karya Makmur

Sejahtera

• 2003* • 95%

PT Agro Harapan Lestari

• 2007* • 100%

PT Rim Capital

• 2006* • 95%

PT Agrajaya Baktitama

• 1994* • 95%

PT Nabire Baru

• 2008* • 95%

PT Agro Wana Lestari

• 2006* • 95%

Agro Harapan Lestari Sdn. Bhd.

• 2007* • 100%

Shalimar Developments Sdn. Bhd.

• 1980* • 100%

BREWERY

Ceylon Brewery PLC

• 1910* • 74.93%

Lion Brewery (Ceylon) PLC

• 1996* • 57.75%

CBL Retailers (Private) Limited

• 2007* • 100%

REAL ESTATE

Equity One PLC

• 1981* • 96.27%

Equity Two PLC

• 1990* • 88.81%

Equity Three

(Private) Limited

• 1990* • 100%

Equity Seven Limited

• 1994* • 100%

LEISURE

Pegasus Hotels

of Ceylon PLC

• 1966* • 92.75%

Equity Hotels

Limited

• 1970* • 100%

Carsons Airline

Services (Private) Limited

• 1993* • 100%

MANAGEMENT SERVICES

Carsons

Management Services

(Private) Limited

• 1993* • 100%

INVESTMENT HOLDING

Ceylon Guardian

Investment Trust PLC

• 1951* • 67.15%

Ceylon Investment PLC

• 1919* • 64.36%

Guardian Capital

Partners PLC

• 1920* • 86.22%

Rubber Investment

Trust Limited

• 1906* • 100%

Weniwella

Investments Limited

• 1906* • 77.54%

Mylands

Investments Limited

• 1920* • 92.45%

Leechman &

Company (Pvt) Ltd.

• 1953* • 100%

Guardian Fund

Management Limited

• 2000* • 100%

DIVERSIFIED HOLDING COMPANY

Bukit Darah +

• 1916* • 26.19%

% refers to group interest

+ refers to Associated Companies

* refers to year of incorporation



Sri Lanka



Indonesia



Malaysia



Singapore

Profiles of the Directors

Tilak de Zoysa

FCMI (UK), FPRI (SL)

Tilak de Zoysa was conferred the title "Deshabandu" by His Excellency The President of Sri Lanka in recognition of his services to the country and was the recipient of "The Order of the Rising Sun, Gold Rays with Neck Ribbon" conferred by His Majesty The Emperor of Japan.

He is Chairman of Carson Cumberbatch PLC and the President of Associated Motorways Group of Companies, Amaya Hotels and Resorts, USA and Helpage Sri Lanka. He was appointed Chairperson of HelpAge International U.K. effective March 2011. He also serves as a Board Member of other listed companies such as John Keells PLC, Taj Lanka Hotels Ltd., Lanka Walltiles Ltd., Nawaloka Hospitals Ltd. Mr. de Zoysa is the Honorary Consul for Croatia and a Past Chairman of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and the Plastics & Rubber Institute, Sri Lanka.

Hari Selvanathan

Hari Selvanathan is Deputy Chairman of Carson Cumberbatch PLC and President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Limited, South Asian Breweries Pte Ltd, Singapore and Carlsberg India Private Limited. He is also the Chairman of Express Newspapers (Ceylon) Ltd and Carsons Management Services (Private) Limited, the Groups Management company. Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

Counts over 20 years experience in commodity trading in International Markets. He holds a Bachelor of Commerce Degree.

Mano Selvanathan

Mano Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Ltd. and Selinsing PLC and is Group Director of most Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia and Malaysia and an active Member of its Executive Management Forums. He is also a Director of Ceybank Asset Management (Pvt) Ltd. He is a Director of Holcim (Lanka) PLC, Carlsberg India Private Limited, South Asian Breweries Pte Ltd., Singapore. Past Chairman of the Indo Lanka Chamber of Commerce & Industry and has served as the Chairman of the Ceylon Chamber of Commerce and as the President of the Rotary Club of Colombo North.

Mano Selvanathan was conferred the highest National Honours in Sri Lanka the 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation.

In January 2011 he was awarded with the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India in Delhi.

He holds a Bachelors Degree in Commerce.

He is also the Hon. Consul of the Republic of Chile in Sri Lanka.

Israel Paulraj

Chairman of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC, Guardian Capital Partners PLC (formerly Watapota Investments PLC) and Rubber Investment Trust Limited. He serves as a Director of Carson Cumberbatch PLC and of several of the subsidiary companies within the Carsons Group. He is the Chairman of the Incorporated Trustees of the Church of Ceylon.

He served as Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a Member of the Executive Committee of the Ceylon Chamber of Commerce and National Chamber of Commerce of Sri Lanka Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has served as Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of The Christian Conference in Asia, President, Church of Ceylon Youth Movement and Hony. Treasurer National Christian Council of Sri Lanka.

He also served on the Presidential Task Force on Non-Traditional Export and Import Competitive Agriculture set up by President R. Premadasa. He also served as Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor of Law Degree and an Executive Diploma in Business Administration.

Chandima Gunawardena

Director of Carson Cumberbatch PLC. He serves as a Director in most of the Carsons Group Companies in Sri Lanka and overseas. He is a member of the Group's Strategic Planning Forum. He also serves as a member of the Audit Committees of the Group in Sri Lanka and overseas. Mr. Gunawardena has over three decades of experience in varied fields of business and commercial activities and has held senior positions in the Corporate Sector. He is a Fellow of the Chartered Institute of Management Accountants, UK.

Suresh Shah

Director and Chief Executive Officer of Ceylon Brewery PLC and Lion Brewery (Ceylon) PLC. Also Director of Carson Cumberbatch PLC and The Sri Lanka Business Development Centre. Currently serves as the Deputy Vice Chairman of the Ceylon Chamber of Commerce and is a Vice President of the Sri Lanka Institute of Directors and the Confederation of Asia Pacific Chambers of Commerce & Industry (CACCI).

He also serves on the council of The Employers Federation of Ceylon and The Mercantile Services Provident Society. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

Chandana Tissera

Director of Carson Cumberbatch PLC and presently serves as the Chief Executive Officer for the Overseas Plantation Sector of the Carsons Group. He is also a Director of several other subsidiary companies of the Group. He has served as the Chief Executive Officer of the Investment Sector and as the Head of Finance of the Carsons Group.

He has previously served on the Board of the Union Assurance PLC and counts over 26 years of experience in the fields of manufacturing, financial services, capital market operations, overseas plantations, project development and management services. He is a Fellow of the Institute of Management, UK.

Vijaya Malalasekera

Director of Carson Cumberbatch PLC. He served as Director - Corporate and Legal Affairs at Ceylon Tobacco Company PLC and now serves as a Non-Executive Director in the same company. Chairman of Ascot Holdings PLC, Bogala Graphite Lanka PLC, Ascot Developments (Pvt) Limited, Axis Financial Services (Pvt) Limited, Fairway Condominium (Pvt) Limited, Boston Capital (Pvt) Limited, Boston Asset Management (Pvt) Limited and is a Director of Taprobane Holdings Limited. Holds a M.A. (CANTAB), Barrister-at-Law (Inner Temple) and Attorney-at-Law of the Supreme Court of Sri Lanka.

Mangala Moonesinghe

Barrister-at-Law, Middle Temple, London and legal practitioner for over 30 years. He was a Member of the Parliament of Sri Lanka (1965-1977 and 1989-1994) and the High Commissioner of Sri Lanka to India (1995-2000 and 2002-2005) and to the United Kingdom (2000-2002). Past Chairman of the Parliamentary Select Committee to arrive at a national solution to the ethnic conflict and restore peace and a Member of the Parliamentary Committee on Public Enterprises. Year 2006-Chairman, Marga Institute (Centre for Development Studies). He is the Executive Director of One Text Initiatives. Has a vast amount of international experience and has served on several committees, including the Steering Committee of the Asian

Parliamentarians Training Programme for Conflict Resolution and the Commonwealth Parliamentary Association. He was awarded the Eisenhower Fellowship in 1975. Member of the Group of Eminent Persons appointed by the Heads of State of South Asian Nations to identify measures and mechanisms to enhance the effectiveness of SAARC to achieve its objectives.

Faiz Mohideen

Director of Carson Cumberbatch PLC since January 2008. Holds a B.Sc. Degree in Mathematics from the University of London and a M.Sc. Degree in Econometrics from the London School of Economics. Former Deputy Secretary to the Treasury and Director General, External Resources Department, Ministry of Finance & Planning.

Subsidiary Companies

Ajith Weeratunge

Director of the Carson Cumberbatch Group's Management Company, Carsons Management Services (Private) Limited and holds the position of Head of Finance. Also Director of the Property Sector Companies of the Group, including Equity One PLC, Equity Two PLC, Equity Seven Limited and Groups Investment Holding Sector - Ceylon Investment PLC and Rubber Investment Trust Limited. Accounts for more than 31 years of finance related experience in the mercantile sector and has held positions in Lanka Walltile Ltd., Union Apparels (Pvt) Ltd., John Keells Holdings PLC, Phoenix Industries (Pvt) Ltd and Ceylon Brewery PLC. He is a Fellow Member of the Chartered Institute of Management Accountants of UK.

Asoka De. Z. Gunasekera

Director of Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC. Also serves as Alternate Director to Mr. I.W. Senanayake (Chairman) of IWS Holdings (Pvt) Ltd and in most Group companies. Past Chairman of the National Chamber of Commerce of Sri Lanka and Past President of the Ceylon National Chamber of Industries. He is a Past International Director and a Board Appointee of Lions Clubs International and was also a Member of the National Police Commission of Sri Lanka. He served as Legal Advisor and Secretary to the Ministry of Posts and Telecommunications; Co-ordinating Secretary to the Ministry of Power and Energy and Ministry of Highways and was the Acting Secretary to the Ministry of Policy Planning.

Attorney-at- Law & Notary Public.

Chandraratne Liyanage

Director of Lion Brewery (Ceylon) PLC. Commenced his career as a trainee Brewer with Ceylon Brewery PLC in 1979 and was promoted to Senior Brewer and subsequently to Factory

Profiles of the Directors

Manager. In 1998 he took up the position as Factory Manager at Lion Brewery (Ceylon) PLC and was promoted to his current position as Head of Technical in 2004. Holds a Special Degree in Botany from the University of Peradeniya (Sri Lanka) and has attended several overseas training programs, including Carlsberg Brew Masters Course, training with Allied Breweries (UK) & Carlsberg Tetley Leeds Brewery (UK) and Management programs at Cranfield University, UK and National University, Singapore.

Chrisanta F. Fernando

Director of Selinsing PLC and Equity Three (Private) Limited. Qualified as a Chartered Accountant in England and Wales; is a Fellow of the Institute of Chartered Accountants of Sri Lanka. Gained 18 years of financial management experience as Senior Accountant at Carson Cumberbatch PLC. Held positions of Director, National Lotteries Board and Director, Coconut Cultivation Board. Past Chairman of Low Country Products Association (LCPA). Served as Managing Director followed by a period as Chief Executive Officer at Distilleries Company of Sri Lanka PLC (DCSL) and presently an independent non executive Director and Chairman of the Audit Committee of DCSL. Also Director of Melstacorp Private Limited. At present Senior Trustee of the Ceylonese Rugby & Football Club.

Christoforus S. Pakadang

Director of the Regional Plantation Sector Management Company of the Carson Cumberbatch Group in Indonesia. He is responsible for Tax planning & administration in addition to overlooking local external affairs of the Group's plantations in Indonesia.

He joined the Carsons Group plantation sector in January 2006 as Head of External Relations. He holds a degree in Accounting from University of Indonesia and commenced his career as an Accountant in IBM Jakarta prior to joining Ernst & Young, Indonesia. He has functioned as a Senior Manager at Ernst & Young, Indonesia, where he was involved in auditing and consulting assignments across variety of industries inclusive of plantations, manufacturing, property management, mining support services and oil & gas. He is a Member of the Indonesian Institute of Accountants and has served on the Education and Development Committee of the Institute. He is a Registered Accountant in Indonesia and has also passed the examinations of Certified Public Accountants in Indonesia.

Cubby Wijetunge

Chairman of Ceylon Brewery PLC and Lion Brewery (Ceylon) PLC, Union Residencies Ltd and Chairman Emeritus, Nestle Lanka Ltd. He is also a Director of Hunter & Co. Ltd, Janashakthi Insurance, Swiss Trading Company, East India Retailing Company (Pvt) Ltd., Heath & Co. Ltd., and Lanka Canneries Ltd. Also serves

as Trustee of Joseph Fraser Hospital. In addition he is a Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and President of the Swiss Business Club of Colombo.

Dato' Voon Loong Chin D.S.P.N

Director of Lion Brewery (Ceylon) PLC, Deputy Managing Director of Carlsberg Brewery Malaysia Berhad. He is also a Director of Carlsberg Singapore Pte Ltd. (Singapore), Gorkha Brewery Pvt. Ltd. (Nepal), South East Asia Brewery Ltd. (Vietnam), International Beverage Distributors Ltd. (Vietnam), Carlsberg Distributors Taiwan Limited (Taiwan), Carlsberg Cottingham Ltd. (Taiwan), Luen Heng F & B Sdn.Bhd. (Malaysia) and also serves on the Board of several private companies within the Group. Dato' Chin is a Member of the Governing Council of the Confederation of Malaysian Brewers Berhad.

He is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He is also a Chartered Accountant with the Malaysian Institute of Accountants, an Associate Member of the Malaysian Institute of Taxation, Affiliate of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), Member of the Institute of Public Relations Malaysia and Member of the Malaysian Alliance of Corporate Directors.

He previously held the positions of Chief Financial Officer, Commercial Director, Company Secretary and Executive Director, Corporate Affairs prior to his current position in Carlsberg Brewery Malaysia Berhad. He holds a Bachelor of Science (Honours) Degree in Systems and Management from The City University, London.

Donald Fernando

Director of Equity One PLC and Equity Two PLC and the Managing Director of Conimex Limited – Civil and Structural Engineers and Director of Fernando Rajapakse Associates (Private) Limited - Consulting Engineers and Project Managers.

He was attached to The Sri Lanka Ports Authority and London Borough of Greenwich, London as a Civil Engineer. He is a Member of the Institution of Civil Engineers, London (MICE London), Institution of Engineers, Sri Lanka and also a Member of the Society of Structural Engineers, Sri Lanka. He holds a B.Sc (Eng) from the University of Ceylon.

Eranjith Wijenaik

Director of Equity One PLC and Equity Two PLC. Managing Director of Central Finance Company PLC, Deputy Chairman of Nations Trust Bank, an associate company of Central Finance. Served as a member of the Board since inception of the Bank. He is a Director of several other listed companies both within and outside the Central Finance Group with

over 27 years of management experience. Holds a Bachelor's Degree in Commerce and a Postgraduate Diploma in Finance and Management. Member of the Chartered Institute of Management (UK).

Faizal Mathunni

Director of PT Rimcapital. Mr. Faizal Mathunni, graduated from Aligarh University, India with B.Sc (Hons) in Chemistry. He served in the plantation industry for 34 years and has gained experience in planting and managing sugar cane, cocoa, banana and oil palm. He has been working in Indonesia since 1993 and was involved in various plantations development projects in the most remote areas in Indonesia.

He joined the Company in 1998 as the Group Plantation Manager for Sungei Rungau and Sungei Perun Estates. He was promoted as Plantation Advisor covering field agronomy, audits, quality control and health and safety procedures.

In 2005 he was promoted to General Manager to take charge of PT Agro Bukit- CK.

In 2008 transferred to PT Agro Bukit, South Kalimantan as General Manager.

Promoted to Regional Controller in 2011 to take charge of development works in South Kalimantan and Papua, Irian Jaya.

Janaka Jayawickrama

Director Legal of the Regional Plantation Sector Management Companies of the Carson Cumberbatch Group in Indonesia, Malaysia and Sri Lanka and is responsible for all legal and corporate matters of the Plantation Sector Companies. She joined Carsons in 1997 and managed all legal affairs of the Carson Cumberbatch Group as Head of Legal. Having practiced in a law firm and working in the corporate sector she counts over 21 years of experience in the fields of litigation, banking, corporate and commercial law. She is an Attorney-at-Law of the Supreme Court.

Jayaprakash Mathavan

Director of Goodhope Asia Holdings Ltd and Agro Asia Pacific Limited. Counts over 21 years of work experience in the fields of auditing, manufacturing, plantations and trading. Is an Associate Member of the Chartered Institute of Management Accountants - U.K.(CIMA), a Fellow of the Association of Chartered Certified Accountants-U.K. (FCCA) and a Member of the Malaysian Institute of Accountants (MIA). Also holds a Bachelors Degree in Commerce.

Kenneth Sellayah

Director of Good Hope PLC, Shalimar (Malay) PLC and Prime Property Management Services (Pvt) Ltd. Former Director of Shaw Wallace & Hedges Ltd., General Manager of Ceylon

Trading Co. Ltd, and Director of several of its subsidiaries and Managing Director of Scanships Ltd. Served as Chairman of the Coconut & General Products Exporters Association and the Exports Section of the Ceylon Chamber of Commerce.

Former Director of CPC (Lanka) Ltd, CPC Agrifoods Ltd, and Member of several Committees of the Ceylon Chamber of Commerce. Member of The Institute of Exports, UK and the Chartered Management Institute, UK.

Kevin de Silva

Director IT of the Regional Plantation Sector Management Companies of the Carson Cumberbatch Group in Sri Lanka, Indonesia and Malaysia. He leads the ICT organization for the plantation sector and champions the cause of aligning ICT as an enabler in realizing the sectors strategic goals. Previously held the post of General Manager-IT for the Carsons Group. Having worked locally and overseas he has over 21 years of experience in the ICT industry in both technical and management capacities in leading multinational organizations. Professional in Software Engineering and is a member of BCS.

Keshini de Silva

Director of Carsons Management Services (Private) Limited, the Group's Management Company. She has over 20 years of experience in the fields of project financing, merchant banking and management services and has been with the Carsons Group since 2001. Prior to joining Carsons, worked as a Senior Project Analyst-Corporate Finance Department of the National Development Bank of Sri Lanka. She holds a BSc in Business Administration (Finance Major) from the University of Wisconsin, Superior, USA and is a Fellow of the Institute of Chartered Secretaries and Administrators, UK.

Krishna Selvanathan

Director of Carsons Management Services (Private) Limited, the Investment Sector Group Companies and Lion Brewery (Ceylon) PLC. He is also a member of the Investment Sector Management Team.

He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K

Liew Irene

Director of Shalimar Developments Sdn. Bhd, Executive Director of Boardroom Corporate Services (KL) Sdn. Bhd. Currently an associate member of the Malaysian Institute of Chartered Secretaries and Administrators and has been involved in corporate secretarial work for 15 years.

Manilal Fernando

Director of Ceylon Investment PLC and Ceylon Guardian Investment Trust PLC and is currently the Chairman of Holcim

Profiles of the Directors

(Lanka) Ltd., Shipping & Cargo Logistics (Pvt) Ltd., Hyundai Lanka (Pvt) Ltd., Stallion Plantations (Pvt) Ltd., and Dynamic AV Technologies (Pvt) Ltd. Director of Piarus (Pvt) Ltd., Aitken Spence & Co. PLC., and Sri Lankan Airlines Ltd. He is also a Trustee of Joseph Fraser Memorial Hospital.

He has been the Past President of the Football Federation of Sri Lanka from 1979 to 1999. He is a Member of the FIFA and AFC Executive Committee, Asian Cup Organising Committee and Chairman Competitions Committee AFC. He is also a Member of the Players Status Committee of FIFA and the FIFA Development Officer for South and Central Asian Countries, as well as the Vice President of the National Olympic Committee of Sri Lanka from 1990 to date. Attorney-at-Law & Notary Public.

Mavath Ramachandran Nair

Commissioner of PT Agro Indomas. Director of IJM Plantations Bhd; EcoOils Processors Sdn Bhd; EcoChances Sdn Bhd; Eco Innovation Sdn Bhd; The Incorporated Society of Planters, ISP Management Sdn Bhd and Saraya Hygiene Malaysia Sdn Bhd.

Former Director and Head of Plantations of Franco-Belgian multi-national, Socfin Company Berhad.

Served as the Chief Executive of the Malaysia Palm Oil Association (MPOA), the merged umbrella trade association tasked with the function of balancing the needs and interests of the Malaysian plantation industry. Involved in the establishment of the Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder certification standard in 2004, served as its Vice President and currently the Advisor to the Executive Board of RSPO. He has served on the Management Committee and Council of the London based International Association of Seed Crushers (IASC), the ASEAN Vegetable Oils Club (AVOC), as a Member of the Task Force on Sustainability of the Washington based International Policy Council (IPC) on Agriculture, Food & Trade and as a Lead Discussant to the World Bank Group's Study on Engagement in the Palm Oil Sector.

Has over 51 years professional experience in the agro-commodities industry with particular focus in the tree crop plantations. Has been honoured with the Fellowship awards of the Incorporated Society of Planters, Malaysian Oil Scientists' & Technologists' Association and the British Institute of Management

Melia Tjandrawinata

Commissioner of PT Agro Indomas. Presently Financial Director of PT Kawat Mas Prakarsa and Commissioner of PT Lianggang Cemerlang. Has 11 years of service at ABN AMRO Bank, Jakarta, as Credit Control Manager and Private Banking Manager.

Holds a Bachelor of Arts Degree in Economics from York University, Canada.

Minoli Perera

Director of Carsons Airline Services (Private) Limited and Head of Operations. Has over 20 years experience which include working for a leading travel agency and the General Sales Agency for Air France, KLM Royal Dutch Airlines and Martinair.

Holds IATA fares and Ticketing Certificate of Sri Lankan Airlines and Intermediate and Advance Fares and Ticketing Certificate of KLM Royal Dutch Airlines and formal training in Reservations, Sales and Marketing. Chairperson of the Sri Lanka Association of Airline Representatives for two consecutive years since 2009.

Nalake Fernando

Director of the Property Management Companies of the Carson Cumberbatch Group - Equity One PLC, Equity Two PLC, Equity Three (Private) Limited, Equity Seven Limited, Equity Lands (Private) Limited, Carsons Management Services (Private) Limited and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. Was the Country representative for Sri Lanka with Dalekeller & Associates Ltd., Designers and Skidmore Owings & Merrill Architects. Counts over 37 years of work experience. Was a Director of SKC Management Services Ltd. Holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

Niloo Jayatilake

Director of Guardian Fund Management Limited and heads the portfolio management division of the management company. Counts over 15 years experience in the investments field. Prior to joining the Carsons Group worked as Fund Manager at The Unit Trust Management Company (Pvt) Limited, managers of Ceybank Unit Trust Funds in Sri Lanka.

Is an Associate Member of the Chartered Institute of Management Accountants, UK and Associate Member of the Institute of Chartered Secretaries and Administrators, UK.

Prasanna Amarasinghe

Director of Lion Brewery (Ceylon) PLC and is responsible for the marketing function of the Brewery Sector. He has over 21 years of experience in the field of marketing and has held many senior positions in this area.

Pushpakumara M. Withana

Director of Pegasus Hotels of Ceylon PLC and Equity Hotels Limited.

Former Chairman of the Sri Lanka Tourist Board and former Director, Food & Beverage, Keells Hotels Sri Lanka and Maldives. Formerly was the Director/ General Manager of Keells

Hotels. Past Chairman of the Hotel & Catering International Management Association U.K, Sri Lanka Chapter and Past President and Fellow of the Ceylon Hotel School Graduates Association. Also was Past District Governor of the International Association of Lions Clubs Sri Lanka. Graduate of the Ceylon Hotel School.

Ranil Goonetilleke

Director of Lion Brewery (Ceylon) PLC and CBL Retailers (Pvt) Ltd. Obtained his training at KPMG Ford, Rhodes, Thornton & Co, and thereafter joined the Haycarb Group in 1989 where he worked in different capacities in the field of finance until he left its employment as Divisional Manager (Finance). He joined Lion Brewery (Ceylon) PLC in 1998 in the capacity of Financial Controller and was appointed Director Finance in 2004. He is a Fellow of the Chartered Institute of Management Accountants, UK.

Rizan Jiffrey

Director Planning & Business Development of the Regional Plantation Sector Management Companies of the Carson Cumberbatch Group in Indonesia, Malaysia and Sri Lanka. He is responsible for overseeing the successful planning, structuring and commencement of key capacity enhancement, plantation development & business expansion projects within the Sector.

He joined Carsons Group Plantations Sector in Colombo as Financial Controller in 2003, having previously held managerial and senior managerial level positions in the mercantile sector in national and multi national companies. He counts over 20 years of experience in the accounting, finance & business planning field in manufacturing, trading & services, FMCG sector and in the plantation industry.

He is a Fellow Member of the Chartered Institute of Management Accountants - UK (CIMA), holds a M.Sc in Management, is also a passed finalist of the Institute of Chartered Accountants of Sri Lanka and has professional qualifications in marketing (CIM) & information technology (ACS). He previously served on the council of the Chartered Institute of Management Accountants (CIMA) Sri Lanka division, having chaired its Marketing and Promotions Committee.

Rose Cooray

Director of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC and Hatton National Bank PLC. Joined the Central Bank of Sri Lanka in 1974 and served the Central Bank in several capacities, covering a wide area of subjects, until retirement as a Deputy Governor in May 2009. During this period, also served the Ministry of Finance in the capacity of the Director General of Fiscal Policy and Economic Affairs department and held the post of Secretary to the Monetary Board. Represented the Government on the Boards of

Ceylon Electricity Board, Sri Lanka Telecom, Sri Lanka Export Development Board and DFCC Bank. Has over 37 years experience in the financial sector formulating and implementing economic and fiscal policies.

Holds a B.A (Hons.) in Economics from the University of Peradeniya and Masters Degree from the University of Strathclyde, UK.

Roy Enzo Bagattini

Director of Lion Brewery (Ceylon) PLC, Senior Vice-President, Africa and Asia for Carlsberg A/S and Carlsberg Breweries A/S, based in Hong Kong. Currently part of the Executive Committee of the Carlsberg Group and also sits on the Board of several private companies within the Carlsberg Group.

Holds a Bachelor of Commerce degree from the University of South Africa and has also completed various study programs at Stanford University, USA and Oxford University, UK. Worked formerly for SABMiller where he was the Regional Managing Director for Eastern Europe. Held several senior general management positions in South Africa and the USA as well as being the country Managing Director of SABMiller in India, China and Italy.

Ruvini Fernando

Director of Guardian Fund Management Limited, the Fund Management Company of the Carsons Group and a Director of The Sri Lanka Fund - a foreign incorporated country fund managed by Guardian Fund Management Limited. Associate Member of the Chartered Institute of Management Accountants, UK and a Fellow of the Association of Chartered Certified Accountants, UK. Has a Masters Degree in Business Administration from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura.

Counts over 21 years work experience in the fields of Management Accounting, Finance, Research Analysis, Strategic Planning and Investments, within the Hayleys Group and Carson Cumberbatch Group. Was a former visiting faculty member of the Postgraduate Institute of Management in the MBA programme. Member of the Regaining Sri Lanka Tourism Steering Committee, a key policy making forum of the government from January 2002 to January 2004. Represents the Guardian Group on the Board of Durdans Medical and Surgical Hospital (Private) Limited, in which the Group has an equity stake.

Sanjaya Upasena

Director – Sustainability of the Regional Plantation Sector Management Companies of the Carson Cumberbatch Group in Indonesia, Malaysia and Sri Lanka and also Deputy Head of Plantation Operations in Indonesia. He is responsible for

Profiles of the Directors

upstream plantations in Indonesia inclusive of planning and developing new plantations, whilst overlooking the sustainability development initiatives of the group. Commenced his career at PriceWaterHouse Coopers and joined Carsons Group in 1999 as a Sector Accountant. He functioned as the General Manager Plantation Operations and the Regional Financial Controller for the Plantation Sector of the Carsons Group having previously held senior finance positions within the Carsons group in Sri Lanka. An Associate member of the Institute of Chartered Accountants of Sri Lanka and of the Chartered Institute of Management Accountants, UK

Sega Nagendra

Director of Equity One PLC and Pegasus Hotels of Ceylon PLC. Former Senior Director of Carson Cumberbatch PLC and several of its subsidiaries and associate companies.

Senior Director and Financial Consultant of CML-MTD Construction Ltd., Executive Chairman Travelserv Ltd., and Travelon Ltd. He is also Chairman and Director of several public listed and private companies.

Past President of Skat International Colombo (International Association of Travel and Tourism Professionals), Past Secretary of the Skat International, Asian Area Region and Past President of the Pacific Asia Travel Association (Sri Lanka Chapter). Chairman of the Sri Lanka Benelux Business Council and Vice Chairman of the Sri Lanka-Pakistan Business Council. Served as an Executive Committee Member of The Ceylon Chamber of Commerce and former Chairman of the Imports Section of the Ceylon Chamber of Commerce. Past President of the Chartered Management Institute-U.K., Sri Lanka Branch. Fellow of the Chartered Management Institute-U.K. Master of Business Administration UK and Fellow of the Certified Professional Managers, Sri Lanka.

Soren Hansen

Director of Ceylon Brewery PLC and also Director of Mergers & Acquisitions and Business Development in Carlsberg Breweries A/S. Prior to joining Carlsberg worked with Deloitte & Touche, Copenhagen, Denmark. During his tenor in Carlsberg has held Finance and Project Managerial positions in Vietnam and Hong Kong, as well as being involved in/responsible for the majority of Carlsberg's expansion projects in emerging Markets since 2000. Mr. Hansen is based in Copenhagen. Holds a Masters Degree in Business Administration & Auditing and a Bac. Degree in International Trade.

Subramaniam Mahendrarajah

Director of Guardian Capital Partners PLC (formerly Watapota Investments PLC), Equity One PLC, Weniwella Investments Limited, Leechman & Company (Private) Limited and Mylands

Investments Limited. Group Finance Director of Sri Krishna Group of Companies.

Has wide experience in manufacturing, trading, financial services and management. Past President of the Rotary Club of Colombo Down Town. Recipient of the prestigious "Service above Self" award from Rotary International.

Subash Chelliah

Commissioner of PT Rim Capital, was the former Vice President of Bumiputera Commerce Bank, Kuala Lumpur, presently known as Commerce International Merchant Bankers Berhad.

Susan Evans

Director of Lion Brewery (Ceylon) PLC. Counts over 30 years experience in strategy and marketing, largely with multi-national consumer product companies, Gillette, GlaxoSmithKline and Whirlpool. Whilst based in the UK, held an international strategic marketing position and managed a global nutritional drinks brand portfolio with a turnover of £330 million worldwide. In the past 10 years has been working as a Senior Consultant in India and Sri Lanka on a wide variety of assignments covering industries as diverse as soft drinks, retail, passenger cars and industrial export products. Currently works with STING Consultants, a leading strategic marketing and brand consultancy company in Sri Lanka. Also serves as a Trustee with the Hemas Outreach Foundation, a national charity funding pre-school education. Holds a Bachelor of Arts (Hons) from the University of Wales, UK.

Syarif Bastaman

Director of PT Agro Indomas and PT Agro Bukit. He is the Managing Partner at Bastaman & Co, Law Firm, Jakarta. President Director of Syabas Energy, Operations Cooperation Agreement of PT Pertamina (2007 up to present). Secretary General of Indonesian Lawyers Union (SPI) (2005 to present). Chairman Legal Committee of All Indonesian Football Association (PSSI) (2007-2011). Holds Professional Memberships in the Association of Legal Consultants to the Capital Markets (HKPM) since 1995 and Association of Receiver and Administrator Association (AKPI) since 2000. Head of Legal Practice Department of Inter Pacific Bar Association (IPBA)-Tokyo (2005 to 2007).

He is currently Chairman of the Indonesian Squash Association (Pengurus Besar Persatuan Squash Indonesia) (From 2004). He specializes in the corporate/commercial law, capital market, investment, intellectual property rights, banking and finance, construction, plantation, mining and infrastructure projects.

Graduated in Law from the Universitas Padjajaran, Bandung in 1987. Member Indonesian House of Representative (DPR RI Fraksi PDI Perjuangan).

Tai Yit Chan

Director of Shalimar Developments Sdn. Bhd. Managing Director of Boardroom Corporate Services (KL) Sdn. Bhd. Currently an Associate Member of the Institute of Chartered Secretaries and Administrators, UK and has been involved in corporate secretarial work for over 17 years.

Tennyson Rodrigo

Director of Good Hope PLC. Former Managing Director and Chief Executive of Capital Development and Investment Company PLC and Chairman of CDIC Sassoon Cumberbatch Stockbrokers (Pvt) Ltd. Past Chairman of the Audit Committee of Eagle Insurance PLC. He is the Expert Advisor to the Carson Cumberbatch PLC - Audit Committee in respect of the Real Estate, Hotels and Airlines, Investment Holding and Financial Services and Management Services Sector Companies of the Group. Holds a B.Sc. in Chemistry and Mathematics from the University of Ceylon and a B.Sc. (Hons) degree in Chemical Engineering from the University of New South Wales, Australia. Chartered Engineer and a Member of the Institute of Chemical Engineers, UK.

Wijaya Unamboowe

Commissioner of PT Agro Indomas. Former Chairman of Carson Cumberbatch PLC and Lion Brewery (Ceylon) PLC. Former Director of Ceylon Brewery PLC and several Plantation Sector Companies within the Carsons Group. Accounts for over 51 years of work experience in diverse fields. Also served on the Board (Commissioner) of the Securities and Exchange Commission of Sri Lanka.

William Knight

A co-founder of Emerisque Brands, a London-based fundless sponsor of private equity transactions in the consumer brands/retail universe, is an alternative Asset Investment Specialist who has spent almost his entire career involved with financial development of Companies and projects in the emerging markets. He originally specialised in project finance at Lazard Brothers, following which he spent 18 years in various senior positions in the Lloyds Bank group based in London, Hong Kong and Portugal. Since 1991 he has served in a wide range of non-executive positions as an independent Director or advisor based in London.

Amongst his various board positions, he currently is Chairman of Abingworth Bio Ventures II, an early stage biotechnology investment Company and the China Opportunities Fund. He is a director of the JP Morgan Chinese Investment Trust, where he chairs the Audit Committee; Fidelity Asian Values Trust, where he is the senior independent Director; and Axis Fiduciary Ltd, a Mauritius based financial services provider. He also chairs public

equity investment funds for India and recently for Russia, Vietnam and as the independent member of the board of Axis Private Equity, a Mumbai based private equity Company.

His advisory assignments have included: the Asian Development Bank, the government of Mauritius, the British Government Know-How fund, Aureos Capital, CDC and Clearwater Capital; (investors in and restructuring specialists of Asian debt). He has an on-going advisory assignment with Campbell Lutyens, the private equity fund placement specialists and Gravitas Capital Advisers and its affiliates, which is based in Washington DC. He is a regular member of City of London missions around the globe and is a Liveryman of the Worshipful Company of World Traders, where he is involved in Commonwealth initiatives. He is on the UK Board of Relief International a World Bank funded disaster relief NGO.

Wong Gang

Director of Goodhope Asia Holdings Ltd. Partner in Shook Lin & Bok's Corporate Finance and International Finance practice. Also a member of the firm's China practice and has advised multinational corporations and Singapore Companies on joint ventures and cross border transactions in China, as well as on public offerings of securities in Singapore by companies from China.

He has advised on a wide range of corporate finance and securities transactions, including stock market floatations, rights issues, securities regulation for public listed companies, mergers and acquisitions, joint ventures as well as general corporate advisory work.

He has been cited by Chambers Asia as one of the leading corporate lawyers in Singapore for the capital market. He graduated with LLB (Hons) from the National University of Singapore in 1995 and was admitted to the Singapore Bar in 1996.

Management Teams



OIL PALM PLANTATION

Chandana Tissera
Director / CEO

Kevin de Silva
Director IT

Sahad Mukthar
Head of Corporate Planning

Jayaprakash Mathavan
Director Finance

Sanjaya Upasena
Director Sustainability / Deputy
Head of Plantation Operations

Chris Obeysekera
Head of HR

Rizan Jeffrey
Director Planning and Business
Development

Christoforus Pakadang
Director / Head of Tax

Ms. Janaka Jayawickrema
Director Legal

Shalike Karunasena
Deputy Chief Financial Officer



BREWERY

Suresh Shah
Director / CEO

Shiran Jansz
Head of Procurement

Janaka Kiridena
Head of Sales Operation

Prasanna Amerasinghe
Director Marketing

Ms. Nausha Raheem
Head of HR

Hiran Edirisinghe
Chief Engineer

Chan Liyanage
Director Supply Chain

Nishantha Hulangamuwa
Head of Outbound Supply Chain

Arjuna Jayasinghe
Head of IT

Ranil Goonetilleke
Director Finance

Eshantha Salgado
Manager Quality Assurance

Roshan Bandara
Head of Operations - Pub Chain

Ms. Sharlene Adams
Head of Exports

Janaka Bandara
Production Manager

Chandana Wijesundera
Financial Controller

Wasantha Heenatigala
Manager Marketing

Preethi De Silva
Business Development Manager



INVESTMENT HOLDING

Ms. Ruvini Fernando
Director - Guardian Fund
Management

Krishna Selvanathan
Director

Tharinda Jayawardena
Head of Research

Ms. Niloo Jayatilake
Director - Guardian Fund
Management

Vibath Wijesinghe
Financial Controller

Sumith Perera
Fund Manager

Gayan Karunarathna
Accountant



REAL ESTATE

Nalake Fernando
Director Property Management

S. Rajaram
Head of Engineering

Krishna Selvanathan
Director

Vibath Wijesinghe
Financial Controller



LEISURE

Paddy Withana
Director - Hotel Sector

Kapila Gunatillaka
Accountant

Manjula Fernando
Asst. Front Office Manager

Ms. Minoli Perera
Director - Carsons Airline Services

Ms. Mala Munasinghe
Executive Housekeeper

Senarath Ekanayake
Accountant

Ajith Weeratunge
Director - Management Services

Suresh Athukorale
F & B Manager

Mahinda Tennekoon
House-keeper

Niranjan Naganathan
Resident Manager - Pegasus Reef
Hotel

Nimal Perera
Engineer

Hendrick Nandasena
Chef

Ganeshan Thiagarajah
Resident Manager - Giritale Hotel

Mustaq Ahmad
Sales & Marketing Manager

Rajendra Kumar
Executive Chef



MANAGEMENT SERVICES

Ajith Weeratunge
Director

Krishna Selvanathan
Director

Ms. Amali Alawwa
Head of Legal

Ms. Keshini De Silva
Director

Ms. Shirani Jayasekera
Head of Audit

an **eye** on
the
future
Sector Reviews

Sector Review

Beverage Sector

The brewery business did well this financial year to realize its full market potential, in hitherto unexploited regions and consumer segments. Access to the Northern and Eastern markets grew, given the ability to distribute products freely in those areas, while higher per capita consumption was recorded from the more established regions, evidence of growing disposable incomes.

The atmosphere of peace and security encouraged tourism and enabled the conduct of more entertainment and sporting events which goes towards enhancing the "feel good" factor amongst the public. We see the growth in tourism as a major new force that will enhance sales volumes, with tourist arrivals enjoying an increase of 46% in 2010, and expectations of growth upto a million tourists within the next 2 years. These trends support our strategy of creating more retail reach through our own outlets and the franchised pubs branded "Machang" which we are in the process of creating across all important regional centres in our quest to get closer to the customer and offer him a "Lion" experience.

Despite the growth in consumption, the regulatory mechanism continues to be a hindrance to the development of the industry and the taxation structure still does not offer sufficient distinction between soft and hard alcohol. For instance, while all industries enjoyed a tax cut from 35% to 28% in the current budget, alcohol both soft and hard was penalized by a tax hike upto 40%. The restrictive licensing regime and dark market with zero publicity for the legitimate industry, still allows the illicit market to prosper unabated side by side with the legitimate industry. Although law enforcement was heightened this year to curb the illicit industry, this alone does not suffice when the tax & distribution economics of the business remain in favour of that industry.

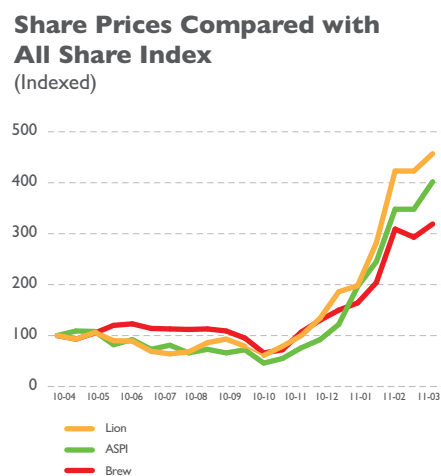
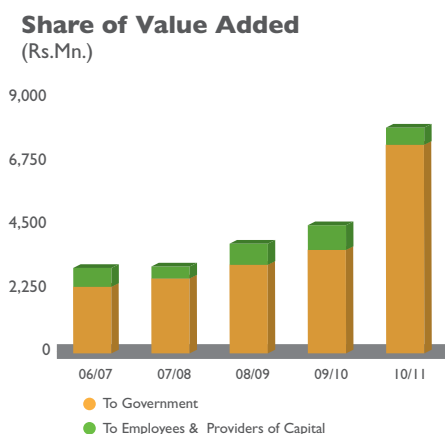
Manufacturing companies continue to grapple with high energy and input cost structures which constantly pressurise margins along with a tax regime which adds further burden to the bottom line. We have developed our export strategy as a conscious extension of our business model to build our brand in a viable manner in overseas markets without losing our identity, a policy we have stood by in order to secure greater value to our brand. Lion continues to be the market leader in the Maldives. The three gold awards won by Lion Lager, Lion Imperial and Lion Strong in the Monde Selections this year, and the Grande Gold Award won by Lion Stout bear testimony to our commitment to quality in our business. Lion Brewery also secured the franchise for Corona – the iconic beer from Grupo Modelo, Mexico, which will be positioned as an exclusive connoisseurs' brand. The brand brewed exclusively in Mexico is one of the top selling beers in the world.

The investment in the joint venture with Carlsberg to serve the Indian market, has proved to be a project spanning a gestation, which requires constant investment to keep building capacity and reach in the vast complexity of a regionally diverse market. Although this suits Carlsberg's strategy of long term brand building in developing markets, we had to re-think whether from Lion's perspective the money that is continually required for investment into India, could be more productively utilised in the local market that shows more immediate payback and growth prospects now. Since our resource base cannot support both investments, the sector would exit from its joint venture in India with our investment being bought out at cost by Carlsberg.



Beverage

The three gold awards won by Lion Lager, Lion Imperial and Lion Strong in the Monde Selections this year and the Grande Gold Award won by Lion Stout bear testimony to our commitment to quality in our business.



Sector Review

Investment Business

The investment business now commands a discretionary portfolio of approximately Rs.14bn including group funds and client funds which are under the sector's management. As far as the industry is concerned, a definite movement amongst small time savers to switch to higher yielding but riskier asset classes was evident with the surge of activity at the CSE. Retail trading now accounts for a large volume of trading. Although, this may cast some doubts on the stability and sustainability of the Exchange, it does certainly show that retail investor preferences are now changing and becoming more sophisticated. The regulators efforts to mitigate speculation and avoid the build up of systemic risk in the financial system should prove to be positive forces for market development and governance in the long term.

Amidst the changing landscape of the capital markets, the investment business re-aligned its strategy to clearly segment the multiple investment companies' profiles into narrowly defined specific asset classes. Thus Guardian Capital Partners (formerly Watapota) was re-capitalized and taken under Guardian Group to focus on private equity, while Ceylon Investments, which started off with a mixed portfolio, is now being transformed to holding a conventional listed equity portfolio. This way, investors will have a choice investing in specific asset classes if they so wish. The main flagship company of the sector, Ceylon Guardian, would carry the diverse risks within the investment business, including those of the management companies, offering those investors who prefer a broader exposure the choice of being with that company.

During the year Ceylon Guardian acquired the controlling interest previously held by Carson Cumberbatch in Guardian Capital Partners PLC through the acquisition of rights and

subscription thereto, which in total cost Rs.657 million. Over time, we see private equity as a lucrative niche in the capital markets that would be best managed and understood by more sophisticated institutional investors due to its inherent risks and longer gestation periods. Similarly, we also foresee the asset management business as a parallel competency we have developed which can now become a source of revenue and profits for the sector.

Outsourced management would comprise managing institutional & high networth clients, pooled funds and mutual funds spread across a range of asset classes and structured products. Sustainable growth in capital markets and a stable economy which supports higher savings rates would naturally increase the need for outsourcing of portfolio management services to professionals in order to better manage the risks and rewards of investment. The joint venture with Acuity partners to enter the mutual fund industry signed up in the current year should pave the way for active involvement in the fund management industry on a retail level. The liberalisation of the capital account permitting listed entities to invest upto USD500,000 in overseas investments, would open up further opportunities to improve the quality and diversity of our portfolio.

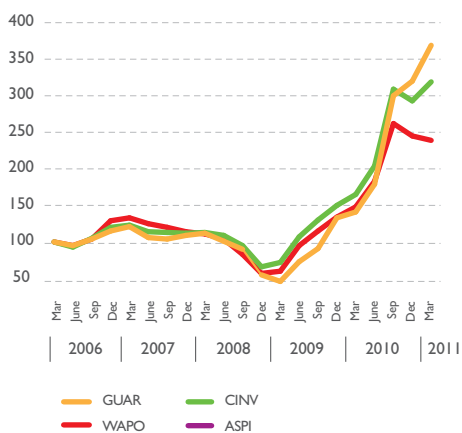
We see our growth paths in future to encompass the ability to diversify into newer asset classes and new markets and we see ourselves developing newer competencies and management processes to supplement our capability profile as we venture into new areas of business. Furthermore, we also see new network alliances and partnerships being formed by the sector in order to broad base its activities, improve its marketing network and supplement its capital base.



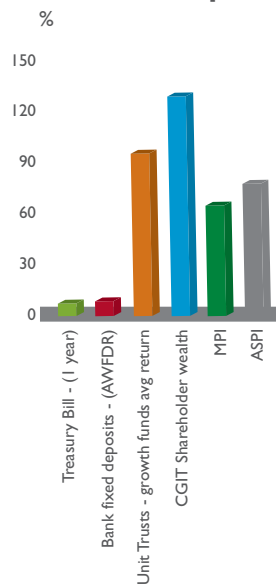
Investments

Ceylon Guardian, would carry the diverse risks within the investment business, including those of the management companies, offering those investors who prefer a broader exposure the choice of being with that company.

Investor Sector - Portfolio Performance
(Index composited)



Returns of comparative investment options 2010/11



Sector Review

Plantation Business

The plantation business is gradually taking shape into an integrated player in the global palm oil industry, with adequate economies of scale that enables it to maintain a low cost regime that suits the sensitive nature of the commodity business, while commanding the ability to enter the downstream industry through an inorganic growth strategy in order to secure the more stable and predictable end of the value chain.

We believe this growth strategy is opportune considering the burning questions of food security and low cost nutrition the world is yet facing even a decade after entering the 21st century. We believe that the agri business would always remain a growth sector in the global scenario but would have to be structured with care to manage the inevitable upheavals associated with its price sensitivity and seasonal nature, not to mention the vulnerability to natural disasters.

The plantation sector investments held by Carson Cumberbatch PLC (CCPLC) and The Bukit Darah PLC (BDPLC) were consolidated under Goodhope Asia Holdings Limited, providing a more rational platform for leveraging the financial strengths of the sector to fund expansion plans. As part of the restructure, the acquisition of stakes held by minority shareholders within the plantations sector was carried out. This enabled creation of a consolidated shareholding for Goodhope Asia Limited, and provide it with the ability to expand by leveraging on its combined asset strength..

The offer by CCPLC and BDPLC to minority shareholders of the 4 listed Malaysian plantations companies was concluded successfully with shares to the value of Rs. 2.35 bn being transferred and the minority shareholders will be allocated shares in CCPLC and BDPLC. This would also enhance the long term value creation to the minority shareholders. Similarly, minority shareholders in certain Indonesian plantation companies were unified during the period under review.

Concurrent to this consolidation of assets under GHL, the plantation sector has articulated its strategy for integration and entry into the midstream and downstream segments of the edible oils and fats value chain. GHL has offered to acquire 3 operating subsidiaries of Premium Nutrients Sdn Bhd., a speciality fats manufacturer with operations in Malaysia and India, for a total consideration of USD 36 mn. This acquisition is awaiting regulatory approval.

This acquisition would directly position the GHL group in the value addition segment of the value chain and provide simultaneous access a large market like India. This creates an automatic channel for the current produce of the upstream plantations in Indonesia whilst acting as a tool to mitigate and manage fluctuating commodity prices. The entry into midstream and downstream operations needs to be complemented by supply chain integration, effective logistics support and linkages & alliances with businesses across the value chain.

Expansion of the plantations particularly within Indonesia has slowed down over the last few years due to a combination of factors like scarcity of suitable land, delays in approvals and issues with local communities on overlapping land claims. As a means of overcoming these limitations and ensuring a steady growth in volumes, the plantations sector has opened up operations concurrently at multiple locations, to enable diversion of resources and expedite development at locations with more conducive factors. The restrictions and impediments encountered in Indonesia and the scarcity of land in Malaysia has led to larger players in the industry sourcing new locations in other regions for land banks.

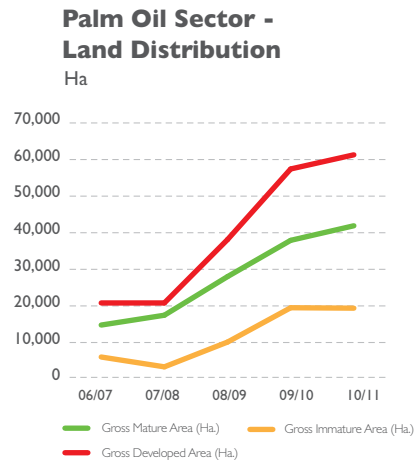
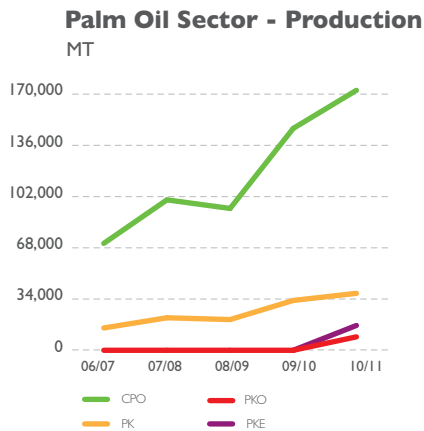
At operational level, increased revenue and profitability was facilitated by enhanced crop production due to favourable factors, higher commodity prices during the year as well as sustained margins. The processing facilities at upstream level have been enhanced commensurate to the increasing extent of maturing plantations.

Plantation companies within the sector are members of the Roundtable on Sustainable Palm Oil (RSPO). The need to manage the environmental impacts from palm oil development is taken seriously. We strictly adhere to the principles and criteria as prescribed by the RSPO. We also work closely with NGOs and other environmental groups in carrying out programs and initiatives towards managing the environmental impact and carbon footprint. Many initiatives are implemented to empower the local communities, facilitating out-grower schemes and community development programs within the plantation locations.



Oil Palm Plantations

The entry into midstream and downstream operations needs to be complemented by supply chain integration, effective logistics support and linkages & alliances with businesses across the value chain.



Sector Review

Leisure Business

The Group's leisure business turned around this year amidst encouraging growth in tourism numbers which translated to higher occupancy. Room rate competition, which was for a long time the retardant for industry profitability, also showed strong recoveries, prompted by the setting of a regulatory minimum of USD 147 for City Hotels. Most major hotel properties were under refurbishment, while those which had done so during the rough years were early beneficiaries of the industry recovery.

Our hotel properties which were consolidated under the Pegasus Hotels listed company enjoyed better occupancies, profitability and room rates. Although not high ROE projects due to the constant refurbishment required to maintain properties in prime condition, the hotel business could be lucrative if one were to consider it from the perspective of growing property values which add on to the cashflow generated by operations. It is therefore a valuable asset one could own in a growing economy that expects predictable growth in tourism in an environment of relative peace and stability.

During the current year both hotel properties will take on capex commitments to upgrade its full complement of rooms to deluxe category. Pegasus Hotel will add on a new speciality restaurant which had been on the cards for sometime. Additional feature enhancement at the Hotels Banquet halls will support the lucrative MICE business for which the Hotel has gained a wide reputation by now.

In the medium to long term, Pegasus Hotel will be working forward to spread its presence to a wider locality within Sri Lanka. To this end Company would be pursuing various options which would require association with joint venture partners whose vision synergises with the Group's plans for this Sector:

The airline business was not yet able to secure on line operations by any of the carriers that it represents, although we do anticipate activity levels to improve with the growth in tourism and business / commercial travel. Here again would be a business where greater collaboration would help us realise its full potential, whilst retaining the business for the value of its flagship branding in the airline industry.

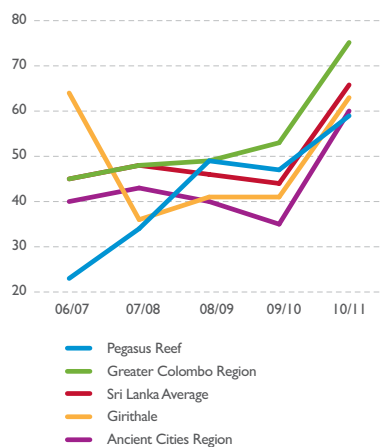
Both the airlines and hotel business we anticipate can become reasonably larger sized players and make a somewhat higher contribution to Group performance in the years ahead.



Leisure

Room rate competition, which was for a long time the retardant for industry profitability, also showed strong recoveries, prompted by the setting of a regulatory minimum of USD 147 for Five Star city hotels.

Hotel Occupancies Compared with National Figures
(%)



Revenue Composition



Sector Review

The valuable property portfolio and land bank owned by the sector, continues to be its greatest strength and its future potential when the real estate markets recovers amidst rapid economic development.

Several challenges we faced by way of road closures and security concerns in one of our most valuable properties, Equity Two at Janadhipathi Mawatha have now been resolved and we record our profound appreciation of the authorities for restoring these valuable properties in the Fort to their rightful place in the real estate market. The re-development of the City in and around Colombo 1 is now gathering pace and it is indeed heartening to see the commercial centre and business district of Colombo regaining its past grandeur. We are encouraged by the government's efforts to restore the old colonial buildings to their former glory, adding dignity to the City centre while encouraging modern developments such as five star hotel and commercial property projects to emerge, thus blending both old and new architectural landscapes into this culturally diverse City.

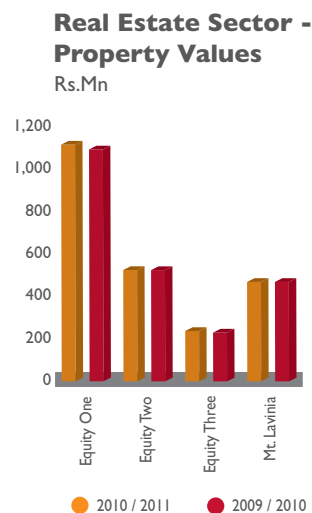
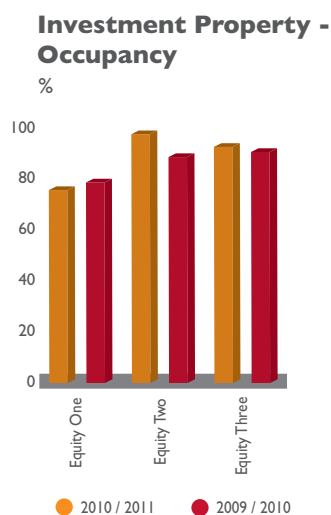
Our view is that the real estate market in the City would respond to growth trends in infrastructure development, tourism, commercial needs and greater foreign investment, coupled with lifestyle changes that demand more shopping and entertainment venues as Colombo becomes more cosmopolitan and diverse. However, this would take some time since it's a gradual process of change and restoration that would transform a City in this manner:

At the same time, we foresee that the suburban and peripheral areas would experience faster development in an emerging economy and hence it is our expectation that this business would leverage its existing strengths and position itself as a diverse property company with stable income and capital appreciation potential. However, the resources, management skills and expertise needed for that would have to be sourced through appropriate strategic alliances and partnerships. We hope to be able to re-align our strategy towards a broad growth path along these lines as and when the real state market matures sufficiently to attract such partners. Until such time, we would have to adopt a strategy of holding our asset base at the lowest possible cost in anticipation of the growth that is forecast. The amalgamation of the property companies carried out this year would help the sector to consolidate itself and minimize costs to some extent. Disposal of non core assets helped in settling of debts which continued to be a priority for the sector management team.



Real Estate

The valuable property portfolio and land bank owned by the sector, continues to be its greatest strength and its future potential when the real estate market recovers amidst rapid economic development.



Group Directorate

OIL PALM PLANTATION

GOODHOPE ASIA HOLDINGS LTD.

Directors:
P.C.P.Tissera, Wong Gang, J. Mathavan, S. Ramasamy (Resigned w.e.f. 15/07/2010)

Alternate Directors:
Tan Wei Shyan (for Wong Gang)

SHALIMAR DEVELOPMENTS SDN. BHD.

Directors:
H. Selvanathan (Chairman)
M. Selvanathan, T.K. Leong (Deceased on 23/03/2011)
D.C.R. Gunawardena
P.C.P.Tissera, S. Ramasamy, (Resigned w.e.f. 15/07/2010)
Ms. T.Y. Chan
Ms. Liew Irene (Appointed w.e.f. 23/03/2011)

Alternate Directors:
P.C.P.Tissera (for H. Selvanathan)
K. Selvanathan (for M. Selvanathan)

PT AGRO INDOMAS

Commissioners:
H. Selvanathan (President Commissioner),
M. Selvanathan, I. Paulraj, Ms. M.Tjandrawinata
W. Unamboowe, M. Ramachandran Nair, T. de Zoysa D.C.R. Gunawardena

Directors:
P.C.P.Tissera (President Director), S. Bastaman, J. Mathavan, S. Ramasamy (Resigned w.e.f. 15/07/2010)
C.S. Pakadang (Appointed w.e.f. 06/09/2010)

SHALIMAR (MALAY) PLC

Directors:
H. Selvanathan (Chairman)
M. Selvanathan, I. Paulraj, D.C.R. Gunawardena, A.K. Sellayah, P.C.P.Tissera, K.C.N. Fernando

SELINSING PLC

Directors:
M. Selvanathan (Chairman)
H. Selvanathan, C.F. Fernando, I. Paulraj, D.C.R. Gunawardena, P.C.P.Tissera

INDO-MALAY PLC

Directors:
H. Selvanathan (Chairman)
M. Selvanathan, I. Paulraj, D.C.R. Gunawardena, P.C.P.Tissera, K.C.N. Fernando

Alternate Director:
S. Mahendrarajah (for I. Paulraj)

GOOD HOPE PLC

Directors:
H. Selvanathan (Chairman)
M. Selvanathan, I. Paulraj, T. Rodrigo, A.K. Sellayah, P.C.P.Tissera, D.C.R. Gunawardena
Alternate Directors:
S. Mahendrarajah (for I. Paulraj)

PT AGRO ASIA PACIFIC

Commissioners:
H. Selvanathan (President Commissioner), M. Selvanathan, D.C.R. Gunawardena

Directors:
P.C.P.Tissera (President Director), S. Ramasamy (Vice President Director) (Resigned w.e.f. 15/07/2010)
J. Mathavan, Kee Tian Joo, (Resigned w.e.f. 21/02/2011)
C. S. Pakadang

PT KARYA MAKMUR SEJAHTERA

Commissioners:
H. Selvanathan (President Commissioner), M. Selvanathan, D.C.R. Gunawardena

Directors:
P.C.P.Tissera (President Director), S. Ramasamy (Vice President Director) (Resigned w.e.f. 15/07/2010), J. Mathavan, C.S. Pakadang

PT AGRO HARAPAN LESTARI

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan (Vice President Commissioner)
I. Paulraj, D.C.R. Gunawardena (Relinquished duties & responsibilities and position as commissioner w.e.f. 15/04/2011)

Directors:
P.C.P.Tissera (President Director)
S. Ramasamy, (Resigned w.e.f. 03/06/2010)
J. Mathavan
Ms. J.M.S. Jayawickrama, K.G.G. de Silva, M.R. Jiffrey
C.A.V.S. Upasena, C.S. Pakadang

AGRO HARAPAN LESTARI SDN. BHD.

Directors:
H. Selvanathan (Chairman)
M. Selvanathan, D.C.R. Gunawardena (Relinquished duties & responsibilities and position as Director w.e.f. 15/04/2010)
S. Ramasamy, (Resigned w.e.f. 15/07/10) P.C.P.Tissera, J. Mathavan, T.Y. Chan, Ms. J.M.S. Jayawickrama, K.G.G. de Silva, M.R. Jiffrey, C.A.V.S. Upasena

Alternate Director:
K. Selvanathan (for M. Selvanathan), S. Selvanathan (for H. Selvanathan)

PT AGRO BUKIT

Commissioners:
H. Selvanathan (President Commissioner)
M. Selvanathan, I. Paulraj, D.C.R. Gunawardena, T. de Zoysa

Directors:
P.C.P.Tissera (President Director)
S. Ramasamy (Vice President Director) (Resigned w.e.f. 15/07/2010)
J. Mathavan, S. Bastaman C.S. Pakadang (Appointed w.e.f. 01/09/2010)

AGRO HARAPAN LESTARI (PRIVATE) LIMITED

H. Selvanathan (Chairman)
P.C.P.Tissera, J. Mathavan, S. Ramasamy (Resigned w.e.f. 15/07/2010)
Ms. J.M.S. Jayawickrama, K.G.G. de Silva, M.R. Jiffrey, C.A.V.S. Upasena

Alternate Director:
S. Selvanathan (for H. Selvanathan)

AHL BUSINESS SOLUTIONS (PRIVATE) LIMITED

H. Selvanathan (Chairman), M. Selvanathan (Resigned w.e.f. 30/04/2010), P.C.P.Tissera, J. Mathavan, Ms. J.M.S. Jayawickrama, K.G.G. de Silva, M.R. Jiffrey

AGRO ASIA PACIFIC LIMITED

H. Selvanathan, M. Selvanathan
P.C.P.Tissera, J. Mathavan Wong Gang

Alternate Director:
Tan Wei Shyan (for Wong Gang)

PT AGRAJAYA BAKTITAMA

Commissioners:
H. Selvanathan (President Commissioner) (Appointed w.e.f. 05/11/2010)
M. Selvanathan (Appointed w.e.f. 05/11/2010)
D.C.R. Gunawardena (Appointed w.e.f. 05/11/2010)
Triadi Retnawan (Resigned w.e.f. 05/11/2010)

Directors:
P.C.P.Tissera (President Director) (Appointed w.e.f. 05/11/2010)
J. Mathavan (Appointed w.e.f. 05/11/2010)
C.S. Pakadang (Appointed w.e.f. 05/11/2010)
Mrs. Widyanti Astuti (Resigned w.e.f. 05/11/2010)

BREWERY**PT RIM CAPITAL****Commissioners:**

H. Selvanathan (President Commissioner)
M. Selvanathan
D.C.R. Gunawardena
S.C.P. Chelliah

Directors:

P.C.P.Tissera (President Director)
S. Ramasamy (Resigned as Vice President w.e.f. 15/07/2010)
J Mathavan
Faizal Mathunni
C.S. Pakadang

PT AGRO WANA LESTARI**Commissioners:**

H. Selvanathan (President Commissioner) (Appointed w.e.f. 11/02/2011)
M. Selvanathan (Appointed w.e.f. 11/02/2011)
D.C.R. Gunawardena (Appointed w.e.f. 11/02/2011)
Triadi Retnawan (Resigned w.e.f. 11/02/2011)

Directors:

P.C.P.Tissera (Appointed President Director w.e.f. 11/02/2011)
J. Mathavan (Appointed w.e.f. 11/02/2011)
C.S. Pakadang (Appointed w.e.f. 11/02/2011)
Mrs. Widyanti Astuti (Resigned w.e.f. 11/02/2011)

PT NABIRE BARU**Commissioners:**

H. Selvanathan (President Commissioner) (Appointed w.e.f. 05/11/2010)
M. Selvanathan (Appointed w.e.f. 05/11/2010)
D.C.R. Gunawardena (Appointed w.e.f. 05/11/2010)
Triadi Retnawan (Resigned w.e.f. 05/11/2010)

Directors:

P.C.P.Tissera (Appointed President Director w.e.f. 05/11/2010)
J. Mathavan (Appointed w.e.f. 05/11/2010)
C.S. Pakadang (Appointed w.e.f. 05/11/2010)
Mrs. Widyanti Astuti (Resigned w.e.f. 05/11/2010)

CEYLON BREWERY PLC**Directors:**

L.C.R. de C. Wijetunge (Chairman)
H. Selvanathan (Deputy Chairman)
M. Selvanathan
S. K. Shah (Chief Executive Officer)
D.C.R. Gunawardena
S. Hansen

Alternate Director:

G. Brockett (for S. Hansen)

LION BREWERY (CEYLON) PLC**Directors:**

L.C.R. de C. Wijetunge (Chairman)
H. Selvanathan (Deputy Chairman)
S. K. Shah (Chief Executive Officer)
D.C.R. Gunawardena,
Dato Voon Loong Chin
D.S.P.N.
C. P. Amerasinghe, C.T. Liyanage
D. R. P. Goonetilleke,
K. Selvanathan
R. E. Bagattini
Ms. S.J.F. Evans (Appointed w.e.f. 01/07/2010)

Alternate Director:

G. Brockett (for R. E. Bagattini)
Y.F. Lew (for Dato V.L. Chin)
D.S.P.N. appointed w.e.f. 01/02/2011)

CBL RETAILERS (PRIVATE) LIMITED**Directors:**

S.K. Shah, C. P. Amerasinghe
D.R.P. Goonetilleke

REAL ESTATE**EQUITY ONE PLC****Directors:**

D.C.R. Gunawardena (Chairman)
S. Nagendra, K.C.N. Fernando,
E.H. Wijenaike, A.P.
Weeratunge, S. Mahendraraja,
P.D.D. Fernando

EQUITY TWO PLC**Directors:**

D.C.R. Gunawardena (Chairman)
K.C.N. Fernando,
A.P. Weeratunge,
E.H. Wijenaike, P.D.D. Fernando

EQUITY THREE (PRIVATE) LIMITED**Directors:**

I. Paulraj, C. F. Fernando,
K. C. N. Fernando

EQUITY SEVEN LIMITED**Directors:**

D.C.R. Gunawardena, K.C.N. Fernando,
A.P. Weeratunge

EQUITY LANDS (PRIVATE) LIMITED**Directors:**

D.C.R. Gunawardena (Chairman)
K.C.N. Fernando
A.P. Weeratunge

LEISURE**PEGASUS HOTELS OF CEYLON PLC****Directors:**

D.C.R. Gunawardena (Chairman)
H. Selvanathan, M. Selvanathan
S. Nagendra, P.M. Withana

Alternate Directors:

K.C.N. Fernando (for M. Selvanathan)

EQUITY HOTELS LIMITED**Directors:**

D.C.R. Gunawardena (Chairman),
P. M. Withana

CARSONS AIRLINE SERVICES (PRIVATE) LIMITED**Directors:**

H. Selvanathan (Chairman)
M. Selvanathan, D.C.R. Gunawardena
Mrs. M.R. Perera

Group Directorate

MANAGEMENT SERVICES

CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED

Directors:

H. Selvanathan (Chairman)
 M. Selvanathan, D.C.R. Gunawardena
 (Relinquished his duties and responsibilities w.e.f. 15/04/2011)
 S.K. Shah, P.C.P.Tissera, K.C.N. Fernando
 Ms. K.D.de Silva, A.P.Weeratunge
 K.Selvanathan

Alternate Director:

P.C.P.Tissera (for H. Selvanathan)

INVESTMENTS

CEYLON GUARDIAN INVESTMENT TRUST PLC

Directors:

I. Paulraj (Chairman)
 D.C.R. Gunawardena,
 A. de Z. Gunasekera
 V.M. Fernando
 Mrs. M.A.R.C. Cooray
 K. Selvanathan (Appointed w.e.f. 16/12/2010)
 C.W. Knight (Appointed w.e.f. 01/01/2011)

CEYLON INVESTMENT PLC

Directors:

I. Paulraj (Chairman),
 D.C.R. Gunawardena,
 A.P.Weeratunge,
 Mrs. M.A.R.C. Cooray
 A.de.Z Gunasekera
 V.M. Fernando
 K. Selvanathan (Appointed w.e.f. 16/12/2010)

RUBBER INVESTMENT TRUST LIMITED

Directors:

I. Paulraj (Chairman)
 D.C.R. Gunawardena
 A.P.Weeratunge (Appointed w.e.f. 24/02/2010)

Alternate Director:

A.P.Weeratunge (for I. Paulraj)
 A.P.Weeratunge (for D.C.R. Gunawardena appointed w.e.f. 18/02/2011)

Guardian Capital Partners PLC

Directors:

I. Paulraj (Chairman),
 S. Mahendrarajah, D.C.R. Gunawardena,

Alternate Director:

S. Mahendrarajah (for I. Paulraj)

WENIWELLA INVESTMENTS LIMITED

Directors:

I. Paulraj (Chairman)
 S. Mahendrarajah

MYLANDS INVESTMENTS LIMITED

Directors:

I. Paulraj (Chairman)
 D.C.R. Gunawardena,
 S. Mahendrarajah

LEECHMAN & COMPANY (PRIVATE) LIMITED

Directors:

H. Selvanathan, M. Selvanathan
 S. Mahendrarajah

GUARDIAN FUND MANAGEMENT LIMITED

Directors:

I. Paulraj (Resigned w.e.f. 19/04/2011)
 D.C.R. Gunawardena,
 (Resigned w.e.f. 15/04/2011)
 Mrs. W.Y.R. Fernando
 Mrs. B.D.N. Jayatillake
 (Appointed w.e.f. 17/01/20011)
 K. Selvanathan (Appointed w.e.f. 19/04/2011)
 A.P.Weeratunge (Appointed w.e.f. 19/04/2011)

BUKIT DARAH PLC

Directors:

H. Selvanathan(Chairman)
 M. Selvanathan, I. Paulraj
 D.C.R. Gunawardena,
 P.C.P.Tissera,
 K.C.N. Fernando

Alternate Director:

K. Selvanathan (for
 M. Selvanathan)

Risk Management

Risk Management

Carson Cumberbatch PLC, is a diversified conglomerate of which the primary business line is "Investment Holding". Carson Group with global operations is exposed to a great variety of risks which are either general in nature or industry/country specific. Management considers qualitative and quantitative methods to evaluate the likelihood and impact of potential events which might affect the achievement of objectives including the failure to capitalise on opportunities.

Enterprise Risk Management (ERM)

Group wide risk management strategy provide reasonable assurance that it proactively identifies and manages events, situations, or circumstances which, if it occurred, would adversely impact the achievement of objectives of each business sector. Comprehensive and benchmarked Procedure Manuals and techniques, together with timely supervision and monitoring of risk management practices by the business managers while discharging their responsibilities and accountability for day-to-day management of business operations provides the first line of defence.

Sectoral Risk registers have been prepared with the participation of sector management teams to identify, grade, and weigh the impact of all risk events which are likely to affect the business goals. This team is supported by the risk officers appointed per sector. The risk officers would confer with the respective management teams and will update the risk registers. Based on the risk appetite of each business sector, risk responses have been designed to mitigate the identified risks through avoidance, reduction, sharing or retention. Relevant action plans to be followed by the management teams in their respective spheres of operation.

Plantation sector

This is the highest revenue contributing sector as well as sector which is subject to variety of risks as it is expanding through different geographical and political segments and fortune is highly dependent on the global commodity prices of palm oil. This sector has adopted structured ERM framework to ensure complete and comprehensive overview and management of risks arise during the course of business operations. Following are the key risks identified by the management;

- Business environment and Strategic risks (Scarcity of suitable lands/ Effect of climate changes/ Environmental regulations)
- Operational and Process risk (Commodity price / Interest rate/ Foreign currency/ Credit/ Liquidity/ Technology risks)
- Fraud risk
- Human resource risk
- Reputation risk

Beverage sector

The Board and Management consider risk assessment and identification of mitigating actions to be vital in achieving objectives of this sector. Risk mentioned below are proactively managed during day to day operations of the Company.

Below risks are proactively managed during day-to-day operations of the company.

- Credit risk
- Legal & Regulatory risk
- Operational risk
- Socio Economic risk
- Human Resource risk
- Information Technology risk

Investment sector

In the light of the financial crisis faced by many financial institutions both locally and internationally in recent times, investment Sector have re-assessed the importance of this function to protect the interests of stakeholders. This sector has built a comprehensive risk management process & structure that focuses on continuous identification and management of following business risks.

- Macro environmental risks (Country/ Currency/ Market risks)
- Portfolio risks (General Securities & Liquidity risks)
- Legal & Regulatory compliance risk
- Operational risks (System & process/ Human risks)

Real Estate

Real Estate sector conscious of the need to manage risks and has identified the following risk profile of the sector. Continuous monitoring and review of these risks are carried out by management

- Business & Operational risk
- Foreign currency risk
- Liquidity and credit risk
- Interest rate risk
- Legal & Regulatory compliance risk

Leisure sector

Risks which affect achievement of Leisure sector objectives are being constantly monitored and evaluated in order to formulate proactive risk responses. Business risk, Legal risk, Market risk, Compliance & Operations risk, Finance & Liquidity risk and Credit risks are the main risks which affect objectives of this sector:

Group Internal Audit (GIA) division, each year meets with the Sector level hierarchy and determines an internal audit scope

Risk Management

for the year based on the chosen key business processes which the management and GIA believes to be most important based on the positioning in the risk grid. This audit plan is approved by the governing Audit Committee. Comprehensive monitoring of selected key processes would throw out deficiencies in either the process itself or how the activities are actually performed. Such findings with suggested improvements are first discussed with the management and then taken for discussion at structured Audit Committee Meetings which are held at the end of each GIA cycle. Agreed mitigating action plans will get in to the next GIA cycle for follow-up whilst any serious matters of concern are escalated upwards to the respective Board of Directors by the Audit Committee.

The Audit Committee of Carson Cumberbatch PLC, which has the jurisdiction over majority of the Group's business sectors, provides assurance to the Board of the parent on the adequacy, efficacy or shortfalls on the internal controls and systems & procedures based on the information escalated from the grass root level.

Company level risk management

As mentioned above, Company's business is investment holding.

Investment risk

Carsons Group businesses span different geographical and market segments. This provides a hedge against positive correlation of business and environmental risks due to the diversity of the nature of the underlying businesses and the market/regulatory sentiments. Seasonal markets are off-set by fixed revenue generating sectors. Effects on highly regulated industries are off-set by industries supported by incentives/concessions.

With the recovery in the local brewery and investments sectors, the skewed dependency on plantation sector investments has eased to a manageable equilibrium.

This risk remains medium to high

Liquidity risk

Company has to maintain cash reserves for new investment opportunities and also to provide any contingent financial support to protect its existing investments in an unforeseen emergency. Adequate unutilized funding lines at best possible interest rates and without tying up collateral, have been negotiated and available for immediate utilization.

This risk is low.

Credit risk

Since Company is not engaged in any direct business transactions, this risk is non-existent.

Currency / Exchange risk

Only impact is from the foreign currency borrowings obtained for optimization of the borrowing costs. However, this risk is hedged against the foreign currency denominated dividend streams from the Group's overseas subsidiaries.

Hence, this risk is minimal.

Operational/ hazard risk

Company has a well compiled Business Continuity Plan and a Disaster Recovery Plan to cover its main operations. These action plans have been tested in trial runs and monitored regularly for breakdowns. System back-ups through data mirroring and off-site back-up location would ensure continuity with least interruption in the event of a major disaster. The ceasing of hostilities also helped to bring down the probability of this risk considerably.

This risk is low.

Legal Risk

Regulatory decisions and changes in the legal and regulatory environment do not have major impact on the affairs of the company.

Hence, this risk is low.

Our People

In our belief our employees are the source and foundation of our development and growth. Their commitment and dedication lead towards the achievement of organisational goals. Thus, development and retention of our workforce is of paramount importance to us and we believe that this is fundamental to our success.

The focus on empowering employees for their fullest potential was strengthened by the company's training and development policies. Employees were provided with international and local training opportunities continuously for the year reviewed. Further, recruitment, performance management and other human resource key result areas functioned in alignment with the company Vision and goals.

With the intention of promoting group camaraderie and togetherness the Carsons X'mas get-together was held on 15th December 2010 in the Jetliner Ship. This event was celebrated with the participation of all the Sri Lankan employees with much enthusiasm and joy.



One of the key concerns of the Company is to appreciate employees for their good work and continued contribution towards the organization, as we believe key employees are most valued resources in the competitive environment of business. As a group-wide program, Company will continue to appreciate all levels of employees in their achievements.

Accordingly, an inaugural felicitation Ceremony was held on 15th February 2011 at the Grand Ballroom - Hilton Colombo to felicitate Mr. Tilak De Zoysa, Chairman, Mr. Manilal Fernando & Mr. Mano Selvanathan, Directors of the group for receiving international recognition and accolades.



Leisure Sector

In order to foster the moral and the togetherness of the employees the hotel management organized a Christmas Celebration where staff members were given gift vouchers and a Christmas party was held for the families of the staff with gifts being distributed to children. The hotel management continued to provide employee services and benefits to the employees throughout the year, inclusive of accommodation at a nominal rate for outstation employees at rented houses and other incentives such as staff uniforms, transportation and free meals during work hours.

Benchmarked performances were appreciated by the management by continuation of "The Best Employee of the Month" rewarding, thus motivating and recognizing high performances for further improvement and initiative.

Plantation Sector

Our employees are an essential part of our operations and their commitment and passion to excel is an integral part of our culture. We believe that these factors combined with the strength of our talent pool are critical in bringing about business success that enables the sector to fulfill our ambitious growth plans. Realizing this, we in turn reward our employees at every possible opportunity by giving them opportunities to grow and prosper to achieve their fullest potential.

Developing the appropriate HR systems to maximize employee potential for future growth of the Group

In line with the changes taking place in the sector, we have put in place suitable systems with regard to job grading, rewarding systems, employee performance management system, succession and career planning, motivation and retention frameworks to enable the smooth conduct of HR activities as the employee base and its calibre continues to grow.

We have also updated the HR policies and standards of business conduct to encompass the new direction that the Group is moving towards.

Our People

Recruiting and building a high calibre management team to drive business plans to create value to all stakeholders.

With the growth in our current business plans and the expected future growth we realize that there is a need for professionals with specific industrial knowledge to be recruited to enhance the knowledge base and competencies available within the Group. We have put in place a comprehensive framework for competency based management. It is within this framework that we launch initiatives under the key result areas of Human Resource Management for value creation to the business.

Retaining and motivating employees while increasing their productivity.

Talent attraction and retention play an important role within the HR framework. We employ individuals with a high degree of ambition and therefore it is equally important to retain them. Thus we significantly place importance on motivating employees and rewarding them appropriately based on their performance levels. We provide opportunities for development by providing opportunities for quality training and development which is aimed at enhancing performance for business success.

When operating in a labour intensive industry, it is important to retain trained and high performing personnel especially those involved in the plantation operations. Towards this, in the year under review we completed the conversion of the first long-house in PT Agro Indomas into a state-of-the-art Training Centre to facilitate all employees in the region of Central Kalimantan to obtain relevant training and development opportunities.

We have determined a "Leadership development model" in association with MDA Associates International – USA, targeted towards institutionalizing the leadership character in the organization and have embarked on developing leadership from senior management to middle management levels in the organization. We place great emphasis in building the leadership competency within the organization that is imperative for our managers in striving towards achievement of the set business plans.

Continuous improvement of welfare measures to enhance the well being of employees

Since most of our plantations are located in remote locations and therefore a greater need for welfare facilities arise here. We have identified and undertaken a diverse range of initiatives to help employees to improve and increase their living standard in these regions. We provide good housing with utilities, support the education of employees' children, provide polyclinic and medical facilities, and promote a healthy work environment with control over spread of epidemics and good sanitary standards. As our Human Resource cadre grows we give much importance to our initiatives to upgrade and sustain the welfare measures on a continuous basis.

Thus our belief is that the quality of life of our staff is of paramount importance in sustaining them as a motivated and satisfied workforce.

Beverage Sector

Our commitment towards our employees will strive to provide a challenging and rewarding organisational climate which will stimulate performance and personal development. Thus our every initiative will be essentially directed towards the achievement of this purpose.

Consolidating the Performance based Reward Schemes

We appreciate and reward all the impetus given by the employee to fuel our way towards the organisational vision and goals, thus, five Reward schemes (Profit Share Incentive Scheme, Productivity Incentive Scheme, Incentive for Quick Wins, Bonus for Special Projects and Reward For Innovations) have been introduced as a critical motivational tool.

Implementation of an integrated & online Human Resource Management System

The Human Resource Division successfully implemented an integrated Human Resource Management System, which provides a comprehensive, effective and efficient way to manage the Employees providing a meaningful and well defined link between all HR activities. As part of HR Administration a fully automated and online system for Personal Information Management and, Time & Attendance and Leave Management was kept in place.

The Core and Technical Competencies for all Designations mapped and incorporated into the online measurement of Technical & Management Competencies which in turn has been integrated to the Training, Development and Succession planning based on Company's short & long term objectives

The pilot has been carried out for online Performance Appraisals (PEAP), where the output of every individual employee's Key Performance Indicators are captured on-line and used annually for measurement of performance. The complete roll out of this has been planned for 2011/2012

Employee Motivation & Employee Welfare

As a part of an Employee Motivation program, English Skills Development program for all staff grades (conducted by British Council & Delmage Language Centre) have been carried out. In addition, the company has extended the program to cater the knowledge gaps of their children by arranging English training programs for them as well.

Safe Environment

Lion Brewery (Ceylon) PLC carried out its first external audits in Feb 2011 in order to identify Employee Safety Standardization gaps. The ultimate objective of the audit is to provide our employees with guaranteed work environment by adhering to OSHAS Standards.

Corporate Social Responsibility

We are part of the community.....

Being a responsible corporate citizen, Carson Cumberbatch PLC sought to integrate itself with the community in which it operates. Our distinctive combination of external community related projects and business systems ensure continued development of the less privileged segments of the community.

Plantation Sector

The nature of plantation operations is such that it interacts with the environment and the society creating a permanent influence and impact. We realize the importance of climate change and ensuring the ability of the future generations to sustain itself. Hence as a plantation business we need to exercise responsibility and care in creating sustainable growth to all its stakeholders.

We have accepted, and subscribe to the principles and criteria (P&C) set out by the Roundtable on Sustainable Palm Oil (RSPO) as a baseline for implementation and management of sustainable practices across our plantation operations. Currently, some of our mature plantations are in the process of securing RSPO certification, while regular audits are also carried out to ensure compliance to these principles across our operating units.

The sustainability function is structured under the following two key areas, with dedicated senior level staff directing our endeavours.

1. Environmental stewardship and management
2. Community and social development

Environmental Stewardship and Management

Safeguarding of the environment and reducing the carbon footprint from our operational activities is an integral part of our business operations. Many initiatives have been put in place to ensure environmentally friendly practices are undertaken by the Company in cooperation with other stakeholders. These are in turn monitored and reviewed on a regular basis for optimal benefits to be gained.

Our commitment is reiterated by one of our plantations - PT Agro Indomas - being chosen for a pilot study and research on carbon footprint calculation by the Indonesian Palm Oil Commission (IPOC) and ICRAF. The MOU for this collaboration was signed in June 2010 and the study is currently in the data processing and reporting phase after completion of the field study.

We ensure that all our plantation development projects are developed in a manner where bio diversity is preserved, and carry out structured assessment of high conservation value

(HCV) areas prior to the commencement of any development work. Regular and planned re-assessments of these areas are undertaken by independent third parties.

Our work with the Orangutan Foundation International (OFI) continues. In the year under review the students of SMP Tunas Agro (the school located in PT Agro Indomas) rescued a captive Orangutan and handed it over to the OFI.

The plantation sector also carries out environmentally friendly practices in the areas of soil conservation, water consumption, waste management, by carefully managing the consumption of energy & non-renewable resources, reducing manufacturing waste, as well as disposing waste in a safe and legal manner: Oil Palm residue is not considered a waste and is being applied in the fields as organic fertilizer.



Social Development

We focus on two core areas of community development - education advancement and socio-economic development. These are based in line with the achievement of the Millennium Development Goals (MDG's)

- where all children universally should have the right to receive and complete their primary education and have access to a good quality education, and
- Eradicating extreme poverty by 2015.

These are further facilitated by the provision of community services such as healthcare and sanitation, infrastructure maintenance and initiatives to preserve socio-cultural values.

To overlook the education advancement program, the plantation sector has created the Agro Harapan Foundation to guide and facilitate the setting-up and operation of education and school facilities in all the plantations. The Foundation supports not only the operation of schools within the plantations, but also

Corporate Social Responsibility

provides facilitation and financial support to public schools in the region. The scope of education services supported by the foundation extend from Kindergartens to High School, facilitating the running of a vocational school and internship program on agronomy and basic mechanics to young adults of employable age. Education seminars and workshops are conducted for teachers to improve their professionalism, while scholarships are given to deserving students.

Our initiatives are aimed to facilitate capacity building, and creating income generating activities that can give optimal benefits to the community. The initiatives range from development of entrepreneurship amongst villagers in areas like inland fisheries and poultry farming, facilitating the development of productive activities for women to start up home-based businesses like sewing, making of handicrafts and vegetable farming, and assisting in the establishment of Cooperatives to mobilize local resources.

The provision of free medical check-ups and services are regularly conducted, which include Tuberculosis (TB) eradication campaign, anti-drug campaigns, raising awareness on healthy and hygienic life-style, eye screening, dental care, promotion of family planning and HIV-AIDS education.

A joint program on eye screenings, provision of eye-glasses and free cataract surgery was carried out together with the Indonesian Ophthalmologist Association in Central Kalimantan with a lead from Standard Chartered Bank in May 2010. The program covered more than 1,500 patients consisting of children and adults from the local communities.

Another joint program on dental and oral health screening was carried out for children between the ages of 3 and 12 years at four of our plantations in Central Kalimantan in Indonesia in March 2011. We were able to provide consultation to 2500 children. This program was held in cooperation with the Dental Faculty and CSR Team of Trisaki University, Jakarta and supported by Pepsodent-Unilever by the provision of free products and distribution of 2500 information packs including toothpaste and tooth brush.

Goodhope Asia Holdings Ltd (plantation sector holding entity) and Carson Cumberbatch PLC donated Rs 60 million (USD 540,000) towards the construction of a transit home (CCC House) for cancer patients at the cancer hospital in Maharagama. This House is being constructed within the premises of the Cancer Hospital on a 56 perch block of state land. This project is aimed at under privileged cancer out-patients and their caregivers away from the Cancer Hospital during their treatment as outpatients. This we believe would enable cancer patients from outstation areas to receive continued treatment and provide a conducive and peaceful environment for treatment.

This project is being spearheaded under the guidance and direction of the CCC Foundation Sri Lanka which is a non-profit charitable organization registered both in Sri Lanka and Australia. The necessary approvals have been obtained by the CCC Foundation from the Ministry of Health, National Cancer Institute and from other Government Institutions for this project. On completion of this project the Project Sponsor will be allowed to appoint a member to the Board of Trustees of the CCC Foundation.

The admission criteria will be determined by the Transit House Management Committee which will consist of members of the Project Sponsors, CCC Foundation, and the National Cancer Hospital Administration.

This project consists of 2 phases. Construction of phase I was completed in September 2010 and utilization of these premises was started in December 2010. The donation by the Carsons' group would be used towards the construction of the second phase of this project. On completion of this Transit Home, 179 cancer outpatients, their caregivers, and support medical staff are expected to be accommodated.



Leisure Sector

Pegasus Reef Hotel, standing align with the group concern to nurture and develop the next generation of the country conducted a CSR project to train school leavers who are interested in obtaining training in different spheres of the hotel industry, this project continued successfully for the second consecutive year. The program commenced in November and would continue for a period of six months. Twelve youth from the area are chosen with the assistance of the Temple and the Church and are trained by the Management staff. Some youth who were engaged in the initial training program were employed by the hotel itself and others were able to procure employment abroad as well as in other leading hotels within the country

The hotel lended its hand towards the needy by organizing a Spectacle Distribution program in association with the Lions Club of Galkissa. The program was held at the Don Bosco Vidyalaya, Palliyawatte. 320 selected low income people from the surrounding areas were tested and spectacles were distributed free of charge

Our Key belief, "true humanity is to help in need" was demonstrated vigorously by hotel providing cooked meals to those who were affected by the floods, in the surrounding areas of the hotel, during the latter part of 2010.

Beverage Sector

Enhancing employability of youth

We have recognized the youth as the future of the country and educating them as a key social responsibility of the corporate sector.

A Youth Training Program in Hambantota has been initiated by the sector with the goodwill of gearing youth in the district with confidence, right work ethics, fundamental skills, and correct attitude in order to gain employment in the upcoming industries in the area which is considered the future economic hub and will be contributing to the national economic development through establishment of new industries.

The first batch consisting of 100 participants, is in progress and the participants will be educated in English, IT and Personal Development for a period of 3 months.

Computer Training for Children

Sector continues to provide computer training for Children from the nearby village. This training is being carried out with the support of the priest of the Buddhist Temple and classes are being conducted in the village temple premises.



Book Distribution for village Children

In keeping with the group's tradition, school books and accessories were distributed among the children of Biyagama South area for the tenth consecutive year. The sector supported 1500 selected students by supplying their annual stationery requirements as per the recommendation of their schools.

Scholarship Scheme for Village Children

Scholarships were awarded to three students who had successfully completed the GCE O/L examination. This will help them through their Advanced Levels and thereafter to see them through University. Academic Achievements and family income levels are taken into consideration when selecting the recipients.



Kelani Temple upkeep

The sector continued maintenance of the immediate garden and the surrounding area of Kelaniya Temple which is more than 10 acres, for yet another consecutive year.

Community Development programs

The sector took over the responsibility of repairing and tiling of the main hall of village temple and a Morgue for the Biyagama Rural Hospital was constructed by the sector at the request of the Medical authorities.

Annual Report of the Board of Directors on the affairs of the Company

Annual Report of the Board of Directors on the affairs of the Company

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Directors on 26th May 2011.

GENERAL

The Directors have pleasure in presenting to the Shareholders their report together with the audited financial statements for the year ended 31st March 2011 of the Carson Cumberbatch PLC, a public limited liability company incorporated in Sri Lanka in 1913.

THE PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company consist of investing in Oil Palm Plantation, Beverage, Investment Holdings, Real Estate and Leisure sectors.

The principal activities of the subsidiaries and associates are set out in the Business Review sections of this Annual Report.

There have been no significant changes in the nature of the activities of the Group and the Company during the financial year under review.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Review on pages 8 to 10 and Sector Reviews on pages 26 to 35 provide an overall assessment of the business performance of the Group and its future developments. These reports together with audited financial statements reflect the state of affairs of the Company and the Group.

The segment-wise contribution to Group Results, Assets and Liabilities are provided in Note 12 to the financial statements on pages 92 to 94.

Revenue

Revenue generated by the company amounted to Rs 746 mn (2010 - Rs. 516 mn), whilst group revenue amounted to Rs 36,348 mn (2010 - Rs. 21,328 mn). Contribution to group revenue from the different business segments is provided in Note 12 to the financial statements.

FINANCIAL STATEMENTS

The financial statements of the Group are prepared in conformity with Sri Lanka Accounting Standards (SLAS); provide information required by the Companies Act No. 7 of 2007 and the Colombo Stock Exchange Listing Requirements. The Company and its subsidiaries are also guided by other recommended best accounting practices.

FINANCIAL RESULTS

The audited results of the Group and of the Company for the financial year ended 31st March 2011 are as follows:

For the year ended 31st March	Group		Company	
	2011 Rs.'000	2010 Rs.'000	2011 Rs.'000	2010 Rs.'000
Profit available for appropriation	12,417,731	9,990,719	6,489,553	5,399,728
From which the following appropriations/ distributions have been made:				
Dividend				
Preference dividend paid				
Class "A"	(3,384)	(20,273)	(3,384)	(20,273)
Class "B"	(17,946)	(35,685)	(17,946)	(35,685)
Ordinary dividend paid				
Interim	-	(48,134)	-	(48,134)
Final - for 2010	(192,536)	(96,268)	(192,536)	(96,268)
	(213,866)	(200,360)	(213,866)	(200,360)
Leaving a balance to be carried forward	12,203,865	9,790,359	6,275,687	5,199,368

INDEPENDENT AUDITOR'S REPORT

The independent Auditor's Report on the Financial Statements is given on page 69 of this Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given in Note 6.

There have been no changes in the accounting policies adopted by the Group during the year under review.

CAPITAL EXPENDITURE

Details of the Group capital expenditure undertaken during the year by each sector are:

For the year ended 31st March	2011 Rs.'000	2010 Rs.'000
Investment Holdings		
Property, plant & equipment	602	178
Intangible assets	-	114
Overseas Plantations		
Property, plant & equipment	3,258,544	1,774,223
Intangible assets	431,376	242,476
Beverage		
Property, plant & equipment	685,990	126,219
Intangible assets	4,288	2,038
Real Estate		
Property, plant & equipment	27,602	13,793
Leisure		
Property, plant & equipment	22,813	3,949
Management Services		
Property, plant & equipment	10,904	762
Intangible assets	-	359
	4,442,119	2,164,111

VALUE OF THE INVESTMENT PORTFOLIO

The market value/valuation of the Group's investment portfolio as at 31st March, 2011, was Rs 47,467 million (2010 - Rs. 17,031 million).

VALUE OF THE INVESTMENT PROPERTIES

The fair value of the group's investment properties as at 31st March 2011 was Rs 1,357 million (2010 - Rs. 1,327 million).

MARKET VALUE OF FREEHOLD PROPERTIES

Certain freehold properties (land and buildings) of the Group have been revalued based on independent professional valuations and written-up in the books of account to conform to market value of such properties. Further, details of such revaluations are given in Note 24 to the financial statements.

DIVIDEND

Subject to the approval of the shareholders at the Annual General Meeting, a First & Final dividend of Rs. 2 per share is recommended by the Directors for the year ended 2011. (2010- Rs. 2 per share) The dividend payable has not been accounted for until it is approved at the forth coming Annual General Meeting. The details of the dividends paid during the year are set out in Note 23 to the financial statements.

SOLVENCY TEST

Taking into account the said distribution, the Directors are satisfied that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the distribution. The Company's Auditors, KPMG Ford, Rhodes, Thornton & Company has issued a Certificate of Solvency confirming the same.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2011 was Rs 1,614,651,929/- consisting of 196,386,914 Ordinary shares, 16,500,000 Class "B" non voting redeemable cumulative preference shares

RESERVES

A summary of the Group's reserves is given below

For the year ended 31st March	Group		Company	
	2011 Rs. '000	2010 Rs. '000	2011 Rs. '000	2010 Rs. '000
Capital Reserve	3,722,540	5,103,286	-	63,802
Revenue Reserve	18,865,752	14,100,830	6,275,687	5199368
Total	22,588,292	19,204,118	6,275,687	5,263,170

Annual Report of the Board of Directors on the affairs of the Company

The movements are shown in the Statements of Changes in Equity given on page 72 to 73 the Annual Report.

GOING CONCERN

Having taken into account the financial position and future prospects the Directors have a reasonable expectation that the Company & its subsidiaries have adequate resources to continue to be in operational existence for the foreseeable future. For this reason the Company and its subsidiaries continue to adopt the going concern basis in preparing the financial statements.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the Balance Sheet date, no circumstances have arisen which required adjustments to or disclosure in the financial statements, other than those disclosed in Note 48 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Redemption of Preference shares

The Company's Non-voting, Cumulative, Redeemable, Preference shares (Class A) were fully redeemed on 30th of September 2010.

Consolidation of Plantation assets to Goodhope Asia Holdings Ltd

Company's subsidiary, Goodhope Asia Holdings Ltd (GHAL), purchased a 70% stake in PT Agro Bukit (PTAB) and 13.33% stake in Shalimar Developments Sdn Bhd (SDSB) from Bukit Darah PLC and a further 20% stake of PTAB from SDSB. With this acquisition, share holder loans due to Bukit Darah and SDSB from PTAB were also transferred to GHAL. Total consideration for the transaction was Rs.6,550.3mn (USD 59.37mn)

Pursuant to the restructuring of the plantation sector of the Carsons group of companies, its subsidiary, Goodhope Asia Holdings Limited (GAHL) consolidated its holding in the Indonesian plantation companies. In the course of the same, GAHL acquired the Investment portfolio and shareholder advances from Rimcapital Holdings Sdn. Bhd. (RHSB) for a consideration of US\$ 28,654,434 against which GAHL allotted 12,512,853 ordinary shares to RHSB.

Pursuant to the aforesaid acquisition of investments from RHSB and the issue of shares by GAHL to RHSB, the present shareholders of GAHL are CCPLC, BDPLC, and RHSB, holding 52.79%, 35.19% and 12.02% respectively of the issued share capital of GAHL.

Mr. Hariharan Selvanathan, who is a director of BDPLC and CCPLC, has declared an equity interest in RHSB.

Voluntary offer to Malaysian plantation Company minority shareholders

Carson Cumberbatch PLC and Bukit Darah PLC (referred to as the Offerors) with GoodHope Asia Holdings Ltd (GAHL) acting in concert, made an offer to the shareholders of the Malaysian Plantation Companies, namely Shalimar (Malay) PLC, Selinsing PLC, Indo Malay PLC and Good Hope PLC (collectively referred to as MPCs) to acquire the minority shareholding of these respective Companies that are currently not held by the Carsons Group. GAHL (a subsidiary of CCPLC & Bukit Darah PLC) presently holds the controlling interests in the said MPCs.

The terms of the offers were such that the Offerors will purchase all of the issued shares of the MPCs, i.e. the minority shareholdings which are not already owned by the Offerors or Goodhope Asia Holdings Ltd. (GAHL). The Offer was made on March 18th 2011 and was closed on April 7th 2011.

Transfer of Equity Hotels Limited

To consolidate the group's leisure sector under one holding company, Carson Cumberbatch PLC transferred its fully owned subsidiary, Equity Hotels Limited to its subsidiary Pegasus Hotels of Ceylon PLC for a consideration of Rs.109.6mn.

Amalgamation of subsidiary companies by Equity One PLC

As per Section 242(1) of the Companies Act No. 07 of 2007 the Company's subsidiary Equity One PLC amalgamated its fully owned subsidiaries, Equity Five Limited, Equity Developers (Pvt) Limited, Equity Property Developers (Pvt) Limited, Equity Nine (Pvt) Limited and Carsons Real Estate Management Services (Private) Limited with Equity One PLC. The amalgamation is effective from 30th November 2010.

Transfer of Guardian Fund Management Limited

Rubber Investment Trust limited transferred 1,045,009 ordinary shares of Guardian Fund Management Limited to Ceylon Guardian Investment Trust PLC which is 99.99% of the issued shares of Guardian Fund Management Limited.

Subdivision of existing shares and issue of new shares through Capitalisation of Reserves

Carson Cumberbatch PLC

Each Ordinary share of the company was subdivided into 2 Ordinary shares. At the conclusion of the sub Division the total number of Ordinary shares increased from 96,268,095 to 192,536,190. The subdivision did not result in an increase in the Stated capital of the Company.

The Company also issued 3,850,724 new Ordinary shares by Capitalising part of the Company's Revenue Reserves and issuing One Ordinary share for Fifty Ordinary Shares held as at the XC date in the proportion of 1:50 based on the number of Ordinary shares after the above sub division.

The consideration for the share issued and credited as fully paid up was Rs. 128/98 per share.

The Total value of Revenue Reserves capitalized for the issue was Rs. 496,396,830/-.

Ceylon Guardian Investment Trust PLC (CGIT)

Each existing Ordinary share of the Company was subdivided in the ratio of 5:1 for ordinary shares and 500:1 for deferred shares.

The Board also recommended to issue and pay up in full new ordinary shares and deferred shares following the above sub-division in the ratio of 1:50 for both ordinary and deferred shares.

A sum of Rs. 280mn was capitalized out of the revenue reserves of the company, for this purpose. The said capitalization resulted in 1,609,739 new fully paid ordinary shares being issued and paying up of the uncalled capital of Rs. 238,556/- on the partly paid deferred shares and the issue of fully paid 108,770 new deferred shares.

After the subdivision and capitalization of reserves the total stated capital of the CGIT PLC is Rs. 953.17mn which consists of 82,096,719 ordinary shares and 5,739,770 fully paid deferred shares

Ceylon Investment PLC

In facilitation of greater liquidity in ordinary shares of the Ceylon Investment PLC, each ordinary share was subdivided into 5 Ordinary shares.

Further, a sum of Rs. 167.4mn was Capitalised out of the revenue reserves of the company by issuing 1,931,664 new ordinary shares in consideration of the sums so capitalized based on the shares held after the subdivision. The capitalization was carried out in the ratio of 1:50.

After the subdivision and capitalization of reserves the total stated capital of the company is Rs.673.5mn which consists of 98,514,874 ordinary shares.

Change of name

The name of Watapota Investments PLC was changed to Guardian Capital Partners PLC on the 21st of January 2011 in accordance with Section 8 of the Companies Act No. 07 of 2007.

Rights issue

Guardian Capital Partners PLC made a Rights Issue of 25,162,800 fully paid new Ordinary shares at a ratio of 75:2

Ordinary shares held as at 18th February 2011 at an issue price of Rs.20/- per share.

The primary purpose of the Rights issue was to raise capital for the company to carry out its planned investment activities. The issue was fully subscribed and Rs.503,256,000/- was raised from the existing shareholders. Accordingly the stated Capital of the Company increased to Rs. 513,655,750/- comprising of 25,833,808 ordinary shares.

Major transactions - Group Subsidiary

Guardian Capital Partners PLC recommended to take up an unlisted investment in 41,600,000 shares of Expo Lanka Holdings Limited which amounted to an investment of Rs.249,600,000/-.

As per Sec. 185 of the Companies At No. 07 of 2007, this transaction amounted to a 'major transaction' and as such the company sought the approval of its shareholders by a special resolution at an Extraordinary general meeting held on 18th February 2011.

Related Party transactions Exceeding 10% of the equity or 05% of the Total Assets of the company.

The transactions carried out by the company with its related parties during the year ended 31st March 2011, did not exceed 10% of the shareholders equity or 05% of the total assets as at 31st March 2011.

CORPORATE GOVERNANCE

Compliance of Corporate Governance rules as per the Listing Rules of the Colombo Stock Exchange (CSE)

The Board of Directors

The following Directors held office as at the balance sheet date and their brief profiles are given on pages 14 to 21 of the Annual Report.

Name of the Director	Executive/ Non-executive/ Independent
Mr.T. de Zoysa (Chairman)	*Non-executive/ Independent
Mr. H. Selvanathan (Deputy Chairman)	Executive
Mr. M. Selvanathan	Executive
Mr. I. Paulraj	**Non-executive/ Independent
Mr. D.C.R. Gunawardena***	Executive
Mr. S.K. Shah	Executive
Mr. P.C.P.Tissera	Executive
Mr.V.P. Malalasekera	Non-executive/ Independent
Mr. M. Mooonesinghe	Non-executive/ Independent
Mr. F. Mohideen	Non-executive/ Independent

Alternate Directors

K.Selvanathan (for M.Selvanathan)

Annual Report of the Board of Directors on the affairs of the Company

* The Board has determined that Mr.T. de Zoysa is an independent, non executive Director in spite of being on the Board for more than 9 years, since he is not directly involved in the management of the Company.

** The Board has determined that Mr. I. Paulraj is an independent, non executive Director in spite of being a director of Bukit Darah PLC that has a significant shareholding in the company and being on the Board for more than 9 years, since he is not directly involved in the management of the Company.

*** Mr. D. C. R. Gunawardena having assumed Non- Executive responsibilities with effect from 15th april 2011, is categorised as a Non-Executive Director:

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Group and the company which reflect a true and fair view of the state of its affairs. The Directors are of the view that the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statements, Significant Accounting Policies and Notes there to appearing on pages 70 to 151 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 & amendments thereto and Listing Rules of the Colombo Stock Exchange. The "Statement of Directors' Responsibility" for Financing Reporting given on page 55 forms an integral part of this Report.

Directors' benefit

Since the end of the previous financial year, none of the directors of the company has received or become entitled to receive any benefit (other the benefit as disclosed in Note 20 (d) to the financial statements) by reason of a contract made by the company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in note 49 to the financial statement.

During and at the end of the financial year, no arrangement subsisted to which the company is a party, with the object or object of enabling directors of the company to acquire benefit by means of the acquisition of shares of the company.

Directors' Meetings Attendance

Twelve (12) Board Meetings were convened during the financial year and the attendance of the Directors were as follows:

Director	Meetings attended	(out of 12)
Mr.T .de Zoysa (Chairman)		8
Mr. H. Selvanathan (Deputy Chairman)		9
Mr. M. Selvanathan		12
Mr. I. Paulraj		8
Mr. D.C.R. Gunawardena		11
Mr. S.K. Shah		10
Mr. P.C.P.Tissera		11
Mr.V.P. Malalasekera		12
Mr. M. Moonesinghe		10
Mr. F. Mohideen		10
Alternate Directors		
K.Selvanathan (for M.S elvanathan)		12

INTERESTS REGISTER

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

All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid.

The relevant details as required by the Companies Act No. 7 of 2007 have been entered in the Interests Register during the year under review.

The Interests Registers is available for inspection as required under the Companies Act.

Directors' Interest in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in Note 49 to these financial statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in Ordinary shares of the Company.

As at 31st March	No of Ordinary Shares	
	2011	2010
T. de Zoysa (Chairman)	-	-
H. Selvanathan (Deputy Chairman)	39,712	19,467
M. Selvanathan	28,197	14,175
I. Paulraj	-	-
D.C.R. Gunawardena	-	-
S. K. Shah	-	-
P.C.P.Tissera	3,213	1,575
V.P.Malalasekera	-	-
M. Moonesinghe	-	-
F. Mohideen	-	-
M. Selvanathan & H. Selvanathan	449,820	220,500
Alternate Directors		
K. Selvanathan (for M. Selvanathan)	-	-

Directors shareholdings in group quoted companies.

As at 31st March	No. of Ordinary Shares	
	2011	2010
SUBSIDIARIES		
Ceylon Guardian Investment Trust PLC		
I. Paulraj	225	50
D.C.R. Gunawardena	225	50
Ceylon Investment PLC		
I. Paulraj	225	50
D.C.R. Gunawardena	225	50
Ceylon Brewery PLC		
H. Selvanathan	690	690
M. Selvanathan	690	690
D.C.R. Gunawardena	15	15
S.K. Shah	2,632	2,632
Lion Brewery (Ceylon) PLC		
H. Selvanathan	1,579	1,579
M. Selvanathan	1,579	1,579
(Resigned w.e.f. 02.09.09)		
D.C.R. Gunawardena	34	34
S.K. Shah	6,017	6,017
Shalimar (Malay) PLC		
H. Selvanathan	150	150
M. Selvanathan	150	150
I. Paulraj	150	150
D.C.R. Gunawardena	1	1

As at 31st March	No. of Ordinary Shares	
	2011	2010
Selinsing PLC		
H. Selvanathan	648	648
M. Selvanathan	648	648
I. Paulraj	75	75
Good Hope PLC		
H. Selvanathan	300	300
M. Selvanathan	300	300
Indo-Malay PLC		
H. Selvanathan	2,192	2,192
M. Selvanathan	3,868	3,868
Equity Two PLC		
K.C.N. Fernando	3,600	3,600
Guardian Capital Partners PLC		
I. Paulraj	200	200
D.C.R. Gunawardena	25	25
Bukit Darah PLC		
H. Selvanathan	150,960	14,800
M. Selvanathan	40,840	4,004
I. Paulraj	1,020	100

Related party Transactions

The Directors have also disclosed the transactions if any, that could be classified as related party transactions in terms of Sri Lanka Accounting Standard 30 (Revised 2005) "Related Party Disclosures" which is adopted in the preparation of the Financial Statements. Those transactions disclosed by the Directors are given in Note 49 to the Financial Statements forming part of the Annual Report of the Board.

Remuneration of Directors

Directors' remuneration in respect of the Company for the financial year ended 31st March 2011 is given in Note 20 to the Financial Statements on page 98.

DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the Inner back cover of the Annual Report.

Annual Report of the Board of Directors on the affairs of the Company

Directors Retire by Rotation

In terms of Articles 72, 73 and 74 of the Articles of Association of the Company Mr. S. K. Shah retires by rotation and being eligible offers himself for re-election.

In terms of Article 72, 73 and 74 of the Articles of Association of the Company Mr. D. C. R. Gunawardena retires by rotation and being eligible, offers himself for re-election.

Remuneration Committee

As per Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange, the Company formed a Remuneration Committee which also functions as the Remuneration Committee for some of its subsidiaries listed on the Colombo Stock Exchange as permitted by the said Rule.

The said Remuneration Committee comprises of the following members -

Remuneration Committee members	Executive/ Non-Executive/Independent
Mr. I. Paulraj -Chairman	Non Executive/ Independent Director
Mr. M. Moonesinghe	Non-Executive/ Independent Director
Mr. H. Selvanathan*	Executive Director
Mr. M. Selvanathan*	Executive director
Mr. D.C.R. Gunawardena**	Executive Director

*Messrs. H. Selvanathan and M. Selvanathan have stepped down as Remuneration Committee members with effect from 15th April 2011

** Mr. D. C. R. Gunawardena having assumed Non-Executive responsibilities with effect from 15th april 2011, is categorised as a Non-Executive Director.

The Committee has formulated a remuneration policy based on market & industry factors and individual performance for all group companies. Aggregated remuneration paid to the Non-Executive Directors of the company is disclosed under Note 20 on page 98 of this Report.

Executive Directors are not compensated for their role on the Board.

Audit Committee

As per the Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange the Audit Committee of the Company comprises the following members.

Audit Committee members	Executive/Non-Executive/ Independent
-------------------------	-----------------------------------------

Mr.V.P. Malalasekera	Non-Executive/ Independent Director
Mr. D.C.R. Gunawardena *	Executive Director
Mr. F.Mohideen	Non-Executive/ Independent Director

* Mr. D. C. R. Gunawaredna having assumed Non- Executive responsibilities with effect from 15th april 2011, is categorised as a Non-Executive Director.

Additionally the undermentioned Expert Advisory members advise on the following sectors.

Mr.T. Rodrigo - Investment/Real Estate/Leisure Sector

Mr. S. Chelliah - Plantation Sector

Mr. R. de Lanerolle - Brewery Sector

The Audit Committee Report is given on page 56 of this Annual Report.

AUDITORS

Company

Company's Auditors during the year under review were Messrs KPMG Ford, Rhodes, Thornton & Company, Chartered Accountants.

A sum of Rs 460,000/- was paid to them by the Company as audit fees for the year ended 31st March 2011 (2010 - Rs. 400,000/-) In addition, they were paid Rs. 703,000/- by the Company as fees for non-audit related services.

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors and authorizing the Directors to fix their remuneration will be proposed at the forth coming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditor, its effectiveness and its relationship with the group, including the scope of audit and non-audit fees paid to the Auditor.

Group

The group works with many firms of Chartered Accountants in Sri Lanka and abroad, namely, KPMG Ford Rhodes Thornton & Co, and Ernst & Young. Details of audit fees are set out in Note 20 of the financial statements.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report.

Auditors' relationship or any interest with the company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the auditors did not have any relationship or any interest with the Company and its subsidiaries that would impair their independence.

Internal control and Risk Management

The ultimate responsibility to establish, monitor and review a group wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the element of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallization of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

The delegation of the effective maintenance of internal controls and risk identification and mitigation is handed down to the respective CFO's within the guidelines of benchmark policies, procedures and authority limits clearly laid down. This team is supported by the risk officers appointed per sector. The risk officers would confer with the respective management teams and will update the risk registers and the relevant action plans to be followed by the management teams in their respective spheres of operation. Group Internal Audit, whose scope of scrutiny is entirely driven by the grading of the risk involved will be monitoring and providing the feedback to the management and the respective Audit Committees.

Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the directors abreast of the health of the company resource base and governance requirements. This allows the Board to have total control of the fulfilment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo.

More detailed description of the Risk management strategies of the Company is given on page 39.

Outstanding Litigation

In the opinion of the Directors and in consultation with the company lawyers, litigations currently pending against the company will not have material impact on the reported financial results of future operations of the company.

Details of litigations pending against the company are given in Note 47 on page 137 of the Annual Report.

STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements.

Compliance with Laws and regulations

The company has at all times ensured that it complied with the applicable laws and regulations including the listing rules of the Colombo Stock Exchange as a listed company. The management officers responsible for compliance, table a report on the compliance at the quarterly meetings of the Audit Committee/ Respective Boards.

HUMAN RESOURCE

The Group continued to invest in Human Capital Development and implement effective Human Resource practices and policies to develop and build an efficient and effective workforce aligned around new business priorities and to ensure that its employees are developing the skills and knowledge required for the future success of the Group.

The number of persons employed by the Group as at 31st March 2011 was 11,672 (31st March 2010 - 6,943). The Company had no employees as at 31st March 2011.

DONATIONS

The Group made donations amounting to Rs. 28 million during the year under review (2010 - Rs. 3 million). Company - Rs 1.05 million (2010- nil)

Annual Report of the Board of Directors on the affairs of the Company

MAJOR SHAREHOLDERS

As at 31st March

	2011		2010	
	No. of Share	%	No. of Share	%
Twenty Major Shareholders - Ordinary Shares (Voting)				
1. Bukit Darah PLC	91,130,510	46.40	44,671,819	46.40
2. Tower Investments (Private) Limited	20,927,425	10.66	10,258,542	10.66
3. Fulcrum (Private) Limited	19,216,310	9.78	9,419,760	9.78
4. Lake View Investments (Private) Limited	17,266,725	8.79	8,464,081	8.79
5. Portelet Limited	14,747,670	7.51	7,229,250	7.51
6. Newgreens Limited	14,747,670	7.51	7,229,250	7.51
7. Thurston Investments Limited	2,641,587	1.35	1,281,133	1.33
8. Ceylon Finance and Securities (Private) Limited	1,605,809	0.82	793,044	0.82
9. The Gilpin Fund Limited	1,432,355	0.73	702,135	0.73
10. Mrs. M.N.C. Pellizzari	939,801	0.48	460,687	0.48
11. Employees Provident Fund	576,300	0.29	-	-
12. Acme Trusts Limited	481,950	0.25	236,250	0.25
13. Mr. M. Selvanathan & Mr. H. Selvanathan	449,820	0.23	220,500	0.23
14. Pershing LLC S/A Averbach Grauson & Co.	424,116	0.22	207,900	0.22
15. Mr. K.C. Vignarajah	410,102	0.21	103,201	0.11
16. Mr. A.W.D. Senanayake	311,338	0.16	152,617	0.16
17. Sisira Investors Limited	298,809	0.15	146,475	0.15
18. Mrs. M.L. De Silva	298,809	0.15	146,475	0.15
19. Mrs. K.J.M. De Silva	249,192	0.13	42,525	0.04
20. Mr. M. Radhakrishnan	231,336	0.12	113,400	0.12
	188,387,634	95.94	91,879,044	95.44
Preference Shares				
Class "A" Redeemable Cumulative Preference Share (Non voting)				
DFCC	-	-	4,375,000	75.00
Bank Of Ceylon	-	-	1,250,000	25.00
	-	-	5,625,000	100.00
Class "B" Redeemable Cumulative Preference Share (Non voting)				
DFCC	16,500,000	100.00	22,000,000	100.00

SHARE INFORMATION

Information relating to earnings, dividends, net assets and market price per share is given on page 59 to 61 of the Annual Report. Information on share trading is given on page 59 of the Annual Report.

EQUITABLE TREATMENT OF SHAREHOLDERS

All shareholders in each category have been treated equitably in accordance with the original Terms of Issue.

ANNUAL REPORT

The Board of Directors approved the Company Financial Statements and the consolidated financial statements together with the reviews which forms a part of the Annual Report on 26th May 2011. The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standard Monitoring Board and the Registrar of Companies within the given time frames.

ANNUAL GENERAL MEETING

The 98th Annual General Meeting of the Company will be held on Thursday, 30th day of June 2011 at 2.30 p.m. at the Taj Samudra Hotel, 'Crystal Room' Upper Floor, No. 25, Galle Face Centre Road, Colombo 3.

The Notice of the Annual General Meeting is on page 160 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)
M. Selvanathan
Director

Colombo
26th May 2011

(Sgd.)
H. Selvanathan
Director

Statement of directors' responsibilities in respect of the consolidated financial statements

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with the companies Act No.7 of 2007 and Sri Lanka Accounting and Auditing standards Act No. 15 of 1995, and required to prepare financial statements for each financial year that present fairly the financial position of the group and the financial performance and cash flows of the group for that period.

In preparing those financial statements, the directors are required to:

- Select suitable Accounting Policies and applied consistently.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosure when compliance with the specific requirements of Sri Lanka Accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance.
- State that the company has complied with Sri Lanka Accounting standards, subject to any material departures disclosed and explained in the consolidated financial statements.
- Make Reasonable and prudent judgments and estimates.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the consolidated financial statements comply with the Companies Act No. 7 of 2007 and Sri Lanka Accounting standards. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The group's business activities, performance, position and risks are set out in the report. The financial position of the group, its cash flows, liquidity position and borrowing facilities are detailed in the notes to the financial statements. The report also includes details of the group's risk mitigation and management. The group has considerable financial resources, and the directors believe that the group is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

By order of the Board

(Sgd.)

K.D. de Silva (Mrs)

Director

Carsons Management Services (Pvt) Ltd
Secretaries

26th May 2011

Audit Committee Report

The Audit Committee of the Company comprises of Three Members, as follows :

Audit Committee members	Executive / Non-Executive/Independent
Mr.V.P.Malalasekera	Non-Executive, Independent
Mr. D.C.R. Gunawardena	Executive*
Mr. F. Mohideen	Non- Executive, Independent

* Mr. D. C. R. Gunawardena having assumed Non-Executive responsibilities with effect from 15th April 2011, is categorised as a Non – Executive Director:

Mr.V.P.Malalasekera is a Non-Executive, Independent Director of the Company and a Non-Executive Director of Ceylon Tobacco Company PLC.

Mr. D.C.R. Gunawardena is a Director of Carson Cumberbatch PLC and in most of its' Group Companies.

Mr. F. Mohideen, a Non-Executive, Independent Director of the Company was the former Deputy Secretary to Treasury and a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

The Audit Committee of the Company being the Parent/ultimate Parent Company of the undermentioned listed companies, functions as the Audit Committee to these companies as allowed by the Listing Rules of the Colombo Stock Exchange.

Investment Sector

Ceylon Guardian Investment Trust PLC

Ceylon Investment PLC

Guardian Capital Partners PLC

(formerly Watapota Investments PLC)

Plantation Sector - Malaysia

Selinsing PLC

Indo-Malay PLC

Good Hope PLC

Shalimar (Malay) PLC

Real Estate Sector

Equity One PLC

Equity Two PLC

Beverage Sector

Lion Brewery (Ceylon) PLC

Ceylon Brewery PLC

Leisure Sector :

Pegasus Hotels of Ceylon PLC

Messrs.Tennyson Rodrigo, Subash Chelliah and Ralph de Lanerolle are Members of the Panel of Expert Advisors to the Audit Committee and advises on the following sectors of the Group :

- Mr.Tennyson Rodrigo, Director of Good Hope PLC and the former Managing Director and Chief Executive of Capital Development and Investment Company PLC and former Chairman of the Audit Committee of Eagle Insurance Company Limited is the Expert Advisor to the Committee in respect of the Real Estate, Hotels and Airlines, Investment Holding & Financial Services and Management Services Sector companies of the Group.
- Mr.Subash Chelliah, a Consultant, the former Vice President of Bumiputera Commerce Bank, Kuala Lumpur, presently known as Commerce International Merchant Bankers Berhad advises on the Plantation Sector Companies of the Group.
- Mr.Ralph de Lanerolle, Managing Director of Mireka Capital (Pvt) Limited advises the Audit Committee in respect of the Brewery Sector companies of the Group.

The Audit Committee of the Company convened Thirteen (13) Meetings during the financial year. Matters pertaining to the Company, as well as the companies coming within the purview of Carson Cumberbatch PLC-Audit Committee were discussed at these Meetings.

The attendance of the Members was as follows:

Meetings attended	(out of Thirteen)
Mr.V.P.Malalasekera	13
Mr. D.C.R. Gunawardena	13
Mr. F. Mohideen	13

The Audit Committee Meetings were also attended by the internal auditors and senior management staff members.

The Committee has also met the external auditors twice during the year, i.e. to discuss the audit scope and to deliberate the draft Financial Report and Accounts of the Company. The draft Financial Report and Accounts were discussed with the external auditors, without the management being present.

The Group Internal Audit (GIA) carried out detailed audits in respect of the Company and companies coming within the purview of Carson Cumberbatch PLC-Audit Committee and the audits were based on the audit plans formulated and approved by the Audit Committee for the financial year.

In accordance with the approved audit plans for 2010/2011, the GIA carried out audits as follows pertaining to the Company and in respect of the following Sectors:

Company

Investment Sector - 05 audits
Property Sector - 01 audit
Leisure Sector - 03 audits
Brewery Sector - 10 audits

The findings and contents of the GIA reports have been discussed with the management and subsequently the audit reports were circulated to the Audit Committee and to the management, facilitating corrective and preventive measures to be taken in a timely manner:

The objectives of the GIA audits were to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective action where necessary.

The internal audit function of the Indonesian Plantations is carried out by the GIA and reported to and discussed at the Audit Committees of the respective companies, domiciled in Indonesia.

The interim financial statements of both, the Company and of the companies coming within the purview of the Audit Committee of Carson Cumberbatch PLC have been reviewed at meetings of the Audit Committee. The draft financial statements for the year ended 31st March 2011 pertaining to the Company and of the companies coming within the purview of the Audit Committee of Carson Cumberbatch PLC were also reviewed at meetings of the Audit Committee, together with the External Auditors, Messrs. KPMG Ford, Rhodes, Thornton & Company and Ernst & Young (pertaining to Plantation Companies), prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required, by the Managers/ Chief Executive Officer and Head of Finance/Director-Finance of the respective companies that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

The Audit Committee has determined that Messrs. KPMG Ford, Rhodes, Thornton & Company, Auditors of the Company

are independent on the basis that they do not carry out any management related functions of the Company.

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG Ford, Rhodes, Thornton & Company as Auditors of the Company for the financial year ending 31st March 2012, subject to the approval of the shareholders at the Annual General Meeting.

Audit Committee's Reporting Structure

Equity Seven Limited, Equity Hotels Limited, Rubber Investment Trust Limited, Mylands Investments Limited, Weniwella Investments Limited, Guardian Fund Management Limited, Carsons Airline Services (Private) Limited, Carsons Management Services (Private) Limited, Equity Three (Private) Limited, Equity Lands (Private) Limited, CBL Retailers (Private) Limited, Leechman & Company (Private) Limited, Ran Sahal (Private) Limited and The Sri Lanka Fund have not formed their own Audit Committees, but audit aspects were covered under the direct jurisdiction of Carson Cumberbatch PLC - Audit Committee.

The audit aspects of Equity Five Limited, Equity Nine (Private) Limited, Equity Developers (Private) Limited, Equity Property Developers (Private) Limited and Carsons Real Estate Management Services (Private) Limited were covered under the direct jurisdiction of Carson Cumberbatch PLC - Audit Committee up to 30th November 2010 as these companies were amalgamated with Equity One PLC as per Section 242(1) of the Companies Act No. 7 of 2007.

As per the Audit Committee Charter, the main purpose of the Audit Committee is to assist the Board of Directors of the Company and of the companies coming within the purview of the Audit Committee of Carson Cumberbatch PLC, in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the process for monitoring compliance with Company policies and procedures, laws and regulations and the code of conduct and the identification of and management of risks that would impact on the Company/Group's business objectives.

(Sgd.)

V.P. Malalasekera

Chairman - Audit Committee
Carson Cumberbatch PLC

26th May 2011

Shareholder Returns Statement

Chart 1 CARS vs ASPI Return

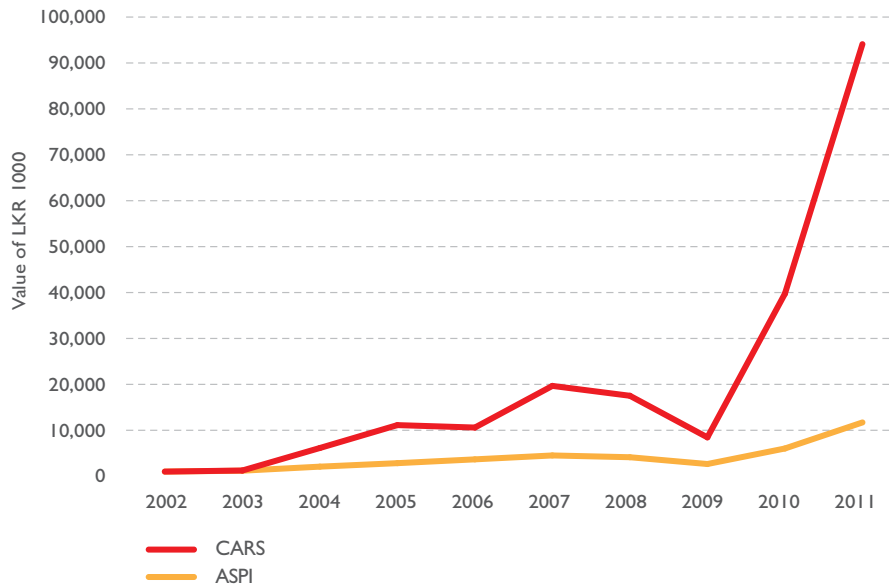
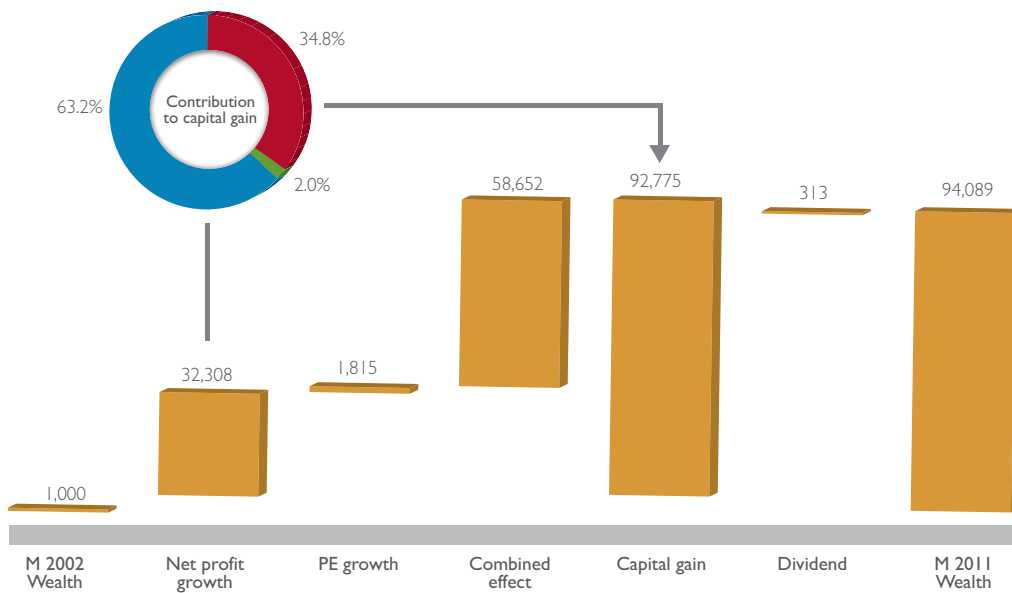


Chart 2 Contribution to wealth growth



Carson Cumberbatch PLC generated a total share holder return (TSR) of 137.3% vs 95.3% of the CSE which captures the average return generated by all listed companies. Over the past 10 years the Company has generated an average TSR of 65.7% vs. 31.4% of the market, outperforming it by 2.1 times (chart 1).

A shareholder who invested Rs. 1,000 in the share in 2002 would have accumulated a wealth of Rs. 94,089 as shown in chart 2, with the bulk (99.7%) coming in the form of capital gains. Capital gains in the stock was primarily driven by net profit growth (34.8%), which recorded an average growth of 46.7% over the 10 years and the combined impact of net profit and PE growth (63.2%). The PE ratio recorded a marginal growth of 12.2% over the same period.

Information to Shareholders & Investors

1 STOCK EXCHANGE LISTING

Carson Cumberbatch PLC is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka. (CSE)

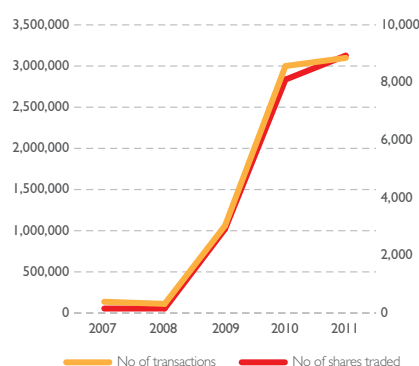
2 MARKET CAPITALISATION AND MARKET PRICE

Market Capitalization of the Company's share, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs 124,665 Mn as at 31st March 2011. (Rs. 52,611 Mn as at 31st March 2010)

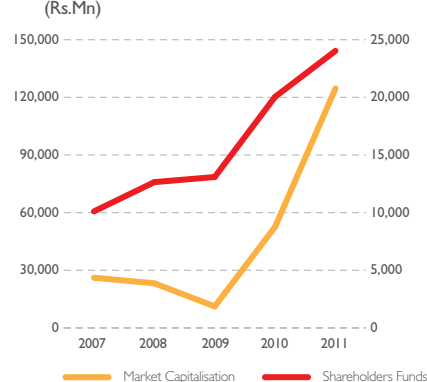
The Information on Market prices are set out below :

	2011	Q4	Q3	Q2	Q1	2010
Share Information						
Highest price (Rs.)	1,230	779.90	1,230	1,150	595	595
Lowest price (Rs.)	470	511.50	470	490	530	116
As at periods end (Rs.)	634.80	634.8	513	992.40	545	547
Trading Statistics						
No of transactions	8,854	3,359	2,275	2,446	774	8,571
No of shares traded	3,127,600	1,216,400	763,900	738,900	408,400	2,835,500
Value of all shares Traded (Rs. Mn)	2,283	782.0	722.7	551.0	227.8	997.1
Market Capitalization (Rs. Mn)	124,665	124,665	100,785	95,536	52,466	52,611
Enterprise Value (Rs. Mn)	162,017	162,017	138,416	130,263	66,833	65,879

Share Trading
(Rs.Mn)



Shareholders fund & Market Capitalisation
(Rs.Mn)



3 SHAREHOLDER BASE

The total number of shareholders as at 31st March 2011 was 2,740 compared to the 2,279 as at 31st March 2010.

4 DISTRIBUTION AND COMPOSITION OF SHAREHOLDERS

Distribution of Shares	Resident			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1 - 1,000	2,093	405,652	0.21	24	9,028	0.01	2,117	414,680	0.21
1,001 - 10,000	415	1,280,025	0.65	22	97,303	0.05	437	1,377,328	0.70
10,001 - 100,000	138	3,996,373	2.04	18	650,498	0.33	156	4,646,871	2.37
100,001 - 1,000,000	16	4,220,882	2.15	5	2,011,092	1.02	21	6,231,974	3.17
Above 1,000,000	5	150,146,779	76.45	4	33,569,282	17.09	9	183,716,061	93.55
Grand Total	2,667	160,049,711	81.50	73	36,337,203	18.50	2,740	196,386,914	100.00

Information to Shareholders & Investors

5 COMPOSITION OF SHAREHOLDERS

Ordinary Shares	31st March, 2011			31st March, 2010		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	2,542	8,597,131	4.38	2,148	4,352,039	4.52
Institutions	198	187,789,783	95.62	131	91,916,056	95.48
Total	2,740	196,386,914	100.00	2,279	96,268,095	100.00
Residents	2,667	160,049,711	81.50	2,224	78,512,355	81.56
Non Residents	73	36,337,203	18.50	55	17,755,740	18.44
Total	2,740	196,386,914	100.00	2,279	96,268,095	100.00

Percentage of ordinary shares held by the public as at 31st March, 2011 was 23.28%.

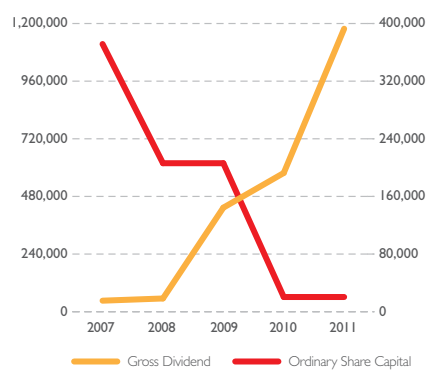
6 KEY RATIOS

	2011	2010
EPS	23.42	16.45
Dividend Payout Ratio (%)	8.54	12.16
Price to Book (times)	5.19	5.35

Net Assets per Share & Closing Price per Share (Rs.)



Gross dividend and Ordinary share capital (Rs.)



7 INFORMATION ON DIVIDENDS

The details of the dividends paid are as follows:

For the year ended 31st March
Ordinary Shares

	2011		2010	
	Per share Rs.	Amount Rs.'000	Per share Rs.	Amount Rs.'000
First interim Dividend - for 2010	-	-	0.50	48,134
Final dividend - for 2010	2.00	192,536	1.00	96,268
	2.00	192,536	1.50	144,402
Non-Voting Redeemable Preference Shares				
Annual - Class A	0.60	3,384	1.42	20,273
- Class B	0.99	17,946	1.52	35,685
	1.59	21,330	2.94	55,958
The details of the proposed dividends are as follows:				
Ordinary Shares	2.00	392,774	2.00	192,536
	2.00	392,774	2.00	192,536

8 SHAREHOLDER INFORMATION

The issued ordinary shares of the Company are listed on the Colombo Stock Exchange. Stock Exchange ticker symbol for the Carson Cumberbatch PLC shares : CARS.N0000

9 DIVIDENDS SINCE

Year ended 31st March	DPS (Rs.)	Dividends(Rs.'000)
2007	2.50	15,281
2008	3.00	18,337
2009	1.50	144,402
2010	2.00	192,536
2011 Proposed (subject to shareholders approvals)	2.00	392,774

10 ORDINARY SHARES IN ISSUE

Year ended 31st March	Number of Shares
2007	6,112,260
2008	6,112,260
2009	96,268,095
2010	96,268,095
2011	196,386,914

11 HISTORY OF SCRIP ISSUES

Year ended 31st March	Issue	Basis	Number of Shares	Ex-date
2006	Bonus	5:1	5,093,550	6-Jul-05
2009	Sub-division	15:1	85,571,640	31-Jul-08
	Capitalisation	1:20	4,584,195	31-Jul-08
2011	Sub-division	2:1	192,536,190	21-Dec-10
	Capitalisation	1:50	3,850,724	24-Dec-10

12 INFORMATION ON MOVEMENT IN NO OF SHARES

Financial Year	Issue	Basis	No of Shares issued	No. of Shares		
				Cumulative Ordinary	Redeemable Preference	
2005/06	Bonus Issue	5 for 1	5,093,550	6,112,260	22,500,000	(Class A)
2008/09	Sub-division	15 for 1	85,571,640	91,683,900	22,500,000	(Class A)
	Capitalisation	1 for 20	4,584,195	96,268,095	22,500,000	(Class A)
	Issue of Cumulative Redeemable Preference Share -(Class B)		27,500,000	96,268,095	22,500,000	(Class A)
					27,500,000	(Class B)
	Redemption of Cumulative Redeemable Preference Share -(Class A)		(5,625,000)	96,268,095	16,875,000	(Class A)
	31st March 2009				27,500,000	(Class B)
2009/10	Redemption of Cumulative Redeemable Preference Share -(Class B)		(5,500,000)	96,268,095	16,875,000	(Class A)
	30th June 2009				22,000,000	(Class B)
	Redemption of Cumulative Redeemable Preference Share -(Class A)		(5,625,000)	96,268,095	11,250,000	(Class A)
	30th September 2009				22,000,000	(Class B)
	Redemption of Cumulative Redeemable Preference Share -(Class A)		(5,625,000)	96,268,095	5,625,000	(Class A)
	31st March 2010				22,000,000	(Class B)
2010/11	Sub-division	2 for 1	96,268,095	192,536,190	22,000,000	(Class B)
	Capitalisation	1 for 50	3,850,724	196,386,914	22,000,000	(Class B)
	Redeemable Preference Share -(Class B)		(5,500,000)	196,386,914	16,500,000	(Class B)
	31st December 2010					

Value of Real Estate & Properties

The values of land & buildings owned and leased by companies within the Group and which have been revalued by qualified valuers are indicated below together with the last date of valuation:

Company	Location (in acres)	Extent Value Rs. '000	Land & Building		Date of
			Market Value Rs. '000	Book last Valuation	
Equity One PLC.	Colombo 7	0.60	657,000	657,000	31-Mar-11
Equity One PLC	Colombo 2	1.36	461,979	461,979	31-Mar-11
Equity One PLC	Mount - Lavinia	6.00	470,000	470,000	31-Mar-11
Equity One PLC	Mirihana	0.37	32,925	32,925	31-Mar-11
Equity Two PLC	Colombo 1	0.54	526,200	526,200	31-Mar-11
Equity Three (Private) Limited	Colombo 13	0.51	238,000	238,000	31-Mar-11
		9.38	2,386,104	2,386,104	
PT Agro Indomas * ** ***	Indonesia	66,060	15,358,977	2,852,607	31-Mar-11
PT Agro Bukit * ** ***	Indonesia	67,298	12,509,870	3,873,998	31-Mar-11
PT Karya					
Makmur Sejahtera * ** ***	Indonesia	26,854	2,520,234	768,357	31-Mar-11
PT Agro wana lastari * ** ***	Indonesia	40,617	3,150,514	1,072,700	31-Mar-11
PT Agro jaya Baktitama * ** ***	Indonesia	27,612	537,549	121,892	31-Mar-11
PT Rim * ** ***	Indonesia	9,715	1,465,041	310,362	31-Mar-11
Good Hope PLC	Malaysia	771	1,154,303	948,360	31-Mar-11
Selinsing PLC	Malaysia	1,218	1,648,212	1,409,045	31-Mar-11
Shalimar (Malay) PLC	Malaysia	756	1,497,741	1,338,395	31-Mar-11
Indo-Malay PLC	Malaysia	724	1,165,320	1,049,215	31-Mar-11
		241,625	41,007,761	13,744,930	
Ceylon Brewery PLC	Nuwara-Eliya	15.55	123,806	123,806	31-Mar-11
Lion Brewery (Ceylon) PLC	Biyagama	17.63	1,635,656	1,635,656	31-Mar-11
		33.18	1,759,462	1,759,462	
Pegasus Hotels of Ceylon Ltd.	Wattala	12.369	836,327	836,327	31-Mar-11
Equity Hotels Ltd. **	Giritale	14.91	18,096	18,096	31-Mar-11
		27.279	854,423	854,423	
Total value		241,694.84	46,007,756	18,744,919	

There has been no permanent reduction in the value of land & buildings which may require provision.

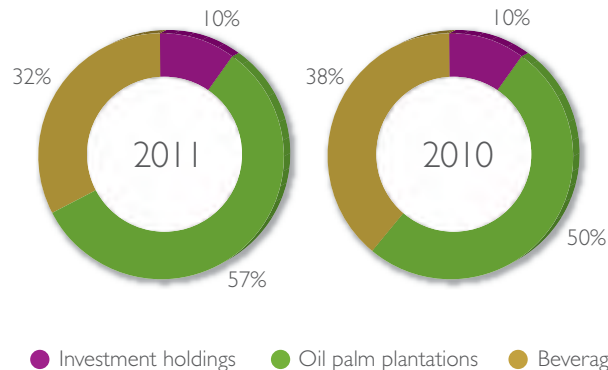
* These valuations have not been incorporated in the books of account.

** Leasehold property.

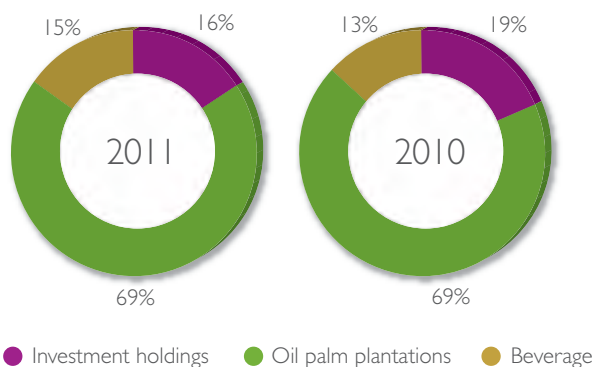
*** Includes all Leasehold property and biological assets.

Carsons Group Sectoral Graphical Review

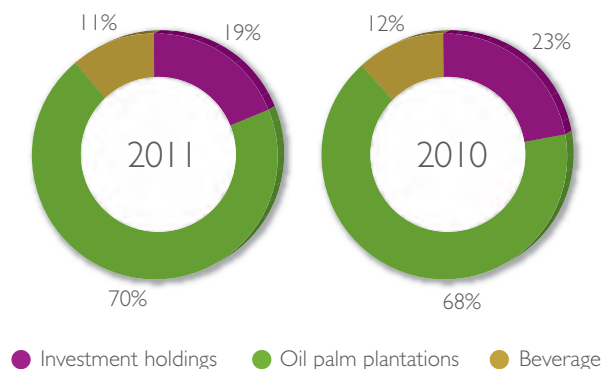
Revenue



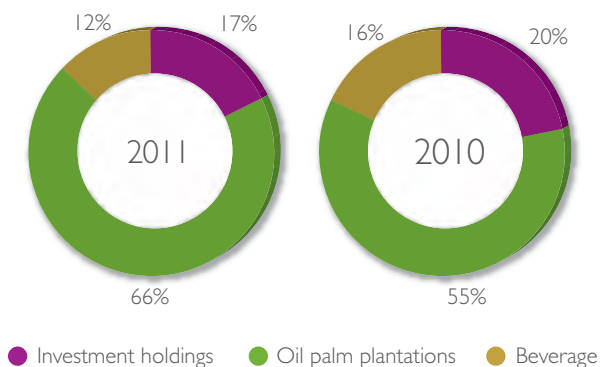
Profit from Operation



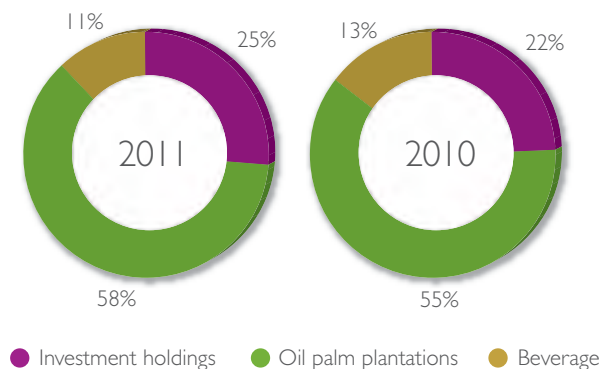
Net Profit for the Year



Assets



Net Assets



world **class** value
Financial Reports

Financial Calendar

Financial Year End	-	31st March 2011
Announcement of Results		
1st Quarter	-	28th July 2010
2nd Quarter	-	12th November 2010
3rd Quarter	-	14th February 2011
Notice of Annual General Meeting	-	26th May 2011
98th Annual General Meeting	-	30th June 2011

Group Quarterly Results - Income Statement

(Amounts expressed in Sri Lankan Rs. '000)

	Ist Quarter	%	2nd Quarter	%	3rd Quarter	%	4th Quarter	%	FY 2011	%
Revenue	6,996,069	19	7,987,361	22	9,966,514	27	11,398,518	31	36,348,462	100
Segment results	2,706,890	22	2,757,157	22	3,152,024	25	3,862,514	31	12,478,585	100
Finance expenses	(117,190)	17	(290,284)	42	(198,208)	29	(82,512)	12	(688,194)	100
Foreign exchange gain/(loss)	(3,454)	(1)	243,208	47	(96,358)	(19)	372,766	72	516,162	100
Share of net results of associates	(10,250)	77	10,660	(80)	(4,788)	36	(8,892)	67	(13,270)	100
Profit before taxation	2,575,996	21	2,720,741	22	2,852,670	23	4,143,876	34	12,293,283	100
Income tax expenses	(527,441)	21	(404,653)	16	(726,650)	28	(910,485)	35	(2,569,229)	100
Profit for the period	2,048,555	21	2,316,088	24	2,126,020	22	3,233,391	34	9,724,054	100
Profit attributable to										
Equity holders of parent	1,186,934	29	779,140	17	906,834	20	1,747,414	38	4,620,322	100
Minority Shareholders	861,621	17	1,536,948	30	1,219,186	24	1,485,977	29	5,103,732	100
	2,048,555	21	2,316,088	24	2,126,020	22	3,233,391	34	9,724,054	100
Earnings per share Rs.	6.00		3.94		4.60		8.90		23.42	
Net assets per share Rs.	110.56		106.13		103.21		122.40		122.40	
Market value per share Rs.	545.00		992.40		513.20		634.80		634.80	
Operating profit on segmental basis										
Investment holdings	527,170	27	892,760	46	7,602	-	523,658	27	1,951,190	100
Oil palm plantations	1,702,313	20	1,512,471	18	2,517,373	29	2,857,735	33	8,589,892	100
Beverages	465,657	25	346,520	19	597,890	32	444,079	24	1,854,146	100
Real estate	7,948	86	384	4	9,390	101	(8,453)	(91)	9,269	100
Hotels	10,657	14	18,956	24	23,951	31	24,887	32	78,451	100
Airlines	(941)	29	(10)	-	(890)	28	(1,365)	43	(3,206)	100
Management services	(5,914)	19	(13,924)	44	(3,292)	10	(8,276)	26	(31,406)	100
Segment operating profit	2,706,890	22	2,757,157	22	3,152,024	25	3,832,265	31	12,448,337	100
Change in fair value of investment properties	-	-	-	-	-	-	30,248	100	30,248	100
	2,706,890	-	2,757,157	-	3,152,024	-	3,862,513	-	12,478,585	-

Group Quarterly Results - Balance Sheet

(Amounts expressed in Sri Lankan Rs. '000)

	1st Quarter	2nd Quarter	3rd Quarter	FY 2011
Assets				
Non - Current Assets				
Property, Plant & Equipments	21,726,389	35,959,818	38,017,563	44,187,992
Investments	10,210,415	14,740,033	13,648,297	13,978,446
Other Assets	356,645	797,320	834,713	586,326
Total non current assets	32,293,449	51,497,171	52,500,573	58,752,764
Current Assets				
Inventories	2,642,408	3,659,875	4,461,948	4,331,179
Trade and other receivables	6,560,832	6,354,472	6,634,737	4,820,998
Short - term investments	858,246	1,329,570	1,165,108	1,202,224
Cash and cash equivalents	1,601,445	1,730,231	1,146,523	11,054,746
Total current assets	11,662,931	13,074,148	13,408,316	21,409,147
Total assets	43,956,380	64,571,319	65,908,889	80,161,911
Liabilities				
Non - Current Liabilities				
Long - term borrowings	3,497,472	9,894,938	10,560,155	18,814,549
Trade and other payables	872,074	1,128,493	1,022,003	1,107,145
Deferred tax liabilities	1,097,253	1,496,203	1,653,729	1,705,346
Total non current liabilities	5,466,799	12,519,634	13,235,887	21,627,040
Current Liabilities				
Trade and other payables	4,787,204	4,425,991	3,964,583	4,740,249
Short - term borrowings	1,515,904	4,905,837	4,617,303	4,525,711
Total current liabilities	6,303,108	9,331,828	8,581,886	9,265,960
Total Liabilities	11,769,907	21,851,462	21,817,773	30,893,000
Net Assets	32,186,473	42,719,857	44,091,116	49,268,909
Equity				
Shareholders funds	21,933,304	21,063,425	20,490,531	24,202,944
Minority Interest	10,253,169	21,656,432	23,600,585	25,065,965
Total Equity	32,186,473	42,719,857	44,091,116	49,268,909

Growth in the Balance sheet over the previous year end (%)

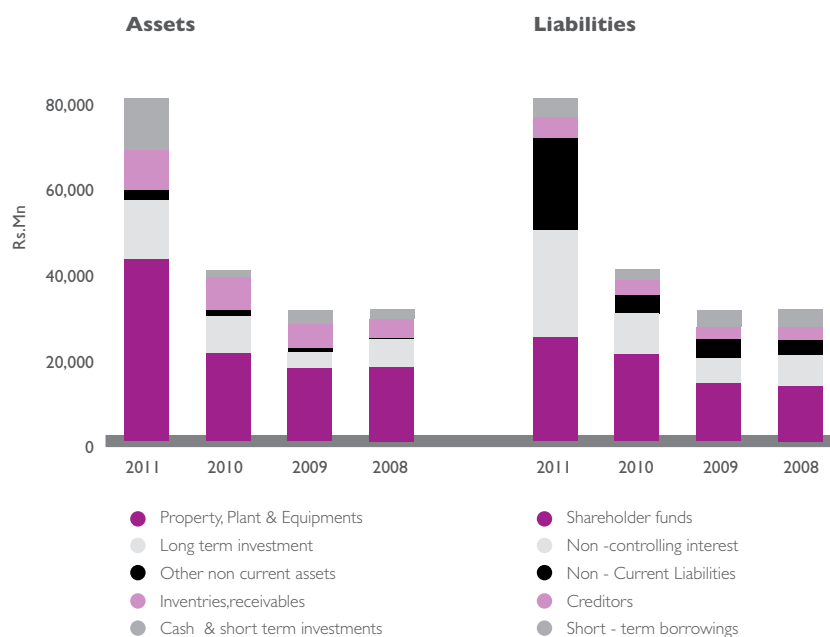
33%

60%

56%

66%

Group Balance Sheet Structure



Independent Auditors' Report



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

Tel : +94 - 11 242 6426
+94 - 11 542 6426
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+94 - 11 254 1249
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Internet : www.lk.kpmg.com

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARSON CUMBERBATCH PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Carson Cumberbatch PLC (the "Company"), and the consolidated financial statements of the Company and its subsidiaries as at March 31 2011 which comprise the balance sheet as at March 31, 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 70 to 151 of this annual report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal 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.

Scope of Audit and Basis of Opinion

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2011 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2011 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at March 31, 2011 and the profit and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

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

CHARTERED ACCOUNTANTS

26th May 2011

Colombo, Sri Lanka

KPMG Ford, Rhodes, Thornton & Co., a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

A.N. Fernando FCA
P.Y.S. Perera FCA
W.W.J.C. Perera FCA
W.K.D.C. Abeyaratne ACA

M.R. Mihular FCA
C.P. Jayatilake FCA
Ms. S. Joseph FCA
S.T.D.L. Perera FCA

Ms. M. P. Perera FCA
T.J.S. Rajakarier FCA
Ms. S.M.B. Jayasekara ACA
G.A.U. Karunaratne ACA

Principals - S.R.I. Perera ACMA, LLB, Attorney-at-Law, H.S. Goonewardene ACA

Income Statement

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Note	Group			Company		
		2011	2010	Change %	2011	2010	Change %
Revenue	12	36,348,462	21,327,821	70	746,090	516,057	45
Direct operating expenses		(18,135,264)	(10,350,648)	75	-	-	-
		18,213,198	10,977,173	66	746,090	516,057	45
Gain/(loss) on disposal of non current investments							
/shares re - purchase	13	22,343	(624)	(3,681)	1,180,034	708,729	67
Change in fair value of investment properties	26	30,248	2,738	1,005	-	-	-
Other income	14	218,804	27,633	692	-	-	-
Distribution expenses		(3,145,890)	(1,759,435)	79	-	-	-
Administrative expenses		(4,100,957)	(2,777,625)	48	(33,394)	(83,159)	(60)
Other operating expenses	15	(152,997)	(203,919)	(25)	-	-	-
Impairment of business assets	16	(2,888)	(10,920)	(74)	-	(216,625)	(100)
Net realized gain on sale of investment		798,153	679,713	17	-	-	-
Mark to market value adjustments - Unrealised		598,571	302,266	98	17,685	7,682	130
Finance expenses	17	(688,194)	(530,376)	30	(80,308)	(155,637)	(48)
Foreign exchange gain	18	516,162	39,068	1,221	3,923	-	100
Share of net results of associates	19	(13,270)	133,715	(110)	-	-	-
Profit before Income tax	20	12,293,283	6,879,407	79	1,834,030	777,047	136
Income tax expenses							
Current taxation	21	(2,286,975)	(1,451,769)	58	-	(4,572)	(100)
Deferred taxation	21	(282,254)	17,717	(1,693)	-	-	-
		(2,569,229)	(1,434,052)	79	-	(4,572)	(100)
Profit for the year	12	9,724,054	5,445,355	79	1,834,030	772,475	137
Profit Attributable to:							
Owners of the Company	12	4,620,322	3,286,911	41	1,834,030	772,475	137
Non controlling interest	12	5,103,732	2,158,444	136	-	-	-
		9,724,054	5,445,355	79	1,834,030	772,475	137
Earnings per ordinary share (Rs.)	22	23.42	16.45	42	3.22	0.04	8,024
Dividend per ordinary share* (Rs.)	23	2.00	2.00	-	2.00	2.00	-

The Notes from pages 76 to 151 form an integral part of these financial statements.

Figures in brackets indicate deductions.

*Based on proposed dividend.

Balance Sheet

(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Note	Group		Company	
		2011	2010	2011	2010
ASSETS					
Non - Current Assets					
Property, Plant & Equipments	24	39,426,054	18,868,349	-	-
Prepaid lease payment for Land	25	1,631,213	355,603	-	-
Investment properties	26	1,356,979	1,326,731	-	-
Intangible assets	27	1,773,746	786,466	-	-
Investments in subsidiaries	28	-	-	7,970,031	7,120,916
Investments in associates	28	436,174	657,209	10,406	12,275
Long - term investments	29	13,542,272	7,973,037	-	-
Land compensation receivable	30	189,463	189,463	-	-
Asset held-for-sale	31	-	168,000	-	-
Deferred tax assets	21	396,863	116,341	-	-
Amounts due from related companies	34	-	-	839,385	609,317
Total non - current assets		58,752,764	30,441,199	8,819,822	7,742,508
Current Assets					
Inventories	32	4,331,179	2,633,186	-	-
Trade and other receivables	33	4,667,097	4,534,057	870	2,535
Current tax recoverable		103,851	55,479	16,596	13,052
Amounts due from related companies	34	50,050	523,238	50,050	-
Short - term investments	35	1,202,224	670,509	38,235	18,679
Cash and cash equivalents	36	11,054,746	1,150,882	90,900	55,902
Total current assets		21,409,147	9,567,351	196,651	90,168
Total assets		80,161,911	40,008,550	9,016,473	7,832,676
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	37	1,614,652	1,118,255	1,614,652	1,118,255
Capital reserves	38	3,722,540	5,103,286	-	63,802
Revenue reserves	39	18,865,752	14,100,830	6,275,687	5,199,368
Equity attributable to owners of the company		24,202,944	20,322,371	7,890,339	6,381,425
Non -controlling interest		25,065,965	9,429,378	-	-
Total equity		49,268,909	29,751,749	7,890,339	6,381,425
LIABILITIES					
Non - Current Liabilities					
Long - term borrowings	40	18,814,549	2,413,563	129,600	266,000
Trade and other payables	41	773,052	651,168	-	-
Retirement benefit obligations	42	334,093	200,392	-	-
Deferred tax liabilities	21	1,705,346	1,093,693	-	-
Total non - current liabilities		21,627,040	4,358,816	129,600	266,000
Current Liabilities					
Trade and other payables	41	3,761,574	2,615,546	69,493	67,470
Current tax liabilities		978,677	706,421	-	-
Amounts due to related companies	34	-	-	86,948	88,788
Long - term borrowings falling due within one year	40	2,168,984	807,820	128,000	133,000
Short - term borrowings	36	552,000	-	-	-
Bank overdrafts	36	1,804,727	1,768,198	712,093	895,993
Total current liabilities		9,265,962	5,897,985	996,534	1,185,251
Total liabilities		30,893,002	10,256,801	1,126,134	1,451,251
Total equity and liabilities		80,161,911	40,008,550	9,016,473	7,832,676
Net assets per ordinary share (Rs.)	43	122.40	102.07	39.34	31.09

The Notes from pages 76 to 151 form an integral part of these financial statements.

I certify that these financial statements are in compliance with the requirements of Companies Act No. 7 of 2007.

(Sgd.)

A.P. Weeratunge

Chief Financial Officer

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

These financial statements were approved by the Board on 26th May 2011.

(Sgd.)

M. Selvanathan

Director

(Sgd.)

H. Selvanathan

Director

Colombo.

Statement of Changes in Equity

(Amounts expressed in Sri Lankan Rs. '000)

	Stated Capital		Capital Redemption Reserve	Capital Reserves		Other Capital Reserve
	Ordinary Share	Preference Share		Capital Accretion Reserve	Revaluation Reserve	
Group						
Balance as at 1st April 2009	618,255	500,000	419,136	1,286,942	2,042,592	1,122,691
Redemption of Preference shares	-	-	(167,500)	-	-	-
Appreciation of Long - term investments	-	-	-	-	-	-
Transfers	-	-	-	-	-	75,546
Changes in equity	-	-	-	103,003	-	8,376
Exchange translation differences	-	-	-	212,500	-	-
Net income recognized directly in equity	-	-	(167,500)	315,503	-	83,922
Profit for the Year	-	-	-	-	-	-
Total recognized Income and expenses	-	-	(167,500)	315,503	-	83,922
Dividend paid	-	-	-	-	-	-
Balance as at 31st March 2010	618,255	500,000	251,636	1,602,445	2,042,592	1,206,613
Capitalization of reserves	496,397	-	-	-	-	-
Redemption of Preference shares	-	-	(25,314)	(38,488)	-	-
Revaluation of property plant & equipment	-	-	-	-	501,895	-
Appreciation of Long - term investments	-	-	-	-	-	-
Goodwill on change in shareholdings (Note A)	-	-	-	-	-	-
Negative goodwill on change in shareholdings (Note A)	-	-	-	-	-	-
Changes in equity	-	-	-	(1,500,909)	-	(437,216)
Transfer	-	-	-	-	-	-
Exchange translation differences	-	-	-	119,286	-	-
Net income recognized directly in equity	496,397	-	(25,314)	(1,420,111)	501,895	(437,216)
Profit for the Year	-	-	-	-	-	-
Total recognized Income and expenses	496,397	-	(25,314)	(1,420,111)	501,895	(437,216)
Dividend paid	-	-	-	-	-	-
Balance as at 31st March 2011	1,114,652	500,000	226,322	182,334	2,544,487	769,397
Company						
Balance as at 1st April 2009	618,255	500,000	192,814	38,488	-	-
Redemption of Preference shares	-	-	(167,500)	-	-	-
Net income recognized directly in equity	-	-	(167,500)	-	-	-
Profit for the period	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Balance as at 31st March 2010	618,255	500,000	25,314	38,488	-	-
Capitalization of reserves	496,397	-	-	-	-	-
Redemption of Preference shares	-	-	(25,314)	(38,488)	-	-
Net income recognized directly in equity	496,397	-	(25,314)	(38,488)	-	-
Profit for the Year	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Balance as at 31st March 2011	1,114,652	500,000	-	-	-	-

Note A

Changes in parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. These are recognised directly in equity and attributed to the owners of the parent.

General Reserve	Currency Translation Reserve	Revenue reserves			Short-term Market Value revaluation Reserve	Retained Earnings	Attributable to Equity owners of the company	Non - controlling interest	Total Equity
		Investment Property Fair Value Adjustment Reserve	Long-term Investment revaluation Reserve						
474,359	(894,298)	932,312	181,015	14,883	6,836,223	13,534,110	5,781,881	19,315,991	
-	-	-	-	-	-	(167,500)	-	(167,500)	
-	-	-	1,918,352	-	-	1,918,352	1,245,125	3,163,477	
-	-	-	-	-	(75,546)	-	-	-	
-	-	-	-	-	(56,869)	54,510	(54,509)	1	
-	1,683,848	-	-	-	-	1,896,348	775,806	2,672,154	
-	1,683,848	-	1,918,352	-	(132,415)	3,701,710	1,966,422	5,668,132	
-	-	-	-	-	3,286,911	3,286,911	2,158,444	5,445,355	
-	1,683,848	-	1,918,352	-	3,154,496	6,988,621	4,124,866	11,113,487	
-	-	-	-	-	(200,360)	(200,360)	(477,371)	(677,731)	
474,359	789,550	932,312	2,099,367	14,883	9,790,359	20,322,371	9,429,376	29,751,747	
-	-	-	-	-	(496,397)	-	-	-	
-	-	-	-	-	(47,448)	(111,250)	-	(111,250)	
-	-	-	-	-	-	501,895	394,353	896,248	
-	-	-	2,317,079	-	-	2,317,079	1,592,693	3,909,772	
-	-	-	-	-	(218,218)	(218,218)	-	(218,218)	
-	-	-	-	-	1,100,593	1,100,593	-	1,100,593	
-	(124,741)	-	(64,288)	-	(2,511,888)	(4,639,042)	7,830,844	3,191,802	
-	-	(180,408)	-	-	180,408	-	-	-	
-	403,774	-	-	-	-	523,060	1,248,589	1,771,649	
-	279,033	(180,408)	2,252,791	-	(1,992,950)	(525,883)	11,066,479	10,540,596	
-	-	-	-	-	4,620,322	4,620,322	5,103,732	9,724,054	
-	279,033	(180,408)	2,252,791	-	2,627,372	4,094,439	16,170,211	20,264,650	
-	-	-	-	-	(213,866)	(213,866)	(533,626)	(747,492)	
474,359	1,068,583	751,904	4,352,158	14,883	12,203,865	24,202,944	25,065,965	49,268,909	
-	-	-	-	-	4,627,253	5,976,810	-	5,976,810	
-	-	-	-	-	-	(167,500)	-	(167,500)	
-	-	-	-	-	-	(167,500)	-	(167,500)	
-	-	-	-	-	772,475	772,475	-	772,475	
-	-	-	-	-	(200,360)	(200,360)	-	(200,360)	
-	-	-	-	-	5,199,368	6,381,425	-	6,381,425	
-	-	-	-	-	(496,397)	-	-	-	
-	-	-	-	-	(47,448)	(111,250)	-	(111,250)	
-	-	-	-	-	(543,845)	(111,250)	-	(111,250)	
-	-	-	-	-	1,834,030	1,834,030	-	1,834,030	
-	-	-	-	-	(213,866)	(213,866)	-	(213,866)	
-	-	-	-	-	6,275,687	7,890,339	-	7,890,339	

Cash Flow Statement

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Group		Company	
	2011	2010	2011	2010
Cash Flows from Operating Activities				
Profit for the year	9,724,054	5,445,355	1,834,030	772,475
Adjustments for:				
Foreign exchange gain	(516,162)	(39,068)	(10,750)	-
Gain from changes in fair value of investment properties	(30,248)	(2,738)	-	-
Gain on disposal of shares (re - purchase)	-	-	(1,180,034)	(703,979)
Profit/(Loss) on disposal of Associates	-	624	-	(4,750)
Bargain purchase on acquisition of subsidiaries	(213,710)	-	-	-
Impairment of business assets	2,888	-	-	216,625
Net realized gain on sale of investment	(798,153)	(679,713)	-	-
Mark to market value adjustments - Unrealised	(598,571)	(302,266)	(17,685)	(7,682)
Share of net result of associates	13,270	(133,715)	-	-
Depreciation on property, plant & equipment	1,126,399	969,683	-	-
Amortization of intangible assets/prepaid lease payment	93,714	32,094	-	-
Provision for retiring gratuity	110,423	61,024	-	-
Finance expenses	688,194	530,376	80,308	155,637
Profit on disposal of property, plant & equipment	4,185	(1,243)	-	-
Write off of property plant & equipment	432,526	-	-	-
Dividend received from Associate Companies	17,127	15,351	-	-
Income tax expenses	2,569,229	1,434,052	-	4,572
	2,901,111	1,884,461	(1,128,161)	(339,577)
Operating profit before working capital changes	12,625,165	7,329,816	705,869	432,898
(Increase)/decrease in inventories	(609,868)	255,255	-	-
(Increase)/decrease in trade and other receivables	277,905	(2,217,646)	1,665	168
(Increase)/decrease in amounts due from related companies	(3,709,443)	(354,506)	(280,118)	(339,658)
Increase/(decrease) in amounts due to related companies	-	-	(1,840)	(323,111)
Increase/(decrease) in trade and other payables	(46,688)	17,865	(353)	62,429
	8,537,071	5,030,784	425,223	(167,274)
Net cash movement in investment	(1,592,607)	(973,013)	-	-
Cash generated from operations	6,944,464	4,057,771	425,223	(167,274)
Interest paid	(815,774)	(559,007)	(80,308)	(155,637)
Income tax paid	(2,063,092)	(886,072)	(3,544)	(1,332)
Gratuity paid	(6,784)	(7,744)	-	-
Net cash generated from/(used in) operating activities	4,058,814	2,604,948	341,371	(324,243)

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Group		Company	
	2011	2010	2011	2010
Cash Flows from Investing Activities				
Purchase and construction of property, plant & equipment	(3,833,876)	(1,891,024)	-	-
Purchase of Intangible assets/prepaid lease payment	(435,664)	(244,987)	-	-
Acquisition of Non -controlling interest	(265,427)	(231,426)	(1,023,334)	(217,902)
Investment in Subsidiary Companies	(308,774)	-	-	-
Proceeds from disposal of long - term investments in subsidiary on re - purchase	-	-	1,354,250	870,557
Proceeds from disposal of long - term investments in associates	-	6,650	-	6,650
Proceeds from disposal of property, plant & equipment	12,650	31,383	-	-
Proceeds from disposal of Assets held for sales	161,867	-	-	-
Deposits received	126,122	63,400	-	-
Deposits refunded	(4,238)	(33,832)	-	-
Net cash generated from/(used in) investing activities	(4,547,340)	(2,299,836)	330,916	659,305
Cash Flows from Financing Activities				
Proceeds from long - term loans	13,466,990	2,843,432	-	399,000
Repayment of borrowings	(2,774,848)	(3,458,558)	(130,649)	(50,071)
Repayment of long - term creditors	-	(6,655)	-	-
Repayment of finance lease creditors	(31,916)	(48,830)	-	-
Redemption of preference shares	(111,250)	(167,500)	(111,250)	(167,500)
Net decrease in non controlling interest	(533,624)	(231,251)	-	-
Dividend paid (including preference dividend)	(211,490)	(199,180)	(211,490)	(199,180)
Net cash generated from/(used in) financing activities	9,803,861	(1,268,542)	(453,389)	(17,751)
Net increase/(decrease) in cash & cash equivalents	9,315,335	(963,430)	218,898	317,311
Cash & cash equivalents at the beginning of the year	(617,316)	346,114	(840,091)	(1,157,402)
Cash & cash equivalents at the end of the year (Note 36b)	8,698,019	(617,316)	(621,193)	(840,091)

Notes from pages 76 to 151 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. REPORTING ENTITY

Carson Cumberbatch PLC is a limited liability company which is incorporated in Sri Lanka. The shares of the company have a primary listing on the Colombo Stock Exchange.

The registered office and principal place of business of the company is located at No. 61, Janadhipathi Mawatha, Colombo 1.

The Consolidated Financial Statements for the year ended 31st March, 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually Group entities) and the Group's interest in its associates.

The Group is a diversified conglomerate and one of the foremost business establishments in Sri Lanka backed by a heritage of well over 100 years. Today it is positioned as a company whose outlook is regional, focused on a future which is technology-oriented, results driven and world class.

The businesses range from oil palm plantations in Malaysia and Indonesia, to breweries, investment holdings, portfolio management, real estate and leisure in Sri Lanka. The Group has offices in Malaysia, Singapore and Indonesia.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

Of the 38 Subsidiaries and an Associate set out in Note 28 (a) & (b) (page 112) to the Financial Statements, 13 are listed on the Colombo Stock Exchange.

Group had 11,672 (2010 - 6,943) employees at the end of the financial year. The Company had no employees as at the Balance Sheet date.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company and the Group comprise the Balance Sheet, Statements of Income, Changes in Equity and Cash Flows together with the Notes to the Financial Statements. These statements are prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act No. 7 of 2007.

The consolidated Financial Statements for the year ended March 31, 2011 were authorized for issue by the Board of Directors on May 26, 2011.

2.2 Basis of Measurement

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

- i Freehold properties classified under Property Plant & Equipment (PPE) are measured at cost at the time of acquisition and subsequently at revalued amount, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.
- ii Investment property is measured at fair value.
- iii Short-term quoted investments are measured at market value.
- iv Long-term quoted investments are measured at revalued amount.

3. FUNCTIONAL AND PRESENTATION

CURRENCY

All values presented in the Financial Statements are in Sri Lankan Rupees Thousand (Rs.'000) unless otherwise indicated.

The individual Financial Statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The Consolidated Financial Statements are presented in Sri Lankan Rupees, which is also the Company's functional currency.

4. USES OF ESTIMATES AND JUDGMENTS

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation and uncertainty that have

the most significant effect on the amounts recognized in the Financial Statements.

4.1 Assessment of Impairment

The Group assesses at each Balance Sheet date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating Unit (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 present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset.

The carrying value of goodwill is reviewed at each Balance Sheet date and is written down to the extent that it is no longer supported by probable future benefits. Goodwill is allocated to CGU for the purpose of impairment testing.

4.2 Current Taxation

Current tax liabilities arise to the Group in various Jurisdictions. These liabilities are provided for in the Financial Statements applying the relevant tax statutes and regulations which the management believes reflect actual liability. There can be instances where the stand taken by the Group on transactions is contested by Revenue Authorities. Any additional costs on account of these issues are accounted for as a tax expense at the point liability is confirmed on any Group entity.

4.3 Value of Unquoted Investments

The unquoted equity investments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Company to make estimates about expected future cash flows and discount rates, and hence they are subject to uncertainty.

4.4 Defined Benefit Plan - Gratuity

The cost of defined benefit plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to uncertainty.

4.5 Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit

will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the level of future taxable profits together with future tax planning strategies.

Judgments

4.6 Owner Occupied Properties and Investment Property

In determining if a property qualifies as Investment Property the Company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets. Judgment is also applied in determining if ancillary services provided are significant, so that a property does not qualify as investment property.

5. MATERIALITY AND AGGREGATION

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

6. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements. The accounting policies of the Company have been consistently applied by Group entities where applicable, and deviations if any, have been disclosed accordingly.

6.1 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities that are controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of Subsidiaries are included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases.

The non controlling interest is presented in the Consolidated Balance Sheet within equity, separately from the Equity attributable to the Equity Holders of the Company. Minority Interest in the profit or loss of the Group is disclosed separately in the Consolidated Income Statement.

Notes to the Financial Statements

The Consolidated Financial Statements are prepared to common financial year end of 31st March. The accounting policies of Subsidiaries have been changed where ever necessary to align them with the policies adopted by the Group.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less impairment if any, in net recoverable value.

The carrying amount of the investment at the date that such entity ceases to be a Subsidiary would be regarded as the cost on initial measurement of a financial asset in accordance with Sri Lanka Accounting Standard 22 "Accounting for Investments".

A list of Subsidiaries within the Group is provided in Note 28 (a).

(ii) Transactions Eliminated on Consolidation

Intra-group transactions, balances and unrealised gains on transactions arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are also eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

(iii) Transaction with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Transactions with Non-controlling interests are accounted for using the parent entity extension approach, whereby on acquisition of Non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognized directly in goodwill. Gain or loss on disposal to Non-controlling interests is recognized in the income statement.

(iv) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associates is accounted for using the equity method. Under the equity method, the investment in associate is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is recognised as income as part of the Group's share of profit or loss of the associate in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. The Group's profit or loss reflects share of the associates' profit or loss after tax and non-controlling interests in the subsidiaries of associates. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement. The financial statements of associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the income statement.

(v) Financial year end

All companies in the Group have a common financial year which ends on 31st March.

6.2 Foreign Currencies

(i) Foreign Currency Transactions

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each Balance Sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the Balance Sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising in relation to the development of palm oil plantation and on monetary items that form part of the Group's net investment in foreign operations. Exchange differences incurred in relation to the development of palm oil plantation are capitalized to the related qualifying asset.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operations, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognized in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operations, are recognized in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations, regardless of the currency of the monetary item, are recognized in profit or loss in the Company's Financial Statements or the individual Financial Statements of the foreign operations, as appropriate. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognized directly in equity. Exchange differences arising from such non-monetary items are also recognized directly in equity.

(ii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (LKR) of the consolidated Financial Statements are translated into LKR as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the Balance Sheet date.
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the income statement.
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.
- The exchange rates applicable during the period were as follows:

	Balance Sheet		Income Statement	
	Closing rate		Average Rate	
	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.
Malaysian Ringgit	36.46	34.92	35.43	34.34
US Dollar	110.40	114.00	112.13	114.24
Indonesian Rupiah (Rp)	0.01268	0.0125	0.01252	0.0117
Singapore \$	87.56	81.45	83.77	81.45

ASSETS AND BASES OF THEIR VALUATION

Assets classified as current assets in the Balance Sheet are cash and those which are expected to realize in cash, during the normal operating cycle of the Company's business, or within one year from the Balance Sheet date, whichever is shorter. Assets other than current assets are those which the Company intends to hold beyond a period of one year from the Balance Sheet date.

Notes to the Financial Statements

6.3 Property, Plant & Equipment and Depreciation

(a) Basis of Recognition

All items of property, plant & equipment are initially recorded at cost. Where items of property, plant & equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the balance sheet date. Subsequent to the initial recognition of the asset at cost the revalued property, plant & equipment are carried at revalued amounts less accumulated depreciation thereon and accumulated impairment losses. The Group applies revaluation model to freehold properties and cost model to the remaining assets under property, plant & equipment which are stated at historical cost less accumulated depreciation less accumulated impairment losses, if any.

(b) Revaluation of Freehold Properties

The freehold properties of the Group are carried at revalued amounts. Revaluation of these assets are carried out at least once in five (5) years in order to ensure the book value reflect the realizable value of such assets, and are depreciated over the remaining useful lives of such assets, wherever applicable.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances the increase is recognized as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to accumulated profits on retirement or disposal of the asset.

(c) Restoration Costs

Expenditure incurred on repairs or maintenance of Property, plant & equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

(d) Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost or valuation of all Property, plant & equipment other than freehold land, in order to write off such amounts over the following estimated useful lives:

Number of years

Land improvements	30
Buildings - Leased	20
- Freehold	20
Plant & machinery	10 - 12,5
Motor vehicles	4 - 5
Furniture, fittings & office Equipment	5 - 10
Computers	3 - 5
Mature plantations	30

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

Land improvement costs are depreciated in the year the area planted becomes mature and ready for harvest.

(e) Disposal

The gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and included under Other Income in the Income Statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(f) Subsequent Costs

Repairs and maintenance costs are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the asset.

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

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

6.4 Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital in progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

a) Borrowing Costs

Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

6.5 Leases

(a) Finance Lease

Leases of property, plant & equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Assets held under finance lease are capitalized at the cash price as part of property, plant & equipment and depreciated over the shorter of the estimated useful lives of the assets or the lease term.

Upon initial recognitions assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the estimated present value of the minimum lease payments at the date of inception less accumulated depreciation and impairment losses. In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the group's incremental borrowing rate is used.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental

obligations and net of finance charges are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance lease contracts are depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

(b) Operating Lease

Lease of assets under which all the risks and benefits of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

6.6 Project Expenditure in respect of preoperational activities is capitalized with the respective assets.

6.7 Plantations

(i) Permanent Land Development Costs

Land development costs incurred in respect of developing the land for cultivation which are permanent in nature, are capitalized.

(ii) Limited Life Land Development Cost

Limited life land development costs incurred in respect of new planting, replanting, inter-planting and crop diversifying including infilling cost of the oil palm plantation are capitalized in accordance with the Sri Lanka Accounting Standard 32 - 'Plantation'. The limited life land development costs are amortized over the estimated productive lives, at the commencement of commercial harvest, which has the following characteristics:

Time lag between Planting and Commercial Harvest	3-4 years
Duration of Commercial Harvest	26 years

6.8 Investment Property

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale on the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-

Notes to the Financial Statements

to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the balance sheet date. Formal valuations are carried out every 3 years by qualified valuers. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the Income Statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by commencement/end of owner occupation, commencement of development with a view to sale, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant & equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the income statement. When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the Income Statement.

6.9 Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date,

allocated to each of the Group's cash-generating units identified according to its business unit, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that cash-generating unit (or group of cash-generating units) is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash generating unit

(ii) Other intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets

with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Software

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Balance Sheet under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 3 to 10 years.

Excise Licences

Licences and others are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 10 years.

6.10 Investments

(i) Classification

Investments in subsidiaries and associates of the Company are treated as long-term investments and stated at cost. Other investments which are held for yield or capital appreciation are also classified as long-term investments. Investments that are intended to be held for trading purposes are classified as short-term investments.

(ii) Cost

Cost of investments is the cost of acquisition including brokerage, commission and other fees.

(iii) Valuation - Quoted Investments

The quoted investments that are acquired principally for the purpose of selling or held as part of a portfolio that is managed for short term profit are classified as short term investments. Those investments are initially recognized at cost and subsequently measured at market value. Gains and losses on market valuation are dealt with through the income statement. The quoted investments that are acquired and held for capital growth in the medium/long term are classified as long term investments. These are initially recognized as cost and subsequently measured at revalued amounts on quarterly basis.

(iv) Valuation - Unquoted Investments

All unquoted investments are carried at lower of cost and Directors' valuation, if any. Provision is made for any permanent diminution in value.

(v) Market Value of the Investment Portfolio

The market value of the investment portfolio is based on the following:

- (a) Marketable equity securities are stated at the values published in the Official Valuation List of the Colombo Stock Exchange. Where the Official Valuation is not available, the market value is stated at the last transacted price.
- (b) Units purchased from Unit Trusts are valued at the manager's buying price as at the Balance Sheet date.

6.11 Inventories

Inventories are recognized at cost and net realizable value whichever is lower after making due allowance for obsolete and slow moving items, except for fresh fruit bunches which are valued at since realized values.

The cost of inventories are determined on a weighted average basis except for food items and cutlery & Crockery which are ascertained on a first-in-first-out basis. The costs are derived on the following bases:

Raw Material and Containers - cost of purchase together with any incidental expenses.

Work-in-Progress - raw material cost and a proportion of manufacturing expenses.

Finished Goods - raw material cost and manufacturing expenses in full.

Notes to the Financial Statements

Land held for Development and Sales - Cost and development costs including borrowings costs up to point of completion for revenue recognition. However limited to the realizable value on valuation.

Linen Stock - in the year of purchase at cost of purchase and in the second year in use at 25% of the Cost of purchase.

6.12 Trade and Other Receivables

Trade and other receivables are carried at original invoice amount less provision for impairment of trade receivables when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement under 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

6.13 Cash & Cash Equivalents

Cash & cash equivalents are defined as cash in hand and bank, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the Cash Flow Statement, cash & cash equivalents comprise of cash in hand and bank deposits held in banks and investments in money market instruments, net of short term loans and bank overdraft.

6.14 Impairment of Assets

The Group assesses assets or groups of assets for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable. If any such indication of impairment exists, the Group makes an estimate of its recoverable amount. Individual assets are grouped for impairment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the

case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined; net of depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Assets with an indefinite useful life, including goodwill, are not subject to amortization and are tested on an annual basis for impairment and additionally whenever an indication of impairment exists. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of an asset is the higher of its fair value less costs to sell or its value in use. Any decrease in the carrying value is recognized as an expense in the Income Statement in the reporting period in which the impairment loss occurs.

For assets that do not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs. Management judgment is applied to establish cash generating units. Each of these cash generating units is represented by an individual primary reporting segment, or a subdivision of a primary segment.

An impairment loss in respect of goodwill is not reversed. In respect of other assets impairment losses recognized in prior periods, are assessed at each balance sheet 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 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 amortization, if no impairment loss had been recognized.

LIABILITIES AND PROVISIONS

6.15 Liabilities

Liabilities classified as current liabilities in the Balance Sheet are those obligations payable on demand or within one (1) year from the Balance Sheet date. Items classified as non-current liabilities are those obligations which expire beyond a period of one (1) year from the Balance Sheet date.

6.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect risks specific to the liability. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

6.17 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

6.18 Environment Expenditures and Liabilities

Environment expenditures that relate to current or future revenues are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and do not contribute to current or future earnings are expensed.

Liabilities for environment costs are recognized when environmental assessments or clean-ups are probable and the associated costs can be reliably estimated. Generally,

the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

The amount recognized is the best estimate of the expenditure required. Where the liability will not be settled for a number of years, the amount recognized is the present value of the estimated future expenditure.

6.19 Retirement Benefit Obligations (Gratuity)

(i) Defined Benefit Plan - Gratuity

(a) Sri Lankan Subsidiaries

All local companies are liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983.

Gratuity provision for employees are made using the assumption of an actuarial valuation as at 31st March 2009, carried out by a firm of independent professional Actuaries. As recommended by the Sri Lanka Accounting Standard No. 16 "Employee Benefit", the "Projected Unit Credit" (PUC) method has been used in this valuation.

Such actuarial valuations will be carried out once in every two (2) years.

The liability is not externally funded.

(b) Indonesian Subsidiaries

These subsidiaries recognize an unfunded retirement benefits liability, relating to the settlement of termination, gratuity, compensation and other benefits set forth in Labour Law No. 13 year 2003 (Law No. 13/2003) based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method". Actuarial gains or losses are recognized as income or expense when the cumulative actuarial gains or losses exceed 10% of the defined benefit obligation. These gains or losses are recognized over the expected remaining working lives of employees.

(c) Malaysian Subsidiaries

Appropriate provisions for defined benefit plan for the Company's operations in Malaysia are made in the financial statements where employees have served in the Company's operations in Malaysia for more than five years and fulfilling the conditions in the Malayan Agricultural Producers Association/national Union Plantation Workers' Agreement. The provisions are charged to the Income statement in the year in which services are rendered by the employees.

Notes to the Financial Statements

(d) Singaporean Subsidiary

The Singapore Company in the Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognized as an expense in the period in which the related service is performed.

(i) Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

All employees who are eligible for Provident Fund contributions and Trust Fund contributions are covered by relevant contribution funds in line with the respective statutes. Employer's contributions to the defined contribution plans are recognized as an expense in the Income Statement when incurred.

6.20 Interest-Bearing Loans and Borrowings

Interest-bearing bank loans are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition and construction of development properties and

Property, plant and equipment are capitalized as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. All other borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

6.21 Stated Capital

Ordinary shares and preference shares are classified as equity and incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

INCOME STATEMENT

6.22 Revenue Recognition

The Group revenue represents sales to customers outside the Group and sales within the Group which are intended for internal consumption.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Group. The following specific criteria are used for the purpose of recognition of revenue:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered and direct expenses are incurred.

Royalties

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend Income

When the shareholders' right to receive dividend is established.

Sale of Fresh Fruit Bunches

Upon delivery and acceptance by customers.

Rental Income

On a time proportion basis. Proceeds on Sales of Shares
On accrual basis.

Sale of Residential Units

Revenue is recognized on percentage completion basis. Revenue recognition is commenced when properties are sold and/or the buyers have taken possession of such properties and up to the maximum of percentage completed or cash paid by the buyer whichever is lower.

For this purpose, the property is deemed to be sold once 30% of the outright sales price has been received or 30% of work completed.

Other Income - on accrual basis.

Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the Income Statement.

Profits or losses on disposal of investments are accounted for in the Income Statement on the basis of realized net profit.

6.23 Expenditure Recognition

(i) Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for bad and doubtful debts, all known liabilities and depreciation on property, plant & equipment.

(ii) Finance Expenses

Interest expenses are recognized on an accrual basis.

(iii) Borrowing Costs

All borrowing costs are recognized as an expense in the period in which they are incurred except those that are directly attributable to the construction or development of property, plant & equipment/biological assets which are capitalized as a part of the cost of that asset during the period of construction or development.

6.24 Income Tax Expense

Income tax expenses comprise current and deferred tax. Income tax expenses are recognized in the Income

Statement except to the extent that it relates to the items recognized directly in equity, in which case it is recognized in Statement of Changes in Equity.

(i) Current Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to Revenue Authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The provision for current tax on Sri Lankan operations 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.

Current tax has been provided on overseas operations in accordance with the relevant statutes in force in the countries in which operations are carried out.

The relevant details are disclosed in respective notes to the Financial Statements.

(ii) Deferred Taxation

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

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

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Notes to the Financial Statements

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

(iii) Economic Service Charge (ESC)

As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, is payable on "Liable Turnover" and is deductible from the income tax payments. Any unclaimed ESC can be carried forward and settle against the income tax payable in the four subsequent years.

(iv) Social Responsibility Levy (SRL)

As per the provisions of Finance Act No. 5 of 2005, and amendments thereto, the SRL was introduced with effect from January 1, 2005. SRL is payable at the rate of 1.5% on all taxes and levies chargeable as specified in the First Schedule of the Act.

6.25 Earnings per share

The Group 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees

6.26 Segmental Information

Segmental information is presented for identifiable operative units of the Group classified according to two segment formats, namely, industry and geographical segments.

(i) Industry Segment

The activities of the Group have been broadly classified into seven segments according to the nature of product or service rendered.

(ii) Geographical Segment

The activities of the Group have been broadly classified into four segments, namely, operations within Sri Lanka, Malaysia, Indonesia and Singapore based on geographical spread of operations.

Segmental expenses are expenses that are directly attributed to a segment or a relevant portion of expenses that can be allocated on a reasonable basis as determined by the Management.

6.27 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other; irrespective of whether a price is charged.

6.28 Events after the Balance Sheet Date

All material and important events which occur after the Balance Sheet date have been considered and disclosed in Note 48.

7. DIVIDENDS ON ORDINARY AND PREFERENCE SHARES

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

Dividends on preference shares are accrued in the Financial Statements.

8. CASH FLOW

Interest paid, interest received and dividend received are classified as operating cash flows, while dividend paid is classified as financing cash flows for the purpose of presentation of Cash Flow Statement which has been prepared using the "Indirect Method".

9. PRESENTATION

Offsetting Income and Expenses

Income and expenses are not offset unless required or permitted by accounting standards.

Offsetting Assets and Liabilities

Assets and liabilities are offset and the net amount reported in the Balance Sheet only where there is:

- A current enforceable legal right to offset the asset and liability; and
- An intention to settle on a net basis, or to realize the asset and settle the liability simultaneously

10. DIRECTORS' RESPONSIBILITY

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

This is more fully described under the relevant clause in the Directors' Report.

11. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT BALANCE SHEET DATE

The Institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards which will become applicable for financial periods beginning on or after 1st January 2012. Accordingly, these Standards have not been applied in preparing these financial statements as they were not effective for the year ended 31st March 2011.

These Sri Lanka Accounting Standards comprise Accounting Standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS). Application of Sri Lanka Accounting Standards prefixed SLFRS and LKAS for the first time shall be deemed to be an adoption of SLFRSs.

The Company is currently in the process of evaluating the potential effects of these Standards on its financial statements and the impact on the adoption of these Standards have not been quantified as at Balance Sheet date.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

12 REVENUE

Revenue Analysis

	Group		Company	
	2011	2010	2011	2010
(i) Gross Revenue	38,356,754	22,952,663	746,090	516,057
Taxes to the Government of Sri Lanka	(2,008,292)	(1,624,842)	-	-
Net Revenue	36,348,462	21,327,821	746,090	516,057
Goods and Services analysis				
Sale of Goods	31,664,153	18,538,728	-	-
Services				
Investment income	8,133,912	5,350,383	746,090	516,057
Property rental income	175,566	179,344	-	-
Commission, management services & royalty fees	1,789,923	1,372,223	-	-
Hospitality services	336,758	222,784	-	-
	10,436,159	7,124,734	746,090	516,057
Net revenue before intra - group transactions	42,100,312	25,663,462	746,090	516,057
Less: Intra - group transactions	(5,751,850)	(4,335,641)	-	-
Net Revenue	36,348,462	21,327,821	746,090	516,057

A detailed analysis of Group Revenue highlighting the contribution from different segments is given under 'Segmental Information' in Note 12(iii) & (iv) (page 92 to 94) to the financial statements.

(ii) Segmental Information

For management purposes the Group's primary format segment reporting is Industry segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group engages in, rather than the geographical location of these operations. This is reflected by the Group's organisational structure. Industry segment activities of the Group have been broadly classified into seven segments: Investment Holdings, Oil Palm Plantations, Beverage, Real-Estate, Hotels, Airlines and Management Services according to the nature of product or service rendered. The principal products and services of each segment as are follows.

Investment Holdings	-	Investments
Oil Palm Plantations	-	Production and sale of palm oil and palm kernel and fresh fruit bunches to the local and international market
Beverage	-	Production and sale of Beer
Real Estate	-	Letting office and warehouse premises on rent for commercial purpose and Marketing residential land plots
Hotels	-	Hoteliering
Airlines	-	Airline Ticketing
Management Services	-	Providing Management Service

(Amounts expressed in Sri Lankan Rs. '000)

12 REVENUE (Contd.)

(ii) Segmental Information

Sales between segments are made at prices that approximate market prices. Segment revenue, segment expense and segment result include transactions between industry segments. These transactions and any unrealized profits and losses are eliminated on consolidation. Segmental expenses are expenses that are directly attributed to a relevant segment or a portion of expenses that can be allocated on a reasonable basis as determined by the Management. The Group's geographical segments are based on the location of the Group's assets and spread of operations. The activities of the Group have been broadly classified into four geographical segments, namely, operations within Sri Lanka, Malaysia, Indonesia and Singapore. Sales to external customers are segmented based on the location of the seller. The principal product and services of each geographical segments are follows:

Sri Lanka	-	Investments, production & sale of Beer; letting of Office and warehouse premises on rent for commercial purpose and marketing residential land plots, Hoteliering, Airline Ticketing and Management Services.
Malaysia	-	Investments, Management Service and Production and sale of fresh fruit bunches of oil palm to the local and international market
Indonesia	-	Management Service and production and sale of palm and oil palm kernel to the local and international market
Singapore	-	Investments

Principal categories of customers

The principal categories of customers for these goods and services are corporate customers, government customers, wholesale customers and retail customers. The group's reportable segments are therefore as follows:

Investment Holdings	-	Corporate customers, retail customers
Oil Palm Plantations	-	Corporate customers
Beverage	-	Wholesale & retail customers
Real Estate	-	Corporate customers, retail customers
Hotels	-	Corporate customers, retail customers
Airlines	-	Corporate customers, retail customers
Management Services	-	Corporate customers

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

12 REVENUE (Contd.)

(iii) SEGMENTAL INFORMATION - The Primary segments (business segments)

(a) Segment results are as follows:

For the year ended 31st March	Investment Holdings		Oil Palm Plantations		Beverage	
	2011	2010	2011	2010	2011	2010
Total revenue	6,720,748	4,930,186	22,791,074	11,877,219	11,867,534	8,293,766
Intra segment revenue	(2,606,700)	(2,536,060)	(2,156,667)	(1,186,863)	(213,988)	(114,919)
Segment revenue	4,114,048	2,394,126	20,634,407	10,690,356	11,653,546	8,178,847
Inter segment revenue	(558,601)	(335,317)	-	-	-	-
Revenue	3,555,447	2,058,809	20,634,407	10,690,356	11,653,546	8,178,847
Segment results	1,951,190	1,344,227	8,589,892	5,022,689	1,854,146	921,957
Finance expenses	(101,229)	(88,565)	(352,497)	(99,291)	(203,039)	(262,485)
Foreign exchange gain	-	-	516,162	39,068	-	-
Share of net result of associates	18,526	25,168	(31,796)	108,547	-	-
Profit/ (loss) before taxation	1,868,487	1,280,830	8,721,761	5,071,013	1,651,107	659,472
Income tax expenses						
Current taxation	(5,937)	(43,318)	(1,735,220)	(1,376,862)	(521,712)	(17,751)
Deferred taxation	-	-	(226,651)	4,300	(77,209)	11,231
Profit/ (loss) for the year	1,862,550	1,237,512	6,759,890	3,698,451	1,052,186	652,952
Attributable to:						
Owners of the Company	1,108,255	597,400	3,008,568	2,553,845	459,584	275,133
Non controlling interest	754,295	640,112	3,751,322	1,144,606	592,602	377,819
	1,862,550	1,237,512	6,759,890	3,698,451	1,052,186	652,952

(b) Segment Assets / liabilities are as follows:

ASSETS

Non - Current Assets

Property, plant & equipment/Investment properties	6,446	8,016	35,940,854	15,703,938	3,659,536	2,384,713
Intangible assets	188,021	189,838	1,271,565	232,719	286,236	288,859
Long - term investments	11,791,360	6,970,758	-	212,073	2,187,086	1,447,415
Deferred tax assets	-	-	395,641	112,045	-	-
Land compensation receivable	-	-	-	-	-	-
Total non - current asset	11,985,827	7,168,612	37,608,060	16,260,775	6,132,858	4,120,987

Current Assets

Inventories	-	-	2,796,240	1,162,379	1,017,581	871,899
Trade and other receivables	159,862	82,200	3,200,297	3,702,319	1,376,279	1,253,363
Short - term investments	1,202,224	670,509	-	-	-	-
Cash and cash equivalents	490,703	246,478	9,385,508	700,412	1,099,606	164,839
Total current assets	1,852,789	999,187	15,382,045	5,565,110	3,493,466	2,290,101
Total segmental assets	13,838,616	8,167,799	52,990,105	21,825,885	9,626,324	6,411,088

SEGMENT LIABILITIES

Non - Current Liabilities

Long - term borrowings	129,600	266,000	17,399,038	1,830,928	1,251,728	127,265
Long - term creditors	-	-	-	-	744,062	627,838
Deferred tax liabilities	1,896	-	1,122,366	535,806	470,318	400,022
Retirement benefit obligations	1,721	563	251,541	143,712	51,628	34,851
Total non - current liabilities	133,217	266,563	18,772,945	2,510,446	2,517,736	1,189,976

Current Liabilities

Trade and other payables	125,787	189,573	3,214,367	2,313,246	1,281,448	740,381
Long - term borrowings falling due within one year	128,000	133,000	1,804,194	471,914	85,322	40,687
Short - term borrowings	1,241,562	1,093,651	552,000	-	558,946	673,183
Total current liabilities	1,495,349	1,416,224	5,570,561	2,785,160	1,925,716	1,454,251
Total segmental liabilities	1,628,566	1,682,787	24,343,505	5,295,606	4,443,452	2,644,227

(C) Other Information

Total cost incurred during the period to acquire

Property Plant & Equipments	602	178	3,258,544	1,774,223	685,990	126,219
Intangible assets (including land right)	-	114	431,376	242,476	4,288	2,038
Depreciation and amortization	3,990	4,367	1,072,506	806,136	149,828	141,694
Salaries and wages	27,563	14,819	1,469,147	673,219	447,214	369,138
Provision for Gratuity	1,157	201	76,671	48,911	17,710	7,063

(Amounts expressed in Sri Lankan Rs. '000)

Real Estate		Hotels		Airlines		Management Services		Group	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
179,744	192,979	336,758	222,784	4,173	7,421	200,281	139,107	42,100,312	25,663,462
(4,023)	(13,127)	-	-	-	-	-	-	(4,981,378)	(3,850,969)
175,721	179,852	336,758	222,784	4,173	7,421	200,281	139,107	37,118,934	21,812,493
(14,964)	(13,139)	-	-	-	-	(196,907)	(136,216)	(770,472)	(484,672)
160,757	166,713	336,758	222,784	4,173	7,421	3,374	2,891	36,348,462	21,327,821
39,517	(43,352)	78,451	24,231	(3,206)	1,570	(31,406)	(34,322)	12,478,585	7,237,000
(26,334)	(72,745)	(5,001)	(6,959)	(4)	-	(90)	(331)	(688,194)	(530,376)
-	-	-	-	-	-	-	-	516,162	39,068
-	-	-	-	-	-	-	-	(13,270)	133,715
13,183	(116,097)	73,450	17,272	(3,210)	1,570	(31,496)	(34,653)	12,293,282	6,879,407
(11,102)	(8,382)	(8,477)	(2,238)	(96)	(678)	(4,431)	(2,540)	(2,286,975)	(1,451,769)
24,679	(2,109)	(3,073)	4,295	-	-	-	-	(282,254)	17,717
26,760	(126,588)	61,900	19,329	(3,306)	892	(35,927)	(37,193)	9,724,054	5,445,355
25,323	(121,617)	57,824	18,451	(3,306)	892	(35,927)	(37,193)	4,620,322	3,286,911
1,437	(4,971)	4,076	878	-	-	-	-	5,103,732	2,158,444
26,760	(126,588)	61,900	19,329	(3,306)	892	(35,927)	(37,193)	9,724,054	5,445,355
1,872,277	1,824,554	906,833	764,055	454	551	27,846	32,856	42,414,246	20,718,683
27,584	74,460	-	-	-	-	340	590	1,773,746	786,466
-	-	-	-	-	-	-	-	13,978,446	8,630,246
-	-	1,222	4,296	-	-	-	-	396,863	116,341
-	-	189,463	189,463	-	-	-	-	189,463	189,463
1,899,861	1,899,014	1,097,518	957,814	454	551	28,186	33,446	58,752,764	30,441,199
503,155	586,695	14,114	12,120	-	-	89	93	4,331,179	2,633,186
7,320	8,606	39,483	33,729	5,641	3,993	32,116	28,565	4,820,998	5,112,775
-	-	-	-	-	-	-	-	1,202,224	670,509
24,021	17,315	51,026	14,282	94	800	3,788	6,756	11,054,746	1,150,882
534,496	612,616	104,623	60,131	5,735	4,793	35,993	35,414	21,409,147	9,567,351
2,434,357	2,511,630	1,202,141	1,017,945	6,189	5,344	64,179	68,860	80,161,911	40,008,550
-	142,000	34,183	47,370	-	-	-	-	18,814,549	2,413,563
28,990	23,330	-	-	-	-	-	-	773,052	651,168
110,766	157,865	-	-	-	-	-	-	1,705,346	1,093,693
4,605	5,705	5,910	4,436	1,320	804	17,368	10,321	334,093	200,392
144,361	328,900	40,093	51,806	1,320	804	17,368	10,321	21,627,040	4,358,816
26,436	16,145	44,719	30,068	646	747	46,846	31,807	4,740,251	3,321,967
142,000	145,830	9,468	16,389	-	-	-	-	2,168,984	807,820
-	-	998	1,364	3,221	-	-	-	2,356,727	1,768,198
168,436	161,975	55,185	47,821	3,867	747	46,846	31,807	9,265,962	5,897,985
312,797	490,875	95,278	99,627	5,187	1,551	64,214	42,128	30,893,002	10,256,801
27,602	13,793	22,790	3,904	23	45	10,904	762	4,006,455	1,919,124
-	-	-	-	-	-	-	359	435,664	244,987
9,490	14,632	16,076	12,513	25	98	13,197	22,337	1,265,112	1,001,777
31,000	21,496	58,168	48,535	3,658	3,397	114,369	98,639	2,151,119	1,229,243
2,036	890	2,353	1,132	516	175	9,980	2,652	110,423	61,024

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

12 REVENUE (Contd.)

(iv) SEGMENTAL INFORMATION - The Primary segments (geographical segments)

(a) Segment results are as follows:

For the year ended 31st March	Sri Lanka		Malaysia		Indonesia		Singapore		Group	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	15,824,651	10,718,758	1,113,820	635,634	19,185,409	9,973,309	224,581	120	36,348,462	21,327,821
Segment results	4,216,830	2,372,712	778,501	367,127	7,267,411	4,546,278	215,842	(49,117)	12,478,585	7,237,000
Finance expenses	(335,751)	(431,085)	-	-	(348,629)	(99,291)	(3,814)	-	(688,194)	(530,376)
Foreign exchange gain	-	-	-	-	516,162	39,068	-	-	516,162	39,068
Share of net result of associates	18,526	25,168	-	-	(31,796)	108,547	-	-	(13,270)	133,715
Profit/(loss) before taxation	3,899,605	1,966,795	778,501	367,127	7,403,148	4,594,602	212,028	(49,117)	12,293,283	6,879,407
Income tax expenses										
Current taxation	(639,404)	(74,897)	(174,847)	(103,211)	(1,472,658)	(1,273,487)	(66)	(174)	(2,286,975)	(1,451,769)
Deferred taxation	(55,602)	13,416	65	5,366	(226,717)	(1,065)	-	-	(282,254)	17,717
Profit/(loss) for the year	3,204,599	1,905,314	603,719	269,282	5,703,773	3,320,050	211,962	(49,291)	9,724,054	5,445,355
Attributable to:										
Owners of the Company	1,769,218	886,084	212,882	215,232	2,644,907	2,234,886	(6,686)	(49,291)	4,620,322	3,286,911
Non controlling interest	1,435,381	1,019,230	390,837	54,050	3,058,866	1,085,164	218,648	-	5,103,732	2,158,444
	3,204,599	1,905,314	603,719	269,282	5,703,773	3,320,050	211,962	(49,291)	9,724,054	5,445,355

(b) Segment Assets / liabilities are as follows:

Segment Assets

Non - Current Assets

Property, plant & equipment/

Investment properties	6,545,704	5,235,801	5,075,439	4,787,225	30,793,103	10,695,657	-	-	42,414,246	20,718,683
Intangible assets	575,393	602,522	1,318	250	207,998	183,694	989,037	-	1,773,746	786,466
Long - term investments	11,791,360	6,970,758	-	-	-	212,073	2,187,086	1,447,415	13,978,446	8,630,246
Deferred tax assets	1,223	4,295	2,577	3,803	393,063	108,243	-	-	396,863	116,341
Land compensation receivable	189,463	189,463	-	-	-	-	-	-	189,463	189,463
Total non - current asset	19,103,143	13,002,839	5,079,334	4,791,278	31,394,164	11,199,667	3,176,123	1,447,415	58,752,764	30,441,199

Current Assets

Inventories	1,535,562	1,470,930	2,762	2,680	2,792,855	1,159,576	-	-	4,331,179	2,633,186
Trade and other receivables	1,728,933	1,444,537	75,866	238,962	2,251,367	2,344,670	764,832	1,084,606	4,820,998	5,112,775
Short - term investments	1,202,224	670,509	-	-	-	-	-	-	1,202,224	670,509
Cash and cash equivalents	1,817,713	710,627	669,992	59,972	7,384,124	330,438	1,182,917	49,845	11,054,746	1,150,882
Total current assets	6,284,432	4,296,603	748,620	301,614	12,428,346	3,834,684	1,947,749	1,134,451	21,409,147	9,567,352
Total segmental assets	25,387,575	17,299,442	5,827,954	5,092,892	43,822,510	15,034,351	5,238,872	2,581,866	80,161,911	40,008,551

Segment Liabilities

Non - Current Liabilities

Long - term borrowings	1,415,511	582,635	-	-	12,983,038	1,830,928	4,416,000	-	18,814,549	2,413,563
Long - term creditors	773,052	500,558	-	-	-	150,610	-	-	773,052	651,168
Deferred tax liabilities	582,980	557,886	68,772	70,117	1,053,594	465,690	-	-	1,705,346	1,093,693
Retirement benefit obligations	86,191	58,839	7,105	7,736	240,797	133,817	-	-	334,093	200,392
Total non - current liabilities	2,857,734	1,699,918	75,877	77,853	14,277,429	2,581,045	4,416,000	-	21,627,040	4,358,816

Current Liabilities

Trade and other payables	1,577,130	1,019,102	48,267	49,677	3,107,109	2,247,335	7,743	5,853	4,740,231	3,321,967
Long - term borrowings falling due within one year	364,790	335,906	-	-	1,804,194	471,914	-	-	2,168,984	807,820
Short - term borrowings	1,804,727	1,768,198	-	-	552,000	-	-	-	2,356,727	1,768,198
Total current liabilities	3,746,647	3,123,206	48,267	49,677	5,463,303	2,719,249	7,743	5,853	9,265,962	5,897,985
Total segmental liabilities	6,604,381	4,823,124	124,144	127,530	19,740,732	5,300,294	4,423,743	5,853	30,893,002	10,256,801

(C) Other Information

Total cost incurred during the period to acquire:

Property Plant & Equipments	797,496	156,223	42,187	3,933	3,166,772	1,758,968	-	-	4,006,455	1,919,124
Intangible assets	55,748	14,618	1,026	246	378,890	230,123	-	-	435,664	244,987
Depreciation and amortization	226,539	215,556	15,373	14,046	1,023,200	772,175	-	-	1,265,112	1,001,777
Salaries and wages	736,401	588,588	84,874	69,353	1,329,844	571,302	-	-	2,151,119	1,229,243
Provision for Gratuity	35,229	12,939	(215)	1,283	75,409	46,802	-	-	110,423	61,024

(Amounts expressed in Sri Lankan Rs. '000)

13 GAIN ON DISPOSAL OF NON CURRENT INVESTMENTS/SHARE RE-PURCHASE

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
Gain on disposal of non current investments	-	-	935,177	4,322
Gain on disposal of rights	22,343	-	244,857	-
Gain on share re-purchase	-	-	-	699,657
Profit/(loss) on disposal of Associates	-	(624)	-	4,750
	22,343	(624)	1,180,034	708,729

Gain on disposal of non current investments

To consolidate the group's leisure sector under one holding company during the period, the Company transferred its fully owned subsidiary, Equity Hotels Limited to Company's subsidiary Pegasus Hotels of Ceylon PLC.

Company disposed of its 10.62% holding in Ceylon Investment PLC (CIPLC) to Ceylon Guardian Investment Trust PLC (CGITPLC).

The above mentioned gain was as a result of the above two transactions.

Gain on disposal of rights

During the year Carsons Group restructured its investment business portfolio by identifying Guardian Capital Partners PLC (GCP), formerly known as Watapota Investments PLC to specialise in private equity investments. To execute this strategy Company sold its rights entitlement in GCP rights issue to Ceylon Guardian Investment Trust PLC (CGITPLC), thereby transferring the direct controlling interest of GCP to CGITPLC. The rights were transferred at Rs.10.30 per share to CGITPLC and part at market prices prevalent on the trading floor.

Gain on share re-purchase

During the financial year 2009/10, Company's subsidiary companies, Ceylon Guardian Investment Trust PLC (CGITPLC) and Ceylon Investment PLC (CIPLC) re-purchased part of its shares as per section 64 of the Companies Act No.7 of 2007. Company accepted the said re-purchase offer and as a result received Rs.773.5mn and Rs.96.9mn from CGITPLC and CIPLC respectively as share re-purchase proceeds.

Profit/(loss) on disposal of Associates

On 25th January 2010, Company disposed part of its 22% associate stake of Ceybank Asset Management (Pvt) Limited formerly known as Unit Trust Management Company (Pvt) Ltd (UTMCL) to the majority shareholder of UTMCL, Bank Of Ceylon. Consequent to this disposal and the subsequent capital restructure that took place at UTMCL, Company's holding was reduced to 12.6%.

14 OTHER INCOME

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
Interest Income	14,174	13,715	-	-
Profit/(loss) on disposal of fixed assets:				
Beverage Sector	-	926	-	-
Plantation Sector	(7,432)	(1,979)	-	-
Real estate Sector	971	(16)	-	-
Management Services Sector	2,276	2,312	-	-
	(4,185)	1,243	-	-
Foreign exchange gain/(loss) - from operations	(276,399)	(74,511)	-	-
Bargain purchase on acquisition of subsidiaries	213,710	-	-	-
Sales of sludge Oil	194,809	34,408	-	-
Sundry income	76,695	52,778	-	-
	218,804	27,633	-	-

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

15 OTHER OPERATING EXPENSES

Other operating expenses consist of power and energy costs, maintenance expenditure of the Beverage sector.

16 IMPAIRMENT OF BUSINESS ASSETS

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
(i) Investment in Subsidiary Companies (Note 16(b) (i))				
Carsons Management Services (Private) Limited	-	-	-	163,341
Carsons Airline Services (Private) Limited	-	-	-	4,000
	-	-	-	167,341
(ii) Amounts due from subsidiaries (Note 16(b) (ii))				
Carsons Management Services (Private) Limited	-	-	-	49,284
	-	-	-	49,284
(iii) Land held for development and sales (Note 16(b) (iii))				
Equity Property Developers (Private) Limited	-	-	-	-
Equity Nine (Private) Limited	2,888	4,584	-	-
Equity Developers Private Limited	-	6,336	-	-
	2,888	10,920	-	-
Total	2,888	10,920	-	216,625

(a) Impairment

In assessing whether a write - down is required in the carrying value of a potentially impaired asset, its carrying value is compared with its recoverable amount, which is the higher of the asset's fair value less costs to sell and value in use.

(b) Details of Impairment

(i) Investment in Subsidiary Companies

Provision against total investment value of fully owned subsidiaries whose Balance sheets reflect negative net assets positions.

(ii) Amounts due from subsidiaries

Provisions made against net current account balances arising from loss funding of fully owned subsidiaries where the recoverability of such loans during the ensuing financial year is assessed to be remote

(iii) Land held for development and sale

Provision for difference between the carrying value of the lands held for development and sale and the market value as at year end based on professional valuation/net realizable value

17 FINANCE EXPENSES

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
Interest expenses				
Long - term borrowings	682,556	209,660	15,045	6,290
Finance Lease interest	-	7,351	-	-
Short - term borrowings	133,218	341,996	65,263	149,347
	815,774	559,007	80,308	155,637
Less: Amount capitalized as				
Property, plant and equipment	(127,580)	(28,631)	-	-
	688,194	530,376	80,308	155,637

(Amounts expressed in Sri Lankan Rs. '000)

18 FOREIGN EXCHANGE GAIN

Company

As at 31st March 2011, the Company recorded a foreign exchange gain of Rs 3.9 mn [2010 - Rs. Nil], arising mainly from revaluation of US Dollar denominated long - term borrowings (Note 40(b)).

Plantation Sector

As at 31st March 2011, the Company's foreign Subsidiaries, PT Agro Indomas, PT Agro Bukit, & PT Karayamakmur recorded a foreign exchange gain of Rs 512.2 (Rp 40,890 mn) [2010 - Rs. 24,146 mn (Rp 3,326 mn)], arising mainly from revaluation of US Dollar denominated long - term borrowings (Note 40(b)).

19 SHARE OF NET RESULTS OF ASSOCIATE

For the year ended	Associate Companies'				Group's Share of	
	Revenue		Profit/(Loss) After Tax		Profit/(Loss) After Tax	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010	31st March 2011	31st March 2010
ACW Insurance (Private) Limited +	-	-	-	1,416	-	708
Bukit Darah PLC*	130,965	332,444	98,656	122,849	18,526	23,571
Ceybank Asset Management (Pvt) Limited ++	-	39,754	-	18,539	-	889
PT Agro Bukit **	-	1,951,298	-	689,191	(31,796)	108,547
	130,965	2,323,496	98,656	831,995	(13,270)	133,715

+ Ceased to be an Associate effective 01/04/2010

* Represents Company financial results.

** Became Subsidiary with effect from 30/06/2010

++ Ceased to be an Associate in 2009/10

20 PROFIT BEFORE TAXATION

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
Profit before tax has been arrived at after charging/crediting				
Depreciation and amortization (Note 20 a)	1,265,112	1,001,777	-	-
Auditors' remuneration and other professional services expenses (Note 20 b)	39,917	28,672	1,163	1,671
Professional services (Note 20 c)	147,929	42,063	990	3,296
Personnel costs (Note 20 d)	2,261,542	1,290,267	7,365	6,465
Audit Committee fees	950	1,883	550	562
Donations	28,152	3,028	1,055	-
Royalty paid to the Carlsberg A/S	64,063	117,443	-	-
Research & development costs	34,040	17,779	-	-
Breakages - bottles and crates	98,008	106,123	-	-

(a) Depreciation and Amortization

Depreciation of property, plant and equipment	1,171,398	969,683	-	-
Amortization of Prepaid lease payments for lands	49,951	8,303	-	-
Amortization of intangible assets	43,763	23,791	-	-
Total depreciation and amortization expense	1,265,112	1,001,777	-	-

Depreciation and amortization included in the income statement under the following heading:

Direct operating expenses	768,105	606,661	-	-
Administrative expenses	425,837	297,079	-	-
Distribution expenses	17,638	20,483	-	-
Other operating expenses	8,533	7,273	-	-
Capitalized to Property plant & equipment	44,999	70,281	-	-
	1,265,112	1,001,777	-	-

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

20 PROFIT BEFORE TAXATION (Contd.)

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
(b) Auditors' Remuneration				
Fees payable to KPMG Ford, Rhodes, Thornton & Company for the audit of annual accounts of Carson Cumberbatch PLC	460	400	460	400
Fees payable to KPMG Ford, Rhodes, Thornton & Company for the audit of subsidiaries of Carson Cumberbatch PLC	4,354	5,707	-	-
Fees payable to other auditors for the audit of subsidiaries of Carson Cumberbatch PLC	32,861	21,194	-	-
Total audit fees	37,675	27,301	460	400
Tax Services				
Advisory/compliance services - (Other Auditors)	996	-	-	-
Advisory service - (KPMG Sri Lanka)	-	524	-	524
	996	524	-	524
Other Services				
Audited related/Non audit services	1,246	847	703	747
	1,246	847	703	747
	39,917	28,672	1,163	1,671
(c) Professional Services				
Legal services	30,302	6,859	500	1,401
Valuation services	1,305	867	-	-
Consultation fees	1,775	2,214	490	1,794
Plantation consultant services	103,497	3,187	-	-
Other services	11,050	28,936	-	101
	147,929	42,063	990	3,296
(d) Personnel Expenses				
Salaries, fees, wages and other related expenses	2,099,903	1,186,583	7,365	6,465
Defined contribution plan expenses - EPF & ETF	51,216	42,660	-	-
Defined benefit plan expenses - Gratuity	110,423	61,024	-	-
	2,261,542	1,290,267	7,365	6,465
The above include:				
Directors fees	13,596	8,458	7,365	6,465
Directors' emoluments	127,999	103,953	-	-
	141,595	112,411	7,365	6,465
(e) The details of employees during the year:				
Group	2011		2010	
	Year end	Average	Year end	Average
Employee by Industry				
Investment holdings	9	7	5	5
Oil Palm plantations	11,109	8,763	6,417	5,498
Beverage	230	219	208	209
Real Estate	18	19	20	24
Hotels	258	252	245	229
Airlines	8	8	8	8
Management services	40	40	40	41
	11,672	9,308	6,943	6,014
Employees by geographical location				
Sri Lanka	671	636	601	575
Malaysia	136	146	156	153
Indonesia	10,865	8,526	6,186	5,286
	11,672	9,308	6,943	6,014

There were no employees in Carson Cumberbatch PLC during the year.

(Amounts expressed in Sri Lankan Rs. '000)

21 INCOME TAX EXPENSES

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
(a) Income Statement				
(i) Current tax				
Charge for the year (Note 21 g)	2,286,975	1,444,372	-	4,572
adjustment in respect of prior year	-	(147)	-	-
Economic service charge write - off	-	7,544	-	-
	2,286,975	1,451,769	-	4,572
(ii) Deferred Tax				
Origination/(Reversal) of temporary differences in the current year (Note 21d)	282,254	(17,717)	-	-
	282,254	(17,717)	-	-
Total Income Tax Expense	2,569,229	1,434,052	-	4,572
Income tax expenses may be analysed as follows:				
Current Tax				
Sri Lanka	639,470	75,071	-	4,572
Overseas	1,647,505	1,376,698	-	-
	2,286,975	1,451,769	-	4,572
Deferred Tax				
Sri Lanka	55,602	(13,416)	-	-
Overseas	226,652	(4,301)	-	-
	282,254	(17,717)	-	-
Total				
Sri Lanka	695,072	61,655	-	4,572
Overseas	1,874,157	1,372,397	-	-
	2,569,229	1,434,052	-	4,572
(b) Income tax recognised directly in equity				
Impact on revaluation of property	5,840	181	-	-
	5,840	181	-	-
(c) Deferred Tax Assets - Charge for the year				
For the year ended	Group Income Statement		Group Balance Sheet	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
Capital allowances in excess of depreciation	864	(8)	274	8
Provision for ex-gratia	(450)	(1,622)	1,850	1,638
Provision for retirement benefit obligation	(18,239)	(41,626)	61,800	35,610
Unabsorbed tax losses carried forward	344,863	(50,884)	332,939	79,085
	327,038	(94,140)	396,863	116,341
(d) Deferred Tax Liabilities - Charge for the year				
Property plant & equipment	107,449	(22,768)	832,572	648,271
Investment in property	(26,135)	969	108,307	88,965
Mature/Immature plantation	(140,947)	93,785	677,962	286,483
Intangible assets	9,096	376	11,546	959
Finance leases	5,753	4,061	74,959	69,015
	(44,784)	76,423	1,705,346	1,093,693
Net deferred tax charge / (reversal) for the year	282,254	(17,717)	(1,308,483)	(977,352)

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

21 INCOME TAX EXPENSES (Contd.)

- (e) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to off - set current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The off - set amounts are as follows:

	Sri Lanka		Malaysia		Indonesia		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Deferred tax assets:	1,223	4,295	2,577	3,803	393,063	108,243	396,863	116,341
Deferred tax liabilities:	(582,980)	(557,886)	(68,772)	(70,117)	(1,053,594)	(465,690)	(1,705,346)	(1,093,693)
Deferred liabilities (net)	(581,757)	(553,591)	(66,195)	(66,314)	(660,531)	(357,447)	(1,308,483)	(977,352)

- (f) **The Gross Movement on the Deferred Tax Account is as follows - Group**

Balance at the beginning of the year	(977,352)	(922,232)
On consolidation	(60,768)	
Provision for the year	(282,254)	17,717
Impact of exchange rate changes on conversion	11,890	(72,837)
Balance at the end of the year	(1,308,483)	(977,352)

Deferred taxation has been computed using future effective tax rates.

Impact due to change in corporate tax rate in Sri Lanka

As provided for in SLAS 14 - income taxes, deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Accordingly following new income tax rates have been used;

Hotels Sector	12% (Previously 15%)
Breweries Sector	40% (Previously 35%)
Others Sector	28% (Previously 35%)

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010

- (g) **Reconciliation of the Accounting Profit with the Taxable Profit/(Loss)**

Profit before taxation	12,293,283	6,879,407	1,834,030	777,047
Aggregate tax disallowed expenses	1,208,603	1,153,726	29,471	82,896
Aggregate tax allowable claims	(2,215,002)	(466,008)	-	-
Dividend Income	(115,540)	(249,652)	(717,208)	(430,153)
Exempt profits	(105,968)	(2,144,607)	(1,208,331)	(781,505)
Revaluation gains	(1,702,410)	-	-	-
Impairment of business assets	(2,888)	(971,059)	(17,685)	208,943
Operating losses incurred during the year	450,391	266,614	-	-
Tax adjusted profits/(loss)	9,810,469	4,468,421	(79,723)	(142,772)

Adjustments

Inter - company transactions liable to tax	443,257	18,565	-	-
Share of net results of associate companies	13,270	(133,715)	-	-
Tax losses utilized during the year	(1,380,442)	(52,454)	-	-
Taxable income of the Group/Company	8,886,554	4,300,817	-	-

Taxation on Profits (Including adjustment in respect of prior years)

Taxation at 15% (Note 21 m vi)	8,487	1,798	-	-
Taxation at 35% (Note 21 i i)	620,744	63,966	-	-
Social Responsibility Levy (Note 21 i (iii))	9,924	1,763	-	-
Overseas taxation (Note 21 i (ii))	1,647,505	1,376,698	-	-
Deemed Dividend tax	315	-	-	-
Economic Service Charge - write off / credit (Note 21 o)	-	7,544	-	4,572
	2,286,975	1,451,769	-	4,572

Group tax expenses is based on the taxable profit of individual companies within the group. At present the tax laws of Sri Lanka do not provide for group taxation.

(Amounts expressed in Sri Lankan Rs. '000)

21 INCOME TAX EXPENSES (Contd.)

	Group		Company	
	2011	2010	2011	2010
(h) Analysis of Tax Losses				
Tax losses brought forward	2,038,716	1,832,311	1,286,924	1,144,152
Adjustment on losses brought forward	-	(7,755)	-	-
Tax losses incurred during the year	450,391	266,614	797,723	142,772
Utilization of tax losses during the year	(1,380,442)	(52,454)	-	-
Tax losses carried forward	1,108,665	2,038,716	1,366,647	1,286,924

Utilization of tax losses in the current year has resulted in a tax saving of Rs. 346 mn (2010 - Rs. 17 mn) for the Group. In Sri Lanka the utilization of current year and brought forward tax losses is restricted to 35% of Statutory Income. Unabsorbed tax losses can be carried forward indefinitely. Tax legislation that governs overseas operations does not restrict the utilization of tax losses.

(i) Unrecognised deferred Tax assets - Company

The Company has carried forward tax losses of Rs. 1,366 mn (2010: Rs. 1,287 mn) as at the Balance Sheet date. The deferred tax asset of Rs. 382 mn arising from the said tax losses has not been recognized due to uncertainty of future taxable profits against which the deferred tax assets would be utilized, given that the Company's only source of income being dividend income which is tax exempt.

Recognized deferred Tax assets

The recognition of deferred tax assets by the Group are dependent upon future taxable income in excess of income arising from the reversal of existing taxable temporary differences. Deferred tax assets relating to tax losses carry forward have been re-assessed and the management believes that sufficient taxable profit will be available to allow the benefit to be utilized. Accordingly, the Group recognized the following deferred tax assets relating to the tax losses carry forward.

- (i) Pegasus Hotels of Ceylon PLC - Rs. 0.25 mn (2010 - 4.29 mn)
- (ii) Karya Makmur Sejahtera - Rs. 106.78 mn (2010 - 74.78 mn)
- (iii) PT Agro Bukit - Rs. 44.54 mn
- (iv) PT Rim Capital - Rs. 97.23 mn
- (v) PT Nabire Baru - Rs. 2.2 mn
- (vi) PT Agrajaya Baktiama - Rs. 7.9 mn
- (vii) PT Agro Wana Lestari - Rs. 74 mn

(j) Unrecognised temporary differences relating to investments in subsidiaries and associates

Temporary difference associated with investments in subsidiaries and associates for which a deferred tax liability has not been recognised. The deferred tax effect on undistributed reserve of subsidiaries has not been recognised since the parent can control the timing of the reversal of these temporary differences. The deferred tax liability on temporary differences relating to undistributed profit of associates has not been recognised as there is no current intention of distributing retained earnings to the holding company.

(k) Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends proposed by the Company as dividends are declared using exempt profits for the financial years ended 31 March 2011. Dividend proposed has not been recognized as a liability as at the Balance Sheet date as disclosed in note 48 to the Financial Statements.

(l) Taxation of Profits

(i) Income Tax in Sri Lanka

In accordance with provisions of the Inland Revenue Act No. 10 of 2006 and amendment thereto, the Company and all other companies of the Group other than those entities disclosed in Note (m) operating in Sri Lanka, are chargeable to income tax at the standard rate of 35% (2010 - 35%).

(ii) Income Tax on Overseas Operations

Profits of subsidiary companies operating in Malaysia are liable to income tax at 25% (2010 - 25%).

Profits of subsidiary companies operating in Indonesia are liable to income tax at 25% (2010 - 28%).

Profits of subsidiary companies operating in Singapore are liable to income tax at 17% (2010 - 17%).

(iii) Social Responsibility Levy

All companies operating in Sri Lanka are required to pay 1.5% of income tax as a Social Responsibility Levy. (2010 - 1.5%).

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

21 INCOME TAX EXPENSES (Contd.)

(m) Tax Exemptions and Concessions

- (i) In terms of an agreement entered into with the Board of Investment, the business profits of Lion Brewery Ceylon Limited are exempt from income tax for a period of 12 years. The tax holiday expired during the financial year.
- (ii) The business profits & income of Agro Harapan Lestari (Pvt) Ltd, are exempt from income tax for a period of 3 years from the year of assessment 2008/2009 in terms of an agreement entered into with the Board of Investment of Sri Lanka. The said tax holiday expired during the financial year.
- (iii) In terms of section 13ddd of the Inland Revenue Act, profits & income earned in foreign currency, from services rendered being services rendered in the course of management of plantation companies situated outside Sri Lanka is exempt from income tax.
- (iv) In terms of Section 13 (t) of the Inland Revenue Act, profits derived on the sale of shares on which share transaction levy has been paid is exempt from income tax.
- (v) Profits from the agriculture undertaking carried on in Malaysia is liable to tax at 15% in terms of Section 46 of the Inland Revenue Act.
- (vi) In terms of Section 46 of the Inland Revenue Act, operational profits of a hotels are subject to income tax at 15%.
- (vii) Other miscellaneous concessions
Exemption on interest income earned from foreign currency denominated accounts. Income / profits from offshore dividends and interest is exempt from income tax. Gains from sale of shares held for more than two years is excluded from chargeability to income tax.

(n) Double Tax Relief

In terms of the double tax treaty agreement entered into between Governments of Sri Lanka and Malaysia, the companies incorporated in Sri Lanka & which are operating in Malaysia are entitled to claim credits for tax paid in Malaysia, when calculating the such companies tax liability in Sri Lanka on profits from plantation in Malaysia.

(o) Economic Service Charge

Economic Service Charge paid by companies is available as income tax credit. In instances where recoverability is not possible due to the tax status, sums paid are written-off to the income statements.

22 EARNINGS PER ORDINARY SHARE

The Group's earnings per ordinary share of Rs 23.42 (2010 - Rs. 16.45) and Company's earnings per ordinary share of Rs.3.22 (2010 - Rs. 0.04), are calculated by dividing the profit attributable to the ordinary shareholders of Carson Cumberbatch PLC net of non-recurrent gains/losses and after deducting the preference dividend by the weighted average number of ordinary shares in issue during the year. The amounts used in calculating the earnings per share are as follows:

The impact of non-recurrent transactions of the Company/Group on the calculation of EPS is eliminated on the basis that inclusion of same may misinform the shareholders. However, the amounts so eliminated are disclosed separately for the information of the shareholders.

For the year ended	Group		Company	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
Amount used as the Numerator				
Profit for the year	9,724,054	5,445,355	1,834,030	772,475
Dividend on Redeemable Preference Shares	(21,330)	(55,958)	(21,330)	(55,958)
Gain on disposal of non current investments /shares re-purchase	-	-	(1,180,034)	(708,729)
Non controlling interest	(5,103,732)	(2,158,444)	-	-
Net Profit attributable to Ordinary Shareholders	4,598,992	3,230,953	632,666	7,788
Number of Ordinary Shares used as the Denominator				
Ordinary shares in issue	196,386,914	196,386,914	196,386,914	196,386,914
Earnings per Ordinary Share Rs.	23.42	16.45	3.22	0.04

(Amounts expressed in Sri Lankan Rs. '000)

23 DIVIDEND PER SHARE

	Total dividend		Dividend per ordinary share	
	2011	2010	2011 Rs.	2010 Rs.
On ordinary shares				
Interim	-	48,134	-	0.50
Final for 2010	192,536	96,268	2.00	1.00
	192,536	144,402	2.00	1.50
On Preference shares				
Class A	3,384	20,273	-	-
Class B	17,946	35,685	-	-
	21,330	55,958	-	-
Total	213,866	200,360		
(a) Proposed Ordinary Dividend				
Proposed - Final for 2011	392,774	192,536	2.00	2.00
	392,774	192,536	2.00	2.00

Board of Directors have recommended the payment of a first & final dividend of Rs 2/- per share for the year ended 31st March 2011 (2010 - Rs 2.00 per share) which is to be approved at the Annual General Meeting to be held on 30th June 2011.

In accordance with Sri Lanka Accounting Standard No. 12 - (Revised 2005) "Events After the Balance Sheet Date", this proposed final dividend has not been recognized as a liability as at 31st March 2011.

(b) Compliance with Sections 56 and 57 of the Companies Act No. 7 of 2007

As required by Section 56 of the Companies Act No. 7 of 2007, the Board of Directors of the Company has determined that the Company satisfies the solvency test in accordance with the Section 57, prior to recommending the first and final dividend. A statement of solvency completed and duly signed by the Directors on 26th May 2011 has been audited by Messrs KPMG Ford, Rhodes, Thornton & Co.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

24 PROPERTY, PLANT & EQUIPMENT - GROUP

	Freehold Land & Buildings	Leasehold Land & Buildings	Mature & Immature Plantations	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Capital Work - In Progress	Total as at 31st March 2011
(a) Year ended 31st March 2011									
Cost/Valuation									
As at 1st April 2010	6,736,301	3,197,002	5,655,525	5,150,737	1,011,364	450,380	252,305	1,472,176	23,925,790
On Consolidation	-	4,660,901	9,466,087	369,057	375,366	79,385	49,559	2,274,416	17,274,771
Revaluation	808,224	-	-	-	-	-	-	-	808,224
Additions	28,658	433,419	942,963	126,724	146,598	111,034	61,530	2,155,529	4,006,455
Adjustment	47,215	1,714,855	-	1,974,537	8,303	74,275	24,556	(3,853,820)	(10,079)
Disposals/written - off	(863)	(218,668)	(9,141)	(142,468)	(135,870)	(11,548)	(6,504)	(19,298)	(544,360)
Impairment /Written-off of property	-	-	-	-	-	-	-	-	-
Exchange translation difference	262,438	121,069	186,050	49,743	18,244	7,593	2,846	21,621	669,604
As at 31st March 2011	7,881,973	9,908,578	16,241,484	7,528,330	1,424,005	711,119	384,292	2,050,624	46,130,405
Depreciation/Amortization									
As at 1st April 2010	111,735	455,400	1,226,264	2,301,610	567,526	201,843	193,063	-	5,057,441
On Consolidation	-	168,234	202,711	82,084	131,997	27,789	24,756	-	637,571
Charge for the year	24,886	243,364	6,723	526,558	229,254	80,786	59,827	-	1,171,398
Revaluation	(66,377)	-	-	-	-	-	-	-	(66,377)
Transfers /Adjustments	-	-	-	(2,532)	2,768	(2,288)	1,289	-	(763)
On disposals/written - off	(97)	(3,288)	-	(51,485)	(71,926)	(10,614)	(5,992)	-	(143,402)
Impairment /Written-off of property	-	-	-	-	-	-	-	-	-
Exchange translation difference	1,881	11,392	(4,642)	23,826	10,792	3,256	1,978	-	48,483
As at 31st March 2011	72,028	875,102	1,431,056	2,880,061	870,411	300,772	274,921	-	6,704,351
Net Book Value									
As at 31st March 2011	7,809,945	9,033,476	14,810,428	4,648,269	553,594	410,347	109,371	2,050,624	39,426,054
(b) Year ended 31st March 2010									
Cost/Valuation									
As at 1st April 2009	6,369,283	2,058,600	3,806,407	4,387,070	573,026	288,010	202,757	1,201,986	18,887,139
Additions	2,491	177,253	572,303	73,934	343,796	128,531	35,222	585,594	1,919,124
Transferred from capital Work in Progress	-	447,514	-	119,557	278	-	-	(567,349)	-
Disposals/written-off	-	(35,900)	-	(22,992)	(22,567)	(7,713)	(8,697)	(3,494)	(101,363)
Exchange translation difference	364,527	549,535	1,276,815	593,168	116,831	41,552	23,023	255,439	3,220,890
As at 31st March 2010	6,736,301	3,197,002	5,655,525	5,150,737	1,011,364	450,380	252,305	1,472,176	23,925,790
Depreciation/Amortization									
As at 1st April 2009	80,343	286,688	918,190	1,695,490	325,359	148,235	148,411	-	3,602,716
Charge for the year	28,872	111,273	167,053	393,941	189,728	40,570	38,246	-	969,683
On disposals/written-off	-	(19,560)	-	(17,928)	(14,936)	(5,748)	(8,183)	-	(66,355)
Exchange translation difference	2,520	76,999	141,021	230,107	67,375	18,786	14,589	-	551,397
As at 31st March 2010	111,735	455,400	1,226,264	2,301,610	567,526	201,843	193,063	-	5,057,441
Net Book Value									
As at 31st March 2010	6,624,566	2,741,602	4,429,261	2,849,127	443,838	248,537	59,242	1,472,176	18,868,349

(Amounts expressed in Sri Lankan Rs. '000)

24 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(c) Details of Group Freehold Lands Stated at Valuation are Indicated below:

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Carrying Value of Revalued Assets as at 31st March 2011 If carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2011
Pegasus Hotels of Ceylon PLC Wattala, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	10.32	3,660	504,333
Ceylon Brewery PLC Nuwara Eliya, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	15.55	141	112,464
Lion Brewery (Ceylon) PLC Biyagama, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	17.63	338,259	907,865
Equity Two PLC Colombo 1, Sri Lanka	Market Approach	31.03.2010	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	0.53	422,000	344,240
Selinsing PLC District of Krian Malaysia	Existing use basis	31.03.2011	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	1,217.84	11,730	1,409,045
Indo-Malay PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2011	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	725.30	600	1,049,215
Good Hope PLC District of Kuala Langat Malaysia	Existing use basis	31.03.2011	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	780.68	581	948,360
Shalimar (Malay) PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2011	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	757.28	222	1,338,395
				3,525.13	777,193	6,613,917

(d) Carrying Value of Property, Plant & Equipment

	2011	2010
At cost	32,727,161	13,247,633
At valuation	6,613,917	5,545,030
On finance lease	84,976	75,686
	39,426,054	18,868,349

(e) Land and buildings

At cost	10,229,504	3,821,138
At valuation	6,613,917	5,545,030
	16,843,421	9,366,168

(f) Capital work - in - progress consists of

Land Improvements	-	343,754
Buildings	305,770	63,931
Plant & Machinery	1,427,468	555,078
Others	317,386	509,413
	2,050,624	1,472,176

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

24 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(g) Assets held under finance lease

Property, plant & equipment include capitalized finance leases. The carrying value of these assets are as follows:

	Motor Vehicles		Heavy Equipment		Total	
	2011	2010	2011	2010	2011	2010
Cost	70,285	40,412	69,153	90,958	139,438	131,370
Accumulated depreciation	(36,245)	(27,169)	(18,217)	(28,514)	(54,462)	(55,684)
	34,040	13,243	50,936	62,443	84,976	75,686

Leased assets are pledged as security for the related finance lease liabilities.

(h) Revaluation of Freehold Land in Malaysia

The freehold land of the Malaysian subsidiaries, Shalimar (Malay) PLC, Good Hope PLC, Selinsing PLC and Indo-Malay PLC have been revalued on 31st March 2009 based on an existing use basis by an independent valuer, Encik W.M. Malik, a member of the institute of Surveyors, Malaysia and a partner with W.M. Malik & Kamararuzaman.

The company has obtained a confirmation of the value of freehold land as at 31st March 2011 from the same valuer, and the carrying value approximates its fair value.

The total surplus over the book value has been credited to the Capital Accretion Reserve. The combined fair value amounts to Rs. 4,659 million or equivalent to US \$ 42,203,179/-

(i) Indonesian Property Valuation

Property, plant & equipment excluding mature and immature plantation

Based on the reports dated 14 April 2011 and 9 April 2010 issued by KJPP Rengganis, Hamid & Partners, an Indonesian independent valuer (formerly PT Heburinas Nusantara, an Indonesian independent professional valuer associated with CB Richard Ellis), the combined appraised values of property, plant and equipment of PT Agro Indomas, PT Agro Bukit, PT Karya Makmur Sejahtera, PT Rim Capital, PT Agro Wana Lestari and PT Agra Jaya Baktitama as of 31 March 2011 were Rs 18,165, million equivalent to US\$164,539,212. (2010: the combined appraised values of property, plant and equipment of PT Agro Indomas and PT Karya Makmur Sejahtera were Rs 8,920 million equivalent to US\$ 78,247,000). These values have not been incorporated in the carrying value of property plant and equipment.

(j) Mature & Immature Plantation

The fair value of Mature & Immature Plantation of Indonesian Palm Oil Plantation amounting to Rs 22,224 mn (US \$ 201.31 mn) 2010 - Rs 10,282 mn (US \$ 90.19 mn) was determined by KJPP Rengganis, Hamid & Partners a local independent valuer (formerly PT Heburinas Nusantara a local independent professional valuer associated with CB Richard Ellis) in its reports dated 14th April, 2011 and 6th April, 2009. The valuations of the Mature & Immature Plantation assets were performed in accordance with Indonesian Valuation Standards ("Standards Penilaian Indonesia/SPI") which are based on the International Valuation Standards. The valuations were based on the following significant assumption:

(a) Projected economic production life of palm oil plants is 22 years after maturity.

(b) Discount rate per annum of 13.53% in 2011 (2010: 15.44%).

(c) FFB Selling price for the first year is Rs. 17,760/- (Rp1,401,000 per Ton) (2010: FFB selling price for the first year is Rs. 14,625/- (Rp1,170,000 per Ton).

(Amounts expressed in Sri Lankan Rs. '000)

24 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(k) Biological Valuation of Indonesian Plantations.

The Indonesian Palm Oil plantation companies of the group account for the biological assets owned by them at fair value less estimated point of sale cost in accordance with IAS 41 "Agriculture" being the applicable accounting treatment in Indonesia based on valuations conducted by independent professional valuers.

However, since Sri Lanka is yet to adopt IAS 41 the applicable Sri Lanka Accounting Standard would be SLAS - 32 plantations which does not recognize adoption of fair value concept for Oil Palm plantations. Consequently, the Company has reversed fair value gain on the oil palm plantation assets effective from the previous financial year and report under property, plant and equipment and capitalize the cost in accordance with SLAS 32 – Plantations.

Had the Company continued to apply the previous accounting policy, by measuring the Indonesian plantation at fair value less estimated point of sale cost in accordance with IAS 41, "Agriculture", the value of the said Plantation and the gain on fair value of the same would have been as follows:

	2011		2010	
	Current Policy (cost method)	Previous Policy (fair value method)	Current Policy (cost method)	Previous Policy (fair value method)
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
(i) Value of Indonesian Plantation as at 31st March	15,305,748	22,911,201	4,671,548	10,282,458
(ii) Gain in fair value included in the Income Statement during the year	-	1,762,122	-	1,066,544
(iii) Cumulative gain in fair value included in Retained earnings	-	5,064,644	-	3,756,199

(l) Capitalization of borrowing costs

The Group's property, plant and equipment includes borrowing costs arising from bank term loans borrowed specifically for their development. During the financial year, the borrowing costs capitalized as cost of plant and property, plant & equipment amounted to approximately Rs 127.58 mn (2010: Rs 28.63 mn).

(m) Assets pledged as security

Indonesian Assets

Property, plant and equipment of PT Agro Indomas, PT Agro Bukit and PT Karya Makmur Sejahtera, except for assets under finance leases have been pledged as security for the bank borrowings with Standard Chartered Bank

Malaysian Properties

Malaysian properties of Indo-Malay PLC and Selinsing PLC have been pledged as security for the bank borrowings with Standard Chartered Bank.

In addition, the Group's obligations under finance leases (see note 40 f) are secured by the lessor's title to the leased assets, which have a carrying amount of Rs 84.97 mn. (2010: Rs. 75.68 mn)

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

24 PROPERTY, PLANT & EQUIPMENT - GROUP (Contd.)

(n) Land acquisition Company's subsidiary Pegasus Hotels of Ceylon PLC (PRH)

During the financial year 2008/09, the Government acquired approximately 1,605 perches of the land owned by PRH, out of which 353.89 perches of land was subject Supreme Court order as explained below. The market value of the said net land extent (1,251 perches) as at the date of acquisition amounting to Rs.187,800,000/- has been removed from the value of the freehold land classified under the property, plant, and equipment in the balance sheet of the company. The removal of the said land has been accounted for as a disposal of an asset in the financial statements.

PRH filed a fundamental rights application in the Supreme Court regarding the acquisition of approximately 353.89 perches of land (described as Mangrove) owned by the Company. As per the Supreme Court ruling dated 20th November 2008, the said land is to be returned to PRH on the completion of the construction work of the Fisheries Harbour project. On 15th March 2011, the Sri Lanka Navy has approached the Fisheries Harbour Corporation through which they have requested for a portion of 80 perches from and out of the said 353.89 perches in order to establish a coast guard unit. PRH is expected to regain title to the balance 273.89 perches and make an additional claim for compensation for the said 80 perches, after referring the said request to the Supreme Court. Until determination of the aforesaid legal steps, the entire land extent in question will continue to be accounted in the Balance Sheet of the PRH under Property, Plant & Equipment at the market value.

Accordingly the market value of the said land amounting to Rs. 52,950,000/- (2010 - Rs. 7,060,000/-) as at the balance sheet date has not been removed from the Property, Plant and Equipment.

25 PREPAID LEASE PAYMENT FOR LAND

As at 31st March	Group 2011	2010
Cost/Valuation		
Balance as at the beginning of the year	395,356	238,901
On Consolidation	1,061,712	-
Additions	306,872	90,591
Transfer	(50,366)	-
Exchange translation difference	28,735	65,864
Balance as at end of the year	<u>1,742,309</u>	<u>395,356</u>
Accumulated amortization		
Balance as at the beginning of the year	39,753	24,707
On Consolidation	23,248	-
Amortization	49,951	8,303
Transfer	(3,358)	-
Exchange translation difference	1,502	6,743
Balance as at end of the year	<u>111,096</u>	<u>39,753</u>
Net Balance as at the end of the year	<u>1,631,213</u>	<u>355,603</u>

(Amounts expressed in Sri Lankan Rs. '000)

25 PREPAID LEASE PAYMENT FOR LAND (Contd.)

(a) Details of leasehold property

The Company' subsidiary PT Agro Indomas's land rights in the form of "Hak Guna Usaha" (HGU) will expire in the following years.

Property	Land Extent (in Ha)	Amount		Year of Expiration	Location
		2011	2010		
*PT Agro Indomas	12,104	355,081	343,097	2028	Kotawaringin Timur
	3,760			2033	Kotawaringin Timur
	15,864	355,081	343,097		

* Management believes that the existing land rights will be renewed by the Government of Indonesia upon expiration because under the laws of Indonesia the land rights can be renewed upon the request of the HGU holder (subject to the Government of Indonesia approval).

Company subsidiaries PT Agro Bukit, PT Nabire Baru, PT Agro Wana lastari and PT Rim Capital are still in the process of obtaining land right certificates (HGU).

Amortization of Prepaid lease payment for land capitalized to Property plant equipment amounted to Rs. 10.59 million. (2010: Rs 9.41mn).

Prepaid land rights with cost and accumulated amortization amounted to Rs. 50 mn and Rs 3 mn respectively, has been reclassified to other advances and prepayments - third parties account since the land rights represent the area which designated as Plasma plantation area.

26 INVESTMENT PROPERTY - Group

	Freehold Land		Freehold Building		Group	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
(a) Investment Properties of the Group comprise of:						
Equity One PLC.			933,005	185,974	1,118,979	1,096,200
Equity Three (Private) Limited			172,473	65,527	238,000	230,531
			1,105,478	251,501	1,356,979	1,326,731

(b) Movements of Investment Properties

Balance as at the beginning of the year	1,048,360	1,213,360	278,371	278,102	1,326,731	1,491,462
Additions during the year	-	-	-	531	-	531
Disposal during the year	-	-	-	-	-	-
Gain on fair value adjustment (note c)	57,118	2,738	(26,870)	-	30,248	2,738
Transfer to assets held for sale (Note f)	-	(167,738)	-	(262)	-	(168,000)
	1,105,478	1,048,360	251,501	278,371	1,356,979	1,326,731

(c) Change in fair value of investment properties

Equity One PLC.	48,905	-	(26,126)	-	22,779	-
Equity Three (Private) Limited	8,213	-	(744)	-	7,469	-
Selinsing PLC	-	2,738	-	-	-	2,738
	57,118	2,738	(26,870)	-	30,248	2,738

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

26 INVESTMENT PROPERTY (Contd.)

(d) Valuation of investment property

Investment properties were stated based on a valuation performed by Mr K.Arthur perera,A.M.I.V (Sri Lanka), an independent professional valuer as at 31st March 2011.

(e) Properties pledged as security

Certain investment properties amounting to Rs 1,118 mn (2010 -1,096 mn) are mortgaged to secure bank loans (Note37b)

(f) Details of Investment Properties - Group

Name of building/location	Tenure of land	Description	Extent (in Acres)	Net lettable area sq.ft.	Fair Value 31st March 2011	Historical Cost 2011	Effective Date of Valuation
Equity One PLC							
Dharmapala Mw., Colombo 7	Freehold	Office space	0.60	44,163	657,000	96,651	31-Mar-11
Equity One PLC.							
Vauxhall Lane, Colombo 2	Freehold	Warehouse complex	1.36	32,353	461,979	229,201	31-Mar-11
Equity Three (Private) Limited							
George R. De Silva Mw., Colombo 13	Freehold	Office space	0.51	33,400	238,000	76,153	31-Mar-11
			2.47	109,916	1,356,979	402,005	

The method of valuation is market approach.

27 INTANGIBLE ASSETS - GROUP

	Goodwill		Computer Software		Excise License		Total as at	Total as at
	2011	2010	2011	2010	2011	2010	31st March 2011	31st March 2010
Cost/Valuation								
Balance as at the beginning								
of the year	502,027	539,461	375,946	200,216	22,099	20,060	900,072	759,737
On Consolidation	989,037		24,321	-	-	-	1,013,358	-
Additions/(Reversals)	(46,876)	(37,434)	124,930	152,357	3,862	2,039	128,792	116,962
Written-off-Software								
Development Cost	-	-	(78,241)	-	-	-	(78,241)	-
Transfer / Adjustment	-	-	(14,797)	344	-	-	(61,673)	344
Exchange translation difference	-	-	3,264	23,029	-	-	3,264	23,029
	1,444,188	502,027	435,423	375,946	25,961	22,099	1,905,572	900,072
Accumulated Amortization								
Balance as at the beginning								
of the year	-	-	110,481	81,783	3,125	1,556	113,606	83,339
On Consolidation			16,480	-	-	-	16,480	-
Amortization	-	-	41,156	22,222	2,607	1,569	43,763	23,791
Transfer / Adjustment	-	-	(42,488)	-	-	-	(42,488)	-
Exchange translation difference	-	-	465	6,476	-	-	465	6,476
	-	-	126,094	110,481	5,732	3,125	131,826	113,606
Net Balance as at the								
end of the year	1,444,188	502,027	309,329	265,465	20,229	18,974	1,773,746	786,466

(Amounts expressed in Sri Lankan Rs. '000)

27 INTANGIBLE ASSETS - GROUP (Contd.)

(a) Goodwill

Goodwill is allocated to cash generating units (CGU) identified according to its business segment. When testing for impairment for goodwill, the recoverable amount of a cash generating unit is determined on the basis of value-in-use calculations. These calculations use cash flow projections based on financial budgets, which are approved by management, typically covering a five-year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates. The cash flows were discounted at an appropriate pre-tax discount rate equivalent to the average treasury bond rate.

As from 1st April 2006, goodwill is no longer amortized but tested for impairment annually. Goodwill acquired through business combinations have been allocated to 4 cash generating units (CGUs) for impairment testing as follows:

	2011	2010
Investment holdings sector	182,740	182,740
Beverage sector	244,827	244,827
Real Estate sector	27,584	74,460
Plantation sector	989,037	-
	1,444,188	502,027

(b) Computer Software

Software with a finite life is amortized over a period of expected economic benefit.
Break up software as follows

	2011	2010
Purchased software	86,084	77,303
Software licenses	223,245	188,162
	309,329	265,465

28 INVESTMENTS

Summary - GROUP

	Note	Group				Company	
		As at	As at	As at	As at	As at	As at
		31st March	31st March	31st March	31st March	31st March	31st March
		Cost	Market Value	Cost	Market Value	Cost	Cost
A. Investments in							
Subsidiary Companies							
Quoted	a (i)	-	-	-	-	3,644,137	2,788,312
Unquoted	a (ii)	-	-	-	-	4,325,894	4,332,604
Total - Investments in		-	-	-	-	7,970,031	7,120,916
B. Investments in							
Associate Companies							
Quoted	b (ii)	436,174	32,722,467	442,016	8,201,625	10,406	10,406
Unquoted	b (iv)	-	-	215,193	186,015	-	1,869
Total - Investments in		436,174	32,722,467	657,209	8,387,640	10,406	12,275
C. Long - Term investments							
Quoted	c (ii) a	2,911,986	10,250,380	2,637,639	6,119,488	-	-
Unquoted	c (iii) b	3,291,892	3,291,892	1,853,549	1,853,549	-	-
Total Long - Term Investments		6,203,878	13,542,272	4,491,188	7,973,037	-	-
Total		6,640,052	46,264,739	5,148,397	16,360,677	7,980,437	7,133,191

Market value of these subsidiary companies investments were Rs. 71,795 mn (2010 - Rs. 26,183 mn) and Rs. 16,930 mn (2010 - Rs. 7,931 mn) for the Group and Company respectively.

Directors' valuation of unquoted investments amounted to Rs. 16,962 mn (2010 - Rs.6,950 mn) and Rs. 4,326 mn (2010 - Rs. 4,333 mn) for the Group and Company respectively.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

28 INVESTMENTS (Contd.)

(a) Investment in Subsidiaries

	No. of Shares 31st March 2011	Group Cost as at 31st March 2011	Cost as at 31st March 2010	No. of Shares 31st March 2011	Company Cost as at 31st March 2011	Cost as at 31st March 2010
(i) Quoted Investments						
Investments in Ordinary Shares						
Equity One PLC	38,818,252	1,026,274	1,026,274	38,818,252	1,026,274	1,026,274
Equity Two PLC	27,532,935	448,839	448,839	435	6	6
Pegasus Hotels of Ceylon PLC	25,369,210	322,140	322,140	25,369,210	322,140	322,140
Selinsing PLC	6,056,717	49,687	30,512	75	-	-
Good Hope PLC	6,143,342	79,649	12,258	600	-	-
Indo - Malay PLC	5,406,230	76,831	63,375	-	-	-
Shalimar (Malay) PLC	6,404,628	40,468	40,468	450	-	-
Ceylon Guardian Investment Trust PLC	60,871,111	591,113	591,113	55,131,341	591,113	591,113
Ceylon Investment PLC	63,407,519	444,538	444,538	-	-	167,510
Watapota Investments PLC	22,275,025	10,121	10,121	582,225	10,121	10,121
Ceylon Brewery PLC	15,726,922	713,414	713,415	15,726,922	1,097,344	644,145
The Lion Brewery (Ceylon) PLC	44,906,528	1,426,356	1,260,951	4,107,800	597,139	27,003
Total investment in Subsidiaries - quoted		5,229,430	4,964,004		3,644,137	2,788,312
(ii) Unquoted Investment						
Leechman and Company (Private) Limited	5,160,000	849	849	5,159,999	849	849
Rubber Investment Trust Limited	7,905,000	593	593	820	-	-
Mylands Investments Limited	115,268	5,340	5,340	115,268	5,340	5,340
Weniwella Investments Limited	93,352	4,501	4,501	93,352	4,501	4,501
Guardian Fund Management Limited	1,045,015	10,450	10,450	-	-	-
Good Hope Asia Holdings Limited	54,957,066	4,156,672	4,156,672	54,957,066	4,156,672	4,156,672
Shalimar Developments Sdn. Bhd.	3,942,169	2,652,588	729,344	-	-	-
PT Agro Indomas	41,087	1,713,106	542,805	-	-	-
PT Agro Bukit	23,591,472	4,785,831	-	-	-	-
PT Karya Makmur Sejahtera	19,000	1,127,370	1,127,370	-	-	-
PT Agro Wana Lestari	23,750	226,522	-	-	-	-
PT Rim Capital	8,792,470	1,293,075	-	-	-	-
PT Nabire baru	11,875	148,983	-	-	-	-
PT Agrajaya Baktitama	23,750	292,135	-	-	-	-
PT Agro Asia Pacific	1,500	15,313	15,313	-	-	-
PT Agro Asia Pacific Limited	249,999	20,296	20,296	-	-	-
PT Agro Harapan Lestari	250,000	117,664	16,478	-	-	-
Agro Harapan Lestari Sdn. Bhd.	280,000	75,857	5,724	-	-	-
Agro Harapan Lestari (Private) Limited	2,689,901	26,865	26,865	-	-	-
AHL Business Solution (Private) Limited	750,000	7,488	7,488	-	-	-
Carsons Management Services (Private) Limited	16,334,138	163,341	163,341	16,334,138	-	-
Carsons Airline Services (Private) Limited	399,999	4,000	4,000	399,999	-	-
CBL Retailers (Private) Ltd	1,200,000	12,000	12,000	-	-	-
Equity Hotels Limited	685,368	6,710	6,710	-	-	6,710
Equity Three (Private) Limited	5,400,000	103,214	103,214	-	-	-
Equity Seven Limited	3,271,882	43,148	43,148	3,271,882	43,148	43,148
		17,013,911	7,002,501		4,210,510	4,217,220
(iii) Investments in Unquoted Deferred Shares						
Ceylon Guardian Investments Trust PLC	5,739,770	115,384	115,384	11,262	115,384	115,384
Total Investment in Subsidiaries - Unquoted		16,961,954	7,117,885		4,325,894	4,332,604
Total Investment in Subsidiaries		22,358,725	12,081,889		7,970,031	7,120,916

(Amounts expressed in Sri Lankan Rs. '000)

28 INVESTMENTS (Contd.)

(b) Acquisition of subsidiaries

The following represents the fair values of the identifiable assets and liabilities of subsidiaries acquired as at the date of acquisition:

2011

ASSETS

Property, Plant & Equipments	16,637,200
Prepaid lease payment for Land	1,046,305
Deferred tax assets	570,896
Inventories	1,088,125
Trade and other receivables	410,945
Cash and cash equivalents	83,372
Total assets	19,836,843

LIABILITIES

Long - term borrowings	7,029,054
Retirement benefit obligations	32,075
Deferred tax liabilities	631,664
Amounts due to related companies	4,182,631
Short term borrowings	1,135,550
Lease Creditor	20,173
Trade and other payables	1,192,716
Total Liabilities	14,223,863

Net identifiable assets	5,612,980
Less: Non-controlling interest	(2,797,820)
Identifiable net assets acquired	2,815,160
Add: Positive goodwill arising from acquisition	989,037
Less: Bargain purchase (negative goodwill) from acquisition	(213,710)
Total consideration for acquisition	3,590,487

(c) Consideration for acquisition	3,590,487
Less: issuance of ordinary shares	(2,796,817)
Less: transfer of investment in associates	(180,277)
Less: amount due from related companies on acquisition	(221,247)
Consideration for acquisition – cash paid	3,921,146

The effects of acquisition on cash flow is as follows:

Consideration settled in cash	392,146
Less: Cash and cash equivalents of subsidiaries acquired	(83,372)
Net cash outflow on acquisition	308,774

(d) Transaction costs

Transaction costs related to the above acquisitions have been recognised in the income statement for the financial year ended 31 March 2011.

(e) Impact of acquisition on income statement

From the date of acquisition, the acquires have contributed an additional revenue and profit of approximately Rs 5,554.1 mn and Rs 1,462.4 mn respectively for the financial year ended 31 March 2011.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

28 INVESTMENTS (Contd.)

(f) Acquisition of non-controlling interests

During the year, the Group acquired additional interest in the following subsidiaries from the existing non controlling shareholders:

Acquirer	Acquiree	Additional interest %	Proportion of ownership interest after additional acquisition %	Consideration
Carson Cumberbatch PLC & Ceylon Brewery PLC	Lion Brewery (Ceylon) PLC	1.00	55.14	165,405
Good Hope Asia Holdings Limited	Selinsing PLC	0.62	87.27	19,175
Good Hope Asia Holdings Limited	Good Hope PLC	2.03	89.40	67,391
Good Hope Asia Holdings Limited	Indo - Malay PLC	0.41	77.25	13,456
Good Hope Asia Holdings Limited	PT Agro Indomas	6.78	91.31	1,170,301
Good Hope Asia Holdings Limited	Shalimar Developments Sdn. Bhd.	13.33	100	1,923,244
Good Hope Asia Holdings Limited	PT Agro Harapan Lestari	40.00	100	101,186
Good Hope Asia Holdings Limited	Agro Harapan Lestari Sdn. Bhd.	40.00	100	70,133

(i) Amalgamation of subsidiaries

As part of the restructure within the Real Estate, in accordance with Section 242 (1) of the Companies Act, No. 07 of 2007 and pursuant to receipt of due approval from the Registrar of Companies through the Certificate of amalgamation dated 30th November 2010; Equity Property Developers (Private) Limited, Equity Five Limited, Equity Nine (Private) Limited, Equity Developers (Private) Limited and Carsons Real Estate Management Services (Private) Limited (amalgamating companies), being fully owned subsidiaries of Equity One PLC were amalgamated with Equity One PLC (amalgamated company).

(g) Investment in Associate Companies

(i) Movements of Investments in Associate Companies

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Balance as at the beginning of the year	657,209	479,514	12,275	17,775
Transfers/disposal during the year	(183,397)	(22,521)	-	(5,500)
Appreciation of Associate companies' reserves	(7,241)	81,852	-	-
Share of net results of Associates	(13,270)	133,715	-	-
Dividend received during the year	(17,127)	(15,351)	-	-
Balance as at the end of the year	436,174	657,209	12,275	12,275

(Amounts expressed in Sri Lankan Rs. '000)

28 INVESTMENTS (Contd.)

(g) Investment in Associate Companies (Contd.)

(ii) Measurement of Associate Companies

	No. of Shares	Carrying Value As at 31st March 2011	Market Value/ Valuation As at 31st March 2011	No. of Shares	Carrying Value As at 31st March 2010	Market Value/ Valuation As at 31st March 2010
On Ordinary Shares						
ACW Insurance (Private) Limited		-	-	449,999	1,869	1,869
Bukit Darah PLC	27,884,505	12,334	32,722,467	2,733,875	12,334	8,201,625
PT Agro Bukit *		-	-	1,653,000	184,146	184,146
		12,334	32,722,467		198,349	8,387,640
Group Share of Associate Companies' Retained Assets						
ACW Insurance (Private) Limited +		-	-		1,251	-
Bukit Darah PLC		423,840	-		429,682	-
Ceybank Asset Management (Pvt) Ltd **		-	-		-	-
PT Agro Bukit *		-	-		27,927	-
		423,840	-		458,860	-
Investments in Associate Companies (Equity Basis)		436,174	32,722,467		657,209	8,387,640

+ Ceased to be an Associate effective 01/04/2010

* Became a Subsidiary effective 30/06/2010.

** Ceased to be an Associate in 2009/2010

(iii) The summarized financial information of the associates, adjusted for the proportion of ownership interest held by the Group is as follows:

	As at 31st March 2011	As at 31st March 2010
Revenue	24,739	379,938
Profit from operations	18,581	(19,548)
Profit before taxation	18,581	172,408
Taxation	(56)	(38,693)
Profit for the year	18,526	133,715
Non - Current assets	1,170,177	2,234,913
Current assets	15,111	239,143
Total assets	1,185,288	2,474,056
Non-current liabilities	-	1,190,439
Current liabilities	14,833	565,672
Total liabilities	14,833	1,756,110
Net assets	1,170,455	717,946
Unrealized profit on transaction with associates	(734,281)	(60,737)
	436,174	657,209
Group investment in associates		
Group share of net assets (as above)	436,174	657,209
Loans made by group companies to associates	50,050	523,238
	486,224	1,180,447

(iv) Investments in Associate Companies - Company

	No. of Shares	Cost As at 31st March 2011	Market Value/ Valuation As at 31st March 2011	No. of Shares	Cost As at 31st March 2010	Market Value/ Valuation As at 31st March 2010
On Ordinary Shares						
ACW Insurance (Private) Limited		-	-	449,999	1,869	1,869
Bukit Darah PLC	7,447,275	10,406	8,738,632	730,125	10,406	2,190,375
Total Investments in Associate Companies		10,406	8,738,632		12,275	2,192,244

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

29 LONG-TERM INVESTMENTS

(i) Movements in Long - Term Investments

	Group	
	As at 31st March 2011	As at 31st March 2010
Balance as at the beginning of the year	7,973,037	3,361,084
Additions during the year	2,238,491	2,426,047
Disposals/Redemptions	(579,028)	(1,657,284)
Net realized gain on sale of investment	798,153	679,713
Appreciation value	3,111,619	3,163,477
Balance as at the end of the year	13,542,272	7,973,037

(ii) Measurement of Long - Term Investments - Group

	No of Shares 2011	Market Value/ Valuation as at 31st March 2011	Cost as at 31st March 2011	No. of Shares 2010	Market Value/ Valuation as at 31st March 2010	Cost as at 31st March 2010
(ii.a) Quoted Investments						
Bank & Finance						
Hatton National Bank	2,000,000	760,000	341,368	2,500,000	470,625	415,244
HNB Assurance PLC	1,500,000	120,000	90,735	1,500,000	83,250	90,735
Commercial Bank of Ceylon PLC	4,484,335	1,191,936	463,946	3,214,400	648,505	462,045
Sampath Bank PLC	1,604,500	462,577	479,421	-	-	-
		2,534,514	1,375,470		1,202,380	968,024
Beverage, Food & Tobacco						
Nestle Lanka PLC	100,000	64,080	32,590	100,000	49,000	32,590
Distilleries Company of Sri Lanka Limited		-	-	2,680,300	316,275	184,461
Cargills (Ceylon) PLC	6,650,300	1,518,263	197,372	7,041,300	496,412	208,976
		1,582,343	229,962		861,687	426,027
Diversified						
Aitken Spence PLC	10,245,000	1,662,764	299,555	891,800	1,225,110	393,392
John Keells Holdings PLC	12,491,159	3,567,475	532,790	12,817,159	2,358,357	547,443
		5,230,239	832,345		3,583,468	940,835
Health care						
Ceylon Hospitals PLC (Durdans)	756,915	75,692	39,942	630,763	75,692	39,942
Hotels & Travels						
Asian Spence Hotels Holding PLC	6,447,050	631,811	252,935	1,029,250	396,261	262,811
		631,811	252,935		396,261	262,811
Manufacturing						
Tokyo Cement Company (Lanka) Limited	4,449,600	195,782	181,332	-	-	-
Total net carrying value of other long - term Investments - quoted		10,250,380	2,911,986		6,119,488	2,637,639

(Amounts expressed in Sri Lankan Rs. '000)

29 LONG-TERM INVESTMENTS (Contd.)

(ii) Measurement of Long - Term Investments - Group (Contd.)

(ii.b) Unquoted Investments

	No of Shares 2010	Market Value/ Valuation as at 31st March 2011	No. of Shares 2010	Market Value/ Valuation as at 31st March 2010
Durdans Medical & Surgical Hospital (Private) Ltd.	21,000,000	262,797	21,000,000	262,797
Softlogic Holdings (Private) Ltd.	2,777,000	199,944	1,750,000	126,000
South Asian Breweries (Private) Limited - Singapore *	-	2,187,086	-	1,447,415
Lanka Communication Services Limited	1,428,496	15,713	1,428,496	15,713
Vallibel One Limited	2,090,000	52,250	-	-
The Sri Lanka Fund	2,531,646	285,051	-	-
Expo Lanka Holdings Limited	41,600,000	252,102	-	-
Textured Jersey Lanka (Private) Limited	2,343,300	35,325	-	-
DFCC Vardhana Bank	128,925	1,600	128,925	1,600
Kandy Private Hospitals Limited	1,200	20	1,200	20
Dormant Companies				
International Grocers Alliance (Private) Ltd.	5,100,000	-	5,100,000	-
Capital Reach Holdings Limited	200,000	-	200,000	-
Equity Investments Lanka Limited	22,500	-	22,500	-
Colombo Brick Co. Limited	1,000	-	1,000	-
Fantasia Stock & Stockings Limited	1,000	-	1,000	-
Glow Weave Rubber Co. Limited	1,000	-	1,000	-
Lady Havelock Gardens Limited	6,000	-	6,000	-
Mahaweli Construction Consortium Limited	1,500	-	1,500	-
Rowlands Limited	35,330	-	35,330	-
Rubberite Limited	10,000	-	10,000	-
Total long - term investments - unquoted		3,291,888		1,853,545
Debentures				
Riverina Hotels Limited - Zero Coupon	56	-	56	-
Ocean View Limited - 6%	360	4	360	4
Total investments in debentures		4		4
Preference Shares				
Ceylon Cold Stores PLC - 7%	1,362	-	1,362	-
Richard Pieris & Company PLC - 8% - Cumulative	1,375	-	1,375	-
Rowlands Limited - 8% - Cumulative	1,125	-	1,125	-
Total Investment in Preference Shares		-		-
Total Unquoted Investments		3,291,892		1,853,549
Total Long - term Investments		13,542,272		7,973,037

* A consortium comprising of Carlsberg A/S, The Industrialization Fund for Developing Nations, SA Lion Holdings (Pte) Limited and Lion Brewery (Ceylon) PLC (LBCL) incorporated a company based in Singapore, South Asian Breweries Pte Limited (SABL), which in turn wholly owns Carlsberg India Private Limited, India. The latter company was formed for the purpose of investing in breweries across the various states of India. LBCL owns 22.5% of the issued share capital of SABL. The Board of SABL comprises of nine Directors two of whom represent LBCL on the Board of SABL. Consequent to a comprehensive assessment carried out by the management, based on Sri Lanka Accounting Standard 27 "Investment in Associates", this investment has been classified as a Long Term Investment by the LBCL due to its limited influence over SABL because of its minority position both in ownership and on the Board.

Subsequent to the Balance Sheet date, the Board of Directors of LBCL has decided to dispose of the investment in South Asian Breweries Pte Limited, Singapore. In this connection it has concluded negotiations with Carlsberg South Asia Pte Ltd, a subsidiary of the Carlsberg Group, who has agreed to acquire these shares at the LBCL book value (cost of investment) as at 31st March 2011. LBCL is currently awaiting the necessary regulatory approvals after which the transaction will be concluded. As these conditions did not exist as at balance sheet date, the change in intention and proposed disposal of investment have been treated as a non adjusting event in accordance with Sri Lanka Accounting Standard 12 (revised 2005) "Events after balance sheet date". Accordingly, the investment in SABL has been presented as Long Term Investment as at Balance Sheet date.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

30 LAND COMPENSATION RECEIVABLE

Pegasus Hotels of Ceylon PLC (PRH)

The Government of Sri Lanka acquired approximately 1,251 perches of land owned by the PRH PLC under Section 38 provision (a) of the Land Acquisition Act No.28 of 1964 by gazette notification dated 14th May 2008 for the public purpose of a fisheries harbour project. The Divisional Secretary called for claim of compensation in response to which PRH submitted a claim of compensation for the compulsory acquisition of the said land on 16th July 2008. The final claim stands at Rs.563 mn taking into account the market value of the property, potential economic value lost for hotel expansion and the nuisance value that will be created for hotel operation by the said project. However, as a matter of prudence PRH has accounted for the Compensation Receivable of Rs. 189.5mn in the Financial Statements based only on the market value and related costs supported by the valuation report dated 4th April 2009 prepared by Mr K Arthur Perera, A.M.I.V. (Sri Lanka), Valuer & Consultant. A valuation was carried out by Mr. K. Arthur Perera as at 31st March 2011 and according to the said valuation, the said acquired property is valued at Rs. 250.4 mn. No adjustment has been made to the compensation receivable on prudent basis; however this will further justify the PRH PLC's claim on the property. As at Balance Sheet date, PRH has not received any confirmation from the divisional Secretary on the Value determination of the said claim.

31 ASSET HELD - FOR - SALE

	Group	
	As at 31st March 2011	As at 31st March 2010
Balance as at the Beginning of the year	168,000	-
Transfer from Investment Property	-	168,000
Disposal during the year	(168,000)	-
Balance as at the end of the year	-	168,000

The assets held for sale (the land situated in Seeduwa owned by Selinsing PLC) has been disposed for a net consideration of Rs. 161.80 mn on 30th June 2010. Said transaction has resulted in a net loss of Rs. 6.13 mn for the year 2011.

Shareholders of Selinsing PLC approved the sale of the above land at the Extraordinary General meeting held on 14th May 2010.

32 INVENTORIES

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Raw materials	1,510,827	701,045	-	-
Work-in-progress	59,534	38,721	-	-
Lands held for development and sale [Note 32 (a)]	502,925	584,882	-	-
Finished goods	1,314,255	390,153	-	-
Nursery	582,238	515,594	-	-
Bottles & crates	361,400	402,791	-	-
	4,331,179	2,633,186	-	-

(a) Details of Land held for Development and Sale

Company	Location	Extent (in Acres)	Fair Value	
			31st March 2011 Rs.	31st March 2010 Rs.
Equity One PLC	No. 7, De Soysa Mawatha, Mount - Lavinia	6.00	470,000	470,000
Equity One PLC	Mirihana Estate, Mirihana	0.37	32,925	92,282
Equity One PLC	Humbert Estate, Athurugiriya	-	-	22,600
		6.37	502,925	584,882

- (b) As at the balance sheet date, provisions for inventories amounting to Rs. 2.8 mn (2010 - Rs. 4.6 mn) was made to adjust the inventories into their net realisable values as required by Sri Lanka Accounting Standards No. 05 (Revised 2005) "Inventories". The land situated at Mount Lavinia mortgaged as Primary mortgage for bank loan amounting Rs. 142mn as at 31st March 2011.

(Amounts expressed in Sri Lankan Rs. '000)

33 TRADE AND OTHER RECEIVABLES

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Trade and other receivables (net of provisions)	781,486	878,280	-	-
Containers with distributors	864,945	716,123	-	-
Other receivables	2,997,361	2,927,348	870	2,535
Loans given to employees	23,305	12,306	-	-
	4,667,097	4,534,057	870	2,535

(a) Trade receivables are generally non-interest bearing and generally have 15 to 30 days term. Other credit terms are assessed and approved on a case - by case basis. They are recognized at their original invoice amounts which represents fair value at initial recognition and subsequently tested for Impairment.

(b) The carrying amount of the group's trade receivables are denominated in the following currencies:

	Group	
	As at 31st March 2011	As at 31st March 2010
Currency		
Sri Lankan Rupees	1,633,895	1,981,757
US Dollar	765,874	845,753
Malaysian Ringgit	76,399	59,125
Indonesian Rupiah	2,190,929	1,647,422
	4,667,097	4,534,057

(c) Provision for Impairment of Trade Receivables - Movement during the year

	Group	
	As at 31st March 2011	As at 31st March 2010
Balance as at beginning of the year	15,710	4,408
Provision for the year	5,568	11,918
Write - offs against provisions during the year	(1,501)	(616)
Balance as at end of the year	19,777	15,710

The above trade receivables that are individually determined to be impaired at the Balance Sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

34 AMOUNTS DUE FROM/DUE TO RELATED COMPANIES

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
(a) Amounts due from Subsidiaries				
Non - Current				
Carsons Management Services (Private) Limited	-	-	141,390	127,571
Provision for Impairment	-	-	(49,284)	(49,284)
Equity One PLC	-	-	637,642	531,030
Pegasus Hotels of Ceylon PLC	-	-	109,637	-
	-	-	839,385	609,317

The non - current non-trade balances receivable from subsidiaries are unsecured, non interests bearing and have no fixed terms of repayment. These balances are not expected to be repaid within the next twelve months and are expected to be settled in cash.

Current

Carsons Management Services (Private) Limited	-	-	76,315	76,315
Provision for Impairment	-	-	(76,315)	(76,315)
	-	-	-	-

(b) Amounts due from Associate Companies

Bukit Darah PLC	50,050	-	50,050	-
PT Agro Bukit	-	523,238	-	-
	50,050	523,238	50,050	-
Total amounts due from related companies	50,050	523,238	50,050	-

The current trade balances receivable due from subsidiaries, associates are unsecured, non interest bearing and repayable on demand.

(c) Amounts due to Subsidiaries

Leechman & Company (Private) Limited	-	-	45,270	47,020
Equity Seven Ltd	-	-	41,678	41,768
Total amount due to related companies	-	-	86,948	88,788

Amounts due to subsidiaries are non interest bearing and repayable on demand.

35 SHORT-TERM INVESTMENTS

(a) Group

Movement in Current Investments

	As at 31st March 2011			As at 31st March 2010		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Balance as at the beginning of the year	664,406	6,103	670,509	159,916	4,078	163,994
Additions/Transfers	1,408,333	1,869	1,410,202	772,909	3,600	776,509
Disposals	(1,477,058)	-	(1,477,058)	(570,685)	(1,575)	(572,260)
Mark to market value adjustment	598,571	-	598,571	302,266	-	302,266
Balance as at end of the year	1,194,252	7,972	1,202,224	664,406	6,103	670,509

(Amounts expressed in Sri Lankan Rs. '000)

35 SHORT-TERM INVESTMENTS (Contd.)

	No of Shares	Market/ Valuation as at 31st March 2011	No of Shares	Market/ Valuation as at 31st March 2010
(i) Quoted Investments				
Banks, Finance & Insurance				
Development Finance Corporation of Ceylon (DFCC)	-	-	637,500	115,069
Ceylinco Insurance Company Limited	-	-	60,000	13,860
HNB Assurance PLC	-	-	421,600	23,399
National Development Bank PLC	193,600	65,901	524,100	110,061
Sampath Bank	480,884	138,639	242,000	53,724
Housing Development Finance Corporation Bank of Sri Lanka	11,000	12,385	11,000	1,573
Commercial Bank of Ceylon PLC	153,881	40,902	-	-
Central Finance Company PLC	40,000	50,948	-	-
Hatton National Bank PLC	100,000	38,000	-	-
Lanka Orix Leasing Company PLC	100,000	11,960	-	-
L B Finance PLC	53,800	9,420	-	-
Merchant Bank of Sri Lanka PLC	450,000	20,790	-	-
		388,945		317,686
Beverage, Food & Tobacco				
Distilleries Company of Sri Lanka PLC	852,000	153,360	-	-
Ceylon Cold Stores PLC	200	150	200	34
		153,510		34
Chemicals & Pharmaceuticals				
Chemical Industries (colombo) PLC	200	132	200	48
Diversified				
Hemas Holdings PLC	98,125	4,514	19,625	2,355
John Keells Holdings PLC	1,181,172	337,343	883,172	162,504
Aitken Spence PLC	-	-	23,100	31,734
CT Holdings	298,000	59,600	-	-
Richard Pieris and Company PLC	2,000,000	27,200	-	-
		471,496		196,592
Hotels				
Aitken Spence Hotels Holding PLC	-	-	250,000	96,250
Connaissance Holdings Company	-	-	100,000	7,300
Browns Beach Hotels PLC	-	-	41,200	2,987
Trans Asia Hotels PLC	187,600	36,732	-	-
	-	36,732	-	106,537
Manufacturing				
Royal Ceramic Lanka PLC	200,000	31,400	381,800	43,143
Piramal Glass Ceylon PLC	1,400,000	15,540	-	-
Lanka Floortile PLC	431,900	56,622	-	-
		103,562		4,3143
Plantations				
Kegalle Plantations PLC	107,900	22,389	-	-
Namunukula Plantations PLC	149,500	17,133	-	-
		39,522		-
Power & Energy				
Lanka IOC Limited	20,000	352	20,000	365
		352		365
Total Short - term Investments - Quoted		1,194,252		664,406

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

35 SHORT-TERM INVESTMENTS (Contd.)

	No of Shares	Market/ Valuation as at 31st March 2011	No of Shares	Market/ Valuation as at 31st March 2010
(ii) Short - Term Investments - Unquoted				
Asia Pacific Golf Course Limited	10	2,500	10	2,500
Beverage Dispensing Co. Limited	60,000	-	60,000	-
Produce Transport Limited	1	-	1	-
Serendib Agro Products Limited	2,500	3	2,500	3
The Unit Trust Management Co.(Private) Limited	360,001	3,600	360,001	3,600
International Grocers Alliance (Private) Limited	5,100,000	-	5,100,000	-
ACW Insurance (Private) Limited	449,999	1,869	-	-
Total short - term unquoted investments		7,972		6,103
Total short - term Investments		1,202,224		670,509

(b) Company

Movement in Short - Term Investments

	As at 31st March 2011			As at 31st March 2010		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Balance at the beginning	12,576	6,103	18,679	4,894	2,503	7,397
Additions/ Transfer/ Adjustments	-	1,869	1,869	-	3,600	3,600
Mark to market value adjustment	17,687	-	17,687	7,682	-	7,682
Balance at the year end	30,263	7,972	38,235	12,576	6,103	18,679

	No of Shares	Market/ Valuation as at 31st March 2011	No of Shares	Market/ Valuation as at 31st March 2010
(i) Quoted Investment				
Bank & Finance				
Housing Development Finance Corporation Bank of Sri Lanka	11,000	12,385	11,000	1,573
Beverage, Food & Tobacco				
Ceylon Cold Stores	200	150	200	34
Power & Energy				
Lanka IOC Limited	20,000	352	20,000	365
Chemicals & Pharmaceuticals				
Union Carbide Lanka Limited	200	132	200	48
Diversified				
Hemas Holdings PLC	98,125	4,514	19,625	2,355
John Keells Holdings PLC	44,572	12,730	44,572	8,201
Total short - term investments - quoted		30,263		12,576
(ii) Unquoted Investment				
Asia Pacific Golf Course Limited	10	2,500	10	2,500
The Unit Trust Management Co.(Private) Limited	360,001	3,600	360,001	3,600
ACW Insurance (Private) Limited	449,999	1,869	-	-
Produce Transport Limited	1	-	1	-
Serendib Agro Products Limited	2,500	3	2,500	3
Total short - term investments - unquoted		7,972		6,103
Total short - term investments		38,235		18,679

(Amounts expressed in Sri Lankan Rs. '000)

36 CASH AND CASH EQUIVALENTS

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Deposits				
F.C.B.U. deposits	11,134	27,254	-	-
Call deposits	778,234	162,635	-	-
Treasury bills	15,646	11,689	-	-
Fixed deposits	434,196	7,907	150	150
Short - term deposits	1,239,210	209,485	150	150
Cash in hand and at bank	9,815,536	941,397	90,750	55,752
	11,054,746	1,150,882	90,900	55,902

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010

(a) Cash and cash equivalents are denominated in the following currencies:

Sri Lankan Rupees.	2,323,616	477,540	3,533	55,902
US Dollars	7,769,363	300,638	87,367	-
Sterling Pound	14,244	1,915	-	-
Indonesian Rupiah	249,346	299,089	-	-
Malaysian Ringgit	672,214	62,766	-	-
Singapore Dollars	602	301	-	-
Euro	25,361	8,633	-	-
	11,054,746	1,150,882	90,900	55,902

Short-term deposits earn interest at floating rates based on daily bank deposits rates and are made for varying periods between one day and three months, depending on the immediate cash requirement of the Group. In 2011, interest earned ranged from 6.5% to 7.5% per annum (2010 - 8% -10% (for Sri Lankan Rupees short-term deposits and ranged 0.05% to 0.23% (2010 : 0.02% to 1%) per annum for US Dollar short term deposits, 1.15% to 1.25% per annum (2010: 1.15% to 1.71% per annum) for Malaysian Ringgit short-term deposits and 4.5% to 7% per annum (2010: 5.15% to 8% per annum) for Indonesian Rupiah short-term deposits.

Certain Indonesian Bank accounts of PT Agro Indomas, PT Agro Bukit and PT Karya Makmur Sejahtera have been pledged as security for bank loan with Standard Chartered Bank, Singapore.

(b) For the purpose of the consolidated cash flow statement, cash equivalent comprise the following:

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Short - term deposits	1,239,210	209,485	150	150
Cash-in-hand and at bank	9,815,536	941,397	90,750	55,752
	11,054,746	1,150,882	90,900	55,902
Short - term borrowings	(552,000)	-	-	-
Bank overdrafts	(1,804,727)	(1,768,198)	(712,093)	(895,993)
	8,698,019	(617,316)	(621,193)	(840,091)

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

37 STATED CAPITAL

	At the beginning of the year 01.04.2010	Sub -division during the year	Capitalizing/ (cancelation) during the year	At the end of the year 31.03.2011	beginning of the year 01.04.2009	Shares issue during the year	(cancellation) during the year	At the end of the year 31.03.2010
Ordinary Shares	618,255	-	496,397	1,114,652	618,255	-	-	618,255
Preference Shares								
Class 'A'	225,000	-	-	225,000	225,000	-	-	225,000
Class 'B'	275,000	-	-	275,000	275,000	-	-	275,000
	1,118,255	-	496,397	1,614,652	1,118,255	-	-	1,118,255

Movement of No of shares

Ordinary Shares	96,268,095	96,268,095	3,850,724	196,386,914	96,268,095	-	-	96,268,095
Preference Shares								
Class 'A'	5,625,000		(5,625,000)	-	16,875,000	-	(11,250,000)	5,625,000
Class 'B'	22,000,000		(5,500,000)	16,500,000		27,500,000	(5,500,000)	22,000,000

(a) Preference shares – Class B (originally issued at 16% during the first year)

As per approval obtained from the share holders of the Company vide Extra - ordinary General Meeting held on 08th January 2009, Company issued 27,500,000 Redeemable, Cumulative, non - voting Class B preference shares carrying a dividend rate of 16% per annum on 31st March 2009. These Class B preference shares are redeemable in 5 equal annual installments starting from 30th June 2009.

As per an amendment to the preference share agreement entered into with preference share holder (DFCC), wherein after the expiry of the first year (effective 27th January 2010) the relevant preference share dividend rate will be at the higher of the Average Weighted Prime Lending Rate rounded upwards to the nearest 0.5% or the average Treasury Bill Rate net of Withholding Tax rounded upwards to the nearest 0.5% less a discount of 0.5% per annum. Redemption plan to remain unchanged.

Rights, Preference and Restrictions of Classes of Capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Holders of non - voting redeemable cumulative preference shares receives a preferential cumulative dividend based on their shareholding agreement. Preference shareholders are not entitled to vote at meetings of the ordinary shareholders.

All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares adjusted for any dividends in arrears.

(Amounts expressed in Sri Lankan Rs. '000)

38 CAPITAL RESERVES

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Balance as at the beginning of the year	5,103,286	4,871,362	63,802	231,302
Redemption of Preference shares	(63,802)	(167,500)	(63,802)	(167,500)
Revaluation - Property, plant & equipment	501,895	-	-	-
Currency translation	119,286	212,500	-	-
Changes in equity/transfers/adjustments	(1,938,125)	186,924	-	-
Balance as at the end of the year	3,722,540	5,103,286	-	63,802
Represented by				
Capital accretion reserve	182,334	1,602,445	-	38,488
Capital redemption reserve	226,322	251,636	-	25,314
Revaluation reserve	2,544,487	2,042,592	-	-
Other capital reserves	769,397	1,206,613	-	-
	3,722,540	5,103,286	-	63,802

Capital Accretion reserve, Revaluation reserve - Created to set aside revaluation surplus on immovable assets. Not utilised for distribution

Capital redemption reserve - created to be used against redeeming of redeemable preferences. Not utilised for distribution.

Other capital reserves - represents the amounts set aside by the Directors for future expansion and to meet any contingencies.

39 REVENUE RESERVES

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Balance as at the beginning of the year	14,100,830	7,544,496	5,199,368	4,627,253
Capitalization of reserves	(496,397)	-	(496,397)	-
Redemption of Preference shares	(47,448)	-	(47,448)	-
Exchange translation differences	403,774	1,683,848	-	-
Bargain purchase (negative goodwill) from acquisition	1,100,593	-	-	-
Goodwill on change in shareholdings	(218,218)	-	-	-
Appreciation of Long term investments	2,317,079	1,918,352	-	-
Profit for the period	4,620,322	3,286,911	1,834,030	772,475
Changes in equity/transfers/adjustments	(2,700,917)	(132,417)	-	-
Dividend paid	(213,866)	(200,360)	(213,866)	(200,360)
Balance as at the end of the year	18,865,752	14,100,830	6,275,687	5,199,368
Represented by				
General reserve	474,359	474,359	-	-
Currency translation reserve	1,068,583	789,550	-	-
Investment property fair value adjustment reserve	751,904	932,312	-	-
Long - term investment revaluation reserve	4,352,158	2,099,367	-	-
Short - term investment market reserve	14,883	14,883	-	-
Retained earning	12,203,865	9,790,359	6,275,687	5,199,368
	18,865,752	14,100,830	6,275,687	5,199,368

(a) General Reserve represents the amounts set aside by the Directors for future expansion, and to meet any contingencies.

(b) Currency translation reserve comprises the net exchange movement arising on the translation of net equity investments of Overseas Subsidiaries into Sri Lankan rupees.

(c) **Investment property fair value adjustment reserve**

Any gains arising from fair value adjustment of investment properties will be transferred from retained earnings/accumulated loss to fair value adjustment reserve and any losses arising will be transferred to fair value adjustment reserve to the extent that loss does not exceed the balance held in the said reserve.

(d) **Long - term investment revaluation reserve**

This consists of unrealised surplus on revaluation of long term investments.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

40 LONG TERM BORROWINGS

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Current				
Long - Term Borrowings falling due within one year				
Bank borrowings (Note 40 (a))	2,153,270	791,907	128,000	133,000
Finance lease payables (Note 40 (f))	15,714	15,913	-	-
	2,168,984	807,820	128,000	133,000
Non - Current				
Long - Term Borrowings falling after one year				
Bank borrowings (Note 40 (a))	18,814,549	2,406,631	129,600	266,000
Finance lease payables (Note 40 (f))	-	6,932	-	-
	18,814,549	2,413,563	129,600	266,000
Total	20,983,533	3,221,383	257,600	399,000

(a) Bank Borrowings

Movements in Long - Term Borrowings

Balance as at the beginning of the year	3,198,538	3,857,329	399,000	50,071
On Consolidation	7,029,054	-	-	-
Obtained during the year	13,466,990	2,843,432	-	399,175
	23,694,582	6,700,761	399,000	449,246
Impact of exchange rate changes on conversion	(535,465)	(43,665)	(10,751)	(175)
Re - payments during the year	(2,191,298)	(3,458,558)	(130,649)	(50,071)
	20,967,819	3,198,538	257,600	399,000
Amounts falling due within one year	(2,153,270)	(791,907)	(128,000)	(133,000)
Amounts falling due after one year	18,814,549	2,406,631	129,600	266,000

(Amounts expressed in Sri Lankan Rs. '000)

(b) Details of Long - Term Borrowings (Contd.)

Company	Lender/Rate of Interest (p.a.)	Balance as at 31st March 2011	Balance as at 31st March 2010	Repayment Terms	Security
Carson Cumberbatch PLC	HSBC LIBOR plus 3.87% p.a.	257,600	399,000	Initial USD 3.5 mn (Rs. 399 mn) to be repaid in 6 equal semi - annual installments of USD 0.58 mn (Rs. 64.0 mn) (excluding interest)	Unsecured.
Equity One PLC	* Hatton National Bank AWPLR + 2.25% (to be reviewed quarterly)	142,000	286,000	To be repaid in 60 months with an initial grace period of 24 months in 11 equal quarterly installments of Rs. 36 mn and a final installment of Rs. 34 mn plus interest. Interest to be serviced monthly. The loan is to be repaid in full by January 2012	Registered Primary floating executed over the immovable property at Mount Lavinia and RPFMB to be executed over the property at Dharmapala Mawatha owned by Equity One PLC.
Equity Two PLC	Bank of Ceylon Ltd. 3% p.a.	-	1,831	Repayable within 10 years after a grace	Primary Mortgage over the Equity Two PLC land & buildings.
PT Agro Indomas (PTAI)	Standard Chartered Bank, Term loan (refer the note C)	1,766,400	2,280,000	The term loan facility will be due in November, 2014 with an option to extent the maturity for further period five years.	PTAI plantation property, certain plant and equipment other than leased assets have been pledged as security
PT Agro Bukit (PTAB)	Standard Chartered Bank, Term loan (refer the note C)	8,920,320		The term loan facility will mature in November 2014 with an extension option for further five years	PTAB's plantation properties certain plant and other than leased assets have been pledged as security

* Loan obtained by fully owned Subsidiary transferred under Equity One PLC consequent to amalgamation

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(b) Details of Long - Term Borrowings (Contd.)

Company	Lender/Rate of Interest (p.a.)	Balance as at 31st March 2011	Balance as at 31st March 2010	Repayment Terms	Security
PT Karya Makmur Sejahtera (KMS)	Standard Chartered Bank, Term loan (refer the note C)	4,084,800		The term loan facility will mature in November 2014, with an option to extend the maturity for a further period of 5 years	Company plantation property certain plant & equipment of other than leased asset have been pledged
GoodHope Asia Holdings Ltd	Standard Chartered Bank, Term loan (refer the note C)	4,416,000		The term loan facility will mature in November 2014, with an option to extend the maturity for a further period of 5 years	
Lion Brewery (Ceylon) PLC	DFCC Bank - 10.5% p. a.	22,265	32,952	To be settled in 57 equal monthly instalments commencing from August 2008.	Unsecured.
	HSBC 1 month LIBOR+3.87%	96,485	-	Payable in equal monthly instalments USD 33,333/33 commencing from July 2010	Unsecured.
	HSBC 1 month LIBOR+3.17%	1,113,300	-	Initial USD 10 mn to be repaid in 20 equal quarterly instalments commencing from March 2012 July	Unsecured.
Ceylon Brewery PLC	Hatton National Bank AWPLR + 1.25% p.a.	105,000	135,000	To be settled in 24 equal monthly instalments commencing from October 2009.	Unsecured.
Pegasus Hotels of Ceylon PLC	Commercial Bank PLR + 1% - PLR + 2%	42,150	59,649	To be repaid in 83 equal installments of Rs. 714,000 and final installment amounting to Rs.738,000.	Corporate guarantee given by Carson Cumberbatch & PLC
Equity Hotels Limited	Commercial Bank 11.91% to 14% p. a.	1,500	4,106	To be repaid within three years after a grace period of one year commencing from March 2004. Since re - scheduled.	Corporate guarantees given by Carson Cumberbatch
		20,967,820	3,198,538		

(Amounts expressed in Sri Lankan Rs. '000)

- (c) On October 1, 2009, the company's subsidiary Goodhope Asia Holdings Ltd. ("GAHL"), as the Group plantation sector holding company, together with other plantation sector companies within the Group, including PT agro Indomas, PT Agro Bukit (PTAB), PT Karya Makmur Sejahtera and PT Agro Asia Pacific (the "Borrowers"), entered into a Credit Facility Agreement with Standard Chartered Bank, (SCB) Singapore Branch for a total facility amount of US\$ 200,000,000. This credit facility is used to finance the expansion program of the plantation asset and to refinance some of the previous bank borrowings to SCB. The credit facility consists of following:

- Facility A Loan, a term loan facility for US\$ 81,000,000 made available to the Company and PTAB to refinance the loan under the previous loan facilities from SCB.
- Facility B1 Loan, a term loan facility amount of US\$ 59,000,000. This facility is available for all Borrowers.
- Facility B2 Loan, a term loan facility amount of US\$ 50,000,000. This facility is available for all Borrowers.
- Revolving credit facility with maximum facility amount of US\$ 10,000,000, available for all Borrowers.

The loans are subject to interest at SCB's Cost of Fund (COF) plus a margin as noted below for each facility:

- Facility A Loan - COF + 3.00% per annum
- Facility B1 and B2 Loans - COF + 3.25% per annum
- Revolving Credit Facility - COF + 2.75% per annum

The term loan facility will mature in November 2014, with an option to extend the maturity for a further period of 5 (five) years. The revolving credit facility carries a maximum maturity period of 6 months for each drawdown.

As of March 31, 2011, the unutilized facilities available for the Borrowers amounted to US\$ 5,000,000 of the revolving credit facility. The term loan facility will mature in November 2014, with an extension option being available for a further period of 5 (five) years. The revolving credit facility carries a maximum maturity period of 6 months for each drawdown.

- (d) The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Secured		Unsecured		Balance as at	Balance as at
	2011	2010	2011	2010	31st March 2011	31st March 2010
US dollar	19,187,520	2,280,000	1,467,385	399,000	20,654,905	2,679,000
Sri Lankan Rupees	185,650	351,586	127,265	167,952	312,915	519,538
	19,373,170	2,631,586	1,594,650	566,952	20,967,820	3,198,538

- (e) **Maturity Profile of Long - Term Borrowings**

The profile of the maturity of the long-term borrowings included in the Group's Balance Sheet as at 31st March is shown in the table below:

	Group		Company	
	Bank Borrowings	Finance Lease	31st March 2011	31st March 2010
Due within				
1 year		2,153,270	15,714	2,168,984
1 to 2 years		2,012,570	-	2,012,570
2 to 5 years		16,801,980	-	16,801,980
		20,967,820	15,714	20,983,534

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

(f) Obligations under Finance Leases

Group

	As at 31st March 2011	As at 31st March 2010
Movements in Finance Leases		
Balance as at the beginning of the year	22,845	59,800
On Consolidation	20,171	
Obtained during the year	-	-
	43,016	59,800
Impact of exchange rate changes on conversion	(11,099)	11,874
Re - payments during the year	(31,916)	(48,830)
Balance as at the end of the year	-	22,846

Company's subsidiaries PT Agro Indomas and PT Agro Bukit (lessee) entered into lease agreements with PT Astra Sedaya Finance for certain heavy equipment and motor vehicles that are being used by lessee in their operations with lease terms of three (3) years. The lease obligations are subject to interest rates ranging from 8.85% to 11.67% per annum. Under the lease agreements, the Company substantially has all the risks and rewards normally associated with ownership of the leased assets, including the option to purchase the leased assets for an amount equivalent to the residual value of the leased assets at the end of the lease terms

Group

	As at 31st March 2011	As at 31st March 2010
Analysis of finance obligation by year of re - payment		
Minimum lease payments:		
Due within one year	16,802	18,267
Due within two years	-	7,267
Future lease payments	16,802	25,534
Less: Future finance charges	(1,088)	(2,689)
Present value of minimum lease payable	15,714	22,845
Less: Current portion of obligations due under finance lease	(15,714)	(15,913)
	-	6,932

(Amounts expressed in Sri Lankan Rs. '000)

(g) The following table shows the interest rate profiles and currency analysis of the Group's Bank Borrowings as at 31st March 2011.

	Currency	Fixed Rate			Floating Rate		Total Rs.
		Weighted Average Interest Rate	Weighted Average time for which rate is fixed years	Amount 31.03.2011 Rs.	Weighted Average Interest Rate	Amount 31.03.2011 Rs.	
Long - Terms	US dollars	-	-	-	LIBOR+2.4% p.a	19,187,520	19,187,520
Borrowings	US dollars	-	-	-	PLR+1% p.a	257,600	257,600
	US dollars	-	-	-	LIBOR+3.87% p.a	96,485	96,485
					LIBOR+3.17% p.a	1,113,300	1,113,300
	Sri Lankan Rupees	-	-	-	AWPLR + 2.25%	142,000	142,000
	Sri Lankan Rupees	-	-	-	PLR+1% - PLR+2%	42,150	42,150
	Sri Lankan Rupees	-	-	-	AWPLR + 1.25% p.a	105,000	105,000
	Sri Lankan Rupees	3.0% p.a	10 years	-	-	-	-
	Sri Lankan Rupees	10.5% p.a	3 years	22,265	-	-	22,265
	Sri Lankan Rupees	13.5% p.a	5 years	1,500	-	-	1,500
				23,765	-	20,944,055	20,967,820
Short - Terms	Sri Lankan Rupees			-		552,000	552,000
Borrowings							
Bank Overdrafts	Sri Lankan Rupees			-	PLR+1% p.a	1,804,727	1,804,727
Lease Creditors	Indonesian Rupiah		2 years		8.85% to 11.67% per annum	15,714	15,714
				23,765		23,316,496	23,340,261

The following table shows the interest rate profiles and currency analysis of the Group's Bank Borrowings as at 31st March 2010.

	Currency	Fixed Rate			Floating Rate		Total Rs.
		Weighted Average Interest Rate	Weighted Average time for which rate is fixed years	Amount 31.03.2010 Rs.	Weighted Average Interest Rate	Amount 31.03.2010 Rs.	
Long - Terms	US dollars	-	-	-	LIBOR+2.4% p.a	2,280,000	2,280,000
Borrowings	Sri Lankan Rupees	-	-	-	PLR+1% p.a	399,000	399,000
	Sri Lankan Rupees	-	-	-	AWPLR + 2.25%	286,000	286,000
	Sri Lankan Rupees	-	-	-	PLR+1% - PLR+2%	59,649	59,649
	Sri Lankan Rupees	3.0% p.a	10 years	1,831		135,000	136,831
	Sri Lankan Rupees	10.5% p.a	3 years	32,952		-	32,952
	Sri Lankan Rupees	13.5% p.a	5 years	4,106		-	4,106
				38,889		3,159,649	3,198,538
Short - Terms	Sri Lankan Rupees			-		-	-
Borrowings							
Bank Overdrafts	Sri Lankan Rupees			-	PLR+1% p.a	1,768,198	1,768,198
Lease Creditors	Indonesian Rupiah		2 years		7.75% to 10.25% p.a.	22,845	22,845
				38,889		4,950,692	4,989,581

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

41 TRADE AND OTHER PAYABLES

	Group		Company	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Current				
Trade payables	609,931	340,944	-	-
Other creditors including accrued expenses	3,101,612	2,244,134	65,104	65,457
Unclaimed dividend	50,031	30,468	4,389	2,013
	3,761,574	2,615,546	69,493	67,470
Non - Current				
Rental and telephone deposits [Note 41 (a)]	28,726	23,330	-	-
Customer deposits [Note 41 (b)]	744,326	627,838	-	-
	773,052	651,168	-	-
	4,534,626	3,266,714	69,493	67,470

Term and condition of the above Current Financial liabilities: Trade payables are non - interest bearing and are normally settled on 60 to 90 day terms. Other payables are non - interest bearing and have an average term of six months. Interest payables are normally settled monthly throughout the financial year.

	Group	
	As at 31st March 2011	As at 31st March 2010
(a) Rental and Telephone Deposits		
Balance as at the beginning of the year	23,330	27,469
Receipts during the year	8,565	3,469
Refunds during the year	(3,169)	(7,608)
Balance as at the end of the year	28,726	23,330

The above rental and telephone deposits are re - payable on termination of the tenancy agreements in the property sector:

	Group	
	As at 31st March 2011	As at 31st March 2010
(b) Customer Deposits		
Balance as at the beginning of the year	627,838	594,131
Receipts during the year	117,557	59,931
Refunds made during the year	(1,069)	(26,224)
Balance as at the end of the year	744,326	627,838

Customer deposits are taken as security against the containers with the distributors in the brewery sector.

(Amounts expressed in Sri Lankan Rs. '000)

42 RETIREMENT BENEFIT OBLIGATIONS

	Group	
	As at 31st March	As at 31st March
The amounts recognized in the income statement are as follows;		
Current service cost	96,973	34,595
Interest cost	22,602	16,138
Amortization of past service costs - non-vested	25	25
Amortization of actuarial gain / (loss)	1,415	(109)
Immediate recognition of new entrants	39,495	27,075
Curtailment gain	(50,851)	(17,455)
Settlement loss	764	755
Total employee benefit expense	110,423	61,024
The details of employee benefit liability at 31st March 2011 and 2010 are as follows:		
Present value of unfunded obligations	425,751	246,577
Unrecognized past service costs - non-vested	(35)	(140)
Unrecognized actuarial loss	(91,623)	(46,045)
	334,093	200,392
The movement in liabilities recognized in the balance sheet is as follows:		
Balance as at the beginning of the year	200,392	127,421
On consolidation	32,075	-
Provision for the year	110,423	61,024
Reversal for the year	-	(1,148)
Payments made during the year	(6,784)	(7,744)
Impact of exchange rate changes on conversions	(2,013)	20,839
Balance as at the end of the year	334,093	200,392

A separate fund has not been established to accommodate the liability arising in respect of gratuity. The above gratuity provision of Rs. 110.42 mn (2010 - Rs. 61.02 mn) is based on assumptions of an actuarial valuation carried out by Mr. M. Poopalanathan, AIA, of Messrs Actuarial & Management Consultants (Private) Limited, as at 31st March 2011, for the Sri Lankan Subsidiaries and the provision for Malaysian operations in accordance with the formula method as described in (E) of SLAS 16 (Revised) "Retirement Benefit Cost" for the year ended 31st March 2011. The Indonesian Subsidiaries, engaged an independent actuary, PT Dayamandiri Dharmakonsilindo to conduct actuarial valuation of employee benefits liability as of March 31st 2011 using the projected unit credit actuarial valuation method.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

42 RETIREMENT BENEFIT OBLIGATIONS (Contd.)

The actuarial valuation was made using the following assumption:

	Sri Lanka	Indonesia	Malaysia
Discount rate	10% p.a	9% p.a	4% per annum
Future salary increment rate	10% p.a	10% p.a	3% per annum
Mortality rate	A 67/70 Mortality Table issued by the Institute of Actuaries, London	CSO 1980	
Disability rate	10% of mortality rate		-
Resignation rate	5% per annum for age up to 49 and thereafter zero.	3% per annum from age 20 and reducing linearly to 1% p.a at age 45 and thereafter 100% at normal retirement	-
Retirement age	55 years	(55 years)	

43 NET ASSETS PER SHARE

Company and Group net asset per share calculation as follows.

	Group		Company	
	2011	2010	2011	2010
Total Equity	49,268,909	29,751,749	7,890,339	6,381,425
Less				
Non -controlling interest	(25,065,965)	(9,429,378)	-	-
Outstanding preference share capital	(165,000)	(276,250)	(165,000)	(276,250)
Total	24,037,944	20,046,123	7,725,339	6,105,175
Number of ordinary shares used as the denomination				
Ordinary share issue	196,386,914	196,386,914	196,386,914	196,386,914
Net Asset per share	122.40	102.07	39.34	31.09

44 ANALYSIS OF GROUP CHANGES IN NET DEBT

The group defines capital as the total equity of the group. The group's objective for managing capital is to deliver competitive, secure and sustainable returns to maximize long-term shareholder value.

Net debt is current and non-current finance debt less cash equivalents. The net debt ratio is the ratio of net debt to total equity. The net debt ratio enables investors to see how significant net debt is relative to equity from shareholders. We believe that a net debt ratio in the range 20% - 30% provides an efficient capital structure and an appropriate level of financial flexibility.

The net debt ratio as at 31st March 2011 was 23.10% (2010 - 13.96%).

(Amounts expressed in Sri Lankan Rs. '000)

44 ANALYSIS OF GROUP CHANGES IN NET DEBT (Contd.)

	As at 31st March	As at 31st March
Gross debt	22,385,546	5,265,831
Cash and cash equivalents	(11,054,746)	(1,150,882)
Net debt	11,330,800	4,114,949
Equity	49,103,999	29,475,499
Net debt ratio	23.08	13.96

	1st April 2010	Cash Flow	Transfers/ Acquisition	Currency Movements	31st March 2011
Cash in hand	941,397	8,865,189	-	8,950	9,815,536
Overdrafts	(1,768,198)	(36,529)	-	-	(1,804,727)
	(826,801)	8,837,610	-	-	8,010,809
Short-term borrowings	-	1,687,550	(1,135,550)	-	552,000
Long-term borrowings	(3,198,538)	2,191,298	(20,496,044)	535,465	(20,967,819)
Preference share capital	(276,250)	111,250	-	-	(165,000)
Long-term lease creditor	(22,845)	31,916	(20,171)	11,099	-
	(4,324,434)	12,859,624	(21,651,765)	546,564	(12,570,010)
Cash on deposit	209,485	1,029,725	-	-	1,239,210
	209,485	1,029,725	-	-	1,239,210
Net debt	(4,114,949)	13,889,349	(21,651,765)	546,564	(11,330,800)

	1st April 2009	Cash Flow	Transfers/ Acquisition	Currency Movements	31st March 2010
Cash in hand	806,384	129,675	-	5,338	941,397
Overdrafts	(1,812,785)	44,587	-	-	(1,768,198)
	(1,006,401)	174,262	-	5,338	(826,801)
Short-term borrowings	(1,011,999)	1,011,999	-	-	-
Long-term borrowings	(3,857,329)	3,458,558	(2,843,432)	43,665	(3,198,538)
Preference share capital	(443,750)	167,500	-	-	(276,250)
Long-term lease creditor	(59,800)	48,830	-	(11,874)	(22,845)
	(6,379,279)	4,861,149	(2,843,432)	37,129	(4,324,434)
Cash on deposit	2,364,514	(2,155,029)	-	-	209,485
Net debt	(4,014,765)	2,706,120	(2,843,432)	37,129	(4,114,949)

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

45 COMPANIES WITHIN THE GROUP WHICH ARE NOT AUDITED BY MESSRS KPMG FORD, RHODES, THORINTON & CO.

Good Hope Asia Holdings Limited	Ernst & Young - Singapore
Agro Asia Pacific Limited	"
Indo - Malay PLC	Ernst & Young - Sri Lanka
Selinsing PLC	"
Good Hope PLC	"
Shalimar (Malay) PLC	"
Agro Harapan Lestari (Private) Limited	"
AHL Business Solutions (Private) Limited	"
Shalimar Developments Sdn. Bhd.	Ernst & Young - Malaysia
Agro Harapan Lestari Sdn. Bhd.	"
PT Agro Indomas	Ernst & Young - Indonesia
PT Agro Bukit	"
PT Agro Harapan Lestari	"
PT Agro Asia Pacific	"
PT Karya Makmur Sejahtera	"
PT Nabire Baru	"
PT Agrajaya Baktitama	"
PT Rim Capital	"
PT Agro Wana Lestari	"

46 CAPITAL COMMITMENTS

	31st March 2011	Group 31st March 2010
Oil Palm Plantations		
Approved and contracted for	2,738,194	776,259
	2,738,194	776,259
Beverage		
Approved and contracted for	82,602	227,450
	82,602	227,450
Investment Holdings		-
Approved and contracted for	-	100,000
	-	100,000
Total capital commitment	2,820,796	1,103,709

As at 31st March 2011 Goodhope Asia Holdings Ltd. (GAHL) through its subsidiary Company Agro Asia Pacific Ltd. (AAPL) had made commitments with Premium Nutrient Berhad (PNB) to acquire 100% ownership in the subsidiary Companies owned by PNB, namely Premium Vegetable Oils Sdn. Bhd. (PVO) and Premium Fats Sdn. Bhd. (PFSB) in Malaysia and Arani Agro Oils Industries Ltd. (AAO) in India for a total consideration of Rs 4,030 million (approx. US\$ 36.5 mn.) subsequent to the signing of the Sales and Purchase agreement with PNB.

There were no material contracts for capital expenditure as at the Balance Sheet date other than the above.

(Amounts expressed in Sri Lankan Rs. '000)

47 CONTINGENCIES

- (a) Malaysian plantation properties of Indo-Malay PLC and Selinsing PLC were charged as security to Standard Chartered Bank (SCB) Singapore to secure a financing facility under Goodhope Asia Holdings Ltd., in order to facilitate the Group expansion programme of the plantation asset base and to refinance the Group's existing debt obligations.

An internal arrangement was established to ensure equitability amongst the four Malaysian plantation companies (Indo-Malay PLC, Selinsing PLC, Good Hope PLC, and Shalimar Malay PLC), with each of the four Malaysian plantation companies counter guaranteeing the combined liability that would crystallize in the event of a successful claim on properties mortgaged by Indo-Malay PLC and Selinsing PLC. As such total loss incurred by Good Hope PLC in the event of a successful claim is limited to 25% of the combined loss.

All the borrowers under the facility together with the Company's subsidiaries namely Shalimar Developments Sdn. Bhd., Agro Harapan Lestari Sdn. Bhd. and PT Agro Harapan Lestari have also provided corporate guarantees, for the value of / and all obligations of the facilities, by each borrower.

- (b) The Company has provided guarantees on behalf its subsidiary of Equity One PLC with limited liability extending only to unrecovered amounts if any, from mortgage bonds.
- (c) There are 14 cases filed against the Lion Brewery (Ceylon) PLC and two other claiming damages due as a result of a road accident that occurred at Induruwa, Balapitiya on 10th April 2007. The aggregate of all the claims of said cases amounted to Rs. 46 mn. All the cases are currently pending.
- (d) In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) against the Company's subsidiary Ceylon Brewery PLC and its Directors for the recovery of Rs. 48.1 mn comprising of Rs.23 mn being the amount of Excise (Special Provision) duty purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs.25 mn as its penalty. Ceylon Brewery PLC and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty to recover the said sum and thereby obtained a Stay Order in respect of the proceedings of the Fort MC Case. Pending the conclusion of the CA case the CA ordered the payment of Rs. 23 mn to Sri Lanka Customs which was the duty amount in dispute which has been paid by Ceylon Brewery PLC. However, no provision has been made for the penalty of Rs.25 mn since the CA case is still on going.
- (e) The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela against the Company's subsidiary Lion Brewery (Ceylon) PLC and its Directors to recover Excise Duty amounting to Rs 58.6 mn comprising of the disputed Excise Duty of Rs. 29.3 mn and its penalty of Rs. 29.3 mn. Lion Brewery (Ceylon) PLC and the Directors have filed an application for Writ in the Court of Appeal to quash the Certificate Excise Duty in Default issued by the DG of Customs and Excise Duty to recover the said sum and obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case. The Court of Appeal matter is currently pending.
- (f) An ex-parte judgement (in default of appearance) has been made against the Company by an overseas Court for a sum of Sterling pound 271,323.38 in an action filed by a former consultant of the Company. The Company has challenged the enforceability of the said overseas judgment in an action filed by the Company in the District Court of Colombo and the Company is confident of the objections it has taken.
- (g) An employee of Pegasus Hotels of Ceylon PLC (PRH) had filed action in the Labour Tribunal against the termination of his services on disciplinary grounds and was awarded damages of Rs. 392,000/- against PRH. PRH has appealed against the decision to the High Court of the Western Province (Gampaha).

A case has been filed against the company's subsidiary Pegasus Hotels of Ceylon PLC by an individual in the District Court of Negombo seeking a declaratory title from court stating that he is a co-owner of 127.5 perches of the Land belonging to Pegasus Hotels of Ceylon PLC. This matter is still pending. However, the company is confident that it can establish title to the land it holds. In any case the land portion claimed falls within the land extent acquired by the Government for building a fisheries harbour.

- (h) The contingent liabilities as at 31st March 2011 on corporate guarantees given to third parties by companies forming part of the Group in respect of facilities granted are as follows:

	2011	2010
Carson Cumberbatch PLC	75,000	129,000
PT Agro Indomas	1,766,400	2,280,000
PT Agro Bukit	8,920,320	-
PT Karya Makmur Sejahtera	4,084,800	-
Good Hope Asia Holding Ltd	4,416,000	-
	19,262,520	2,409,000

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

48 EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) The Company and Bukit Darah PLC made a voluntary offer to the shareholders of the Malaysian Plantation Companies (MPC), namely Shalimar (Malay) PLC, Selinsing PLC, Indo-Malay PLC and Good Hope PLC, on March 17th 2011 to acquire the ordinary shares held by the minority. The MPC share holders were offered Carson Cumberbatch PLC (CCPLC) and Bukit Darah PLC (BDPLC) shares from their respective investment portfolios in lieu for their share holdings in the respective MPCs. The MPC shares received via the Voluntary Offer by CCPLC and BDPLC were to be transferred to GAHL subsequent to the completion of the Voluntary Offers. Accordingly, the following shares of the MPCs valued at Rs.2,358.25mn(US\$ 21,199,063) were acquired and were transferred to Goodhope Asia Holdings Ltd. (GAHL) by CCPLC and BDPLC on 3rd May 2011. In the course of the offer CCPLC and BDPLC diluted their respective holdings in each other by 1.15% and 0.73% respectively.

	Transferred from CCPLC		Transferred from BDPLC		Total No. of Shares	Value US\$
	No. of Shares	Value US\$	No. of Shares	Value US\$		
Shalimar (Malay) PLC	150,882	1,203,636	100,588	802,425	251,470	2,006,061
Good Hope PLC	175,099	1,867,682	116,734	1,245,134	291,833	3,112,816
Selinsing PLC	313,951	3,103,085	209,300	2,068,717	523,251	5,171,802
Indo- Malay PLC	512,133	6,545,022	341,423	4,363,361	853,556	10,908,384
		12,719,425		8,479,638		21,199,063

As purchase consideration for the MPC shares thus transferred to GAHL, 8,513,680 ordinary shares of GAHL shares were issued to CCPLC and BDPLC.

– GAHL shares issued to CCPLC – 5,108,203

– GAHL shares issued to BDPLC – 3,405,477

Subsequent to the voluntary offer, the gross holding and effective holding of four Malaysian Plantation Companies by GAHL group are as follows.

	Gross holding (%)
Shalimar (Malay) PLC	95.89%
Good Hope PLC	93.87%
Selinsing PLC	94.81%
Indo-Malay PLC	89.49%

- (b) After satisfying the solvency test in accordance with Section 57 of Companies Act No. 7 of 2007, the Directors recommend a final dividend of Rs. 2.00 per share (2010 - Rs 2.00) on the ordinary shares for the year ended 31st March 2011 amounting to Rs 392.77 million (2010 - Rs 192.53 million), which is to be approved at the forthcoming Annual General Meeting. In accordance with Sri Lanka Accounting Standard No. 12 (Revised 2005) "Events After the Balance Sheet date" the proposed dividend has not been recognised as a liability as at 31st March 2011.
- (c) Refer Note 29 (ii b)
- (d) Other than those disclosed above, no circumstances have arisen subsequent to the Balance Sheet date which require adjustments to or disclosures in the financial statements.

(Amounts expressed in Sri Lankan Rs. '000)

49 RELATED PARTY DISCLOSURES

The Carson Cumberbatch PLC carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 30 (Revised 2005) "Related Party Disclosures", the details of which are given below.

(i) Non Recurring Transaction

(a) Transaction with Subsidiaries

Current Year - 2010/11

1 Transfer of Equity Hotels Limited.

During the period, to consolidate the group's leisure sector under one holding company, Company transferred its fully owned subsidiary Equity Hotels Limited (EHL) to Company's subsidiary Pegasus Hotels of Ceylon PLC for a consideration of Rs. 109.6mn. This transaction was based on a business valuation of EHL carried out by M/s. KPMG Ford, Rhodes, Thornton & Co.

2 Transfer of Guardian Capital Partners PLC (formerly known as Watapota Investments PLC)

During the year Carsons Group restructured its investment business portfolio by identifying Guardian Capital Partners PLC (GCP), formerly known as Watapota Investments PLC to specialise in private equity investments. To execute this strategy Company sold its rights entitlement in GCP rights issue to Ceylon Guardian Investment Trust PLC (CGITPLC), thereby transferring the direct controlling interest of GCP to CGITPLC. The rights were transferred at Rs.10.30 per share for a total consideration of Rs.224.8mn.

3 Company purchased a further 8.3% stake in Ceylon Brewery PLC and a 4.07% stake in Lion Brewery (Ceylon) PLC from both Ceylon Guardian Investment Trust PLC (CGITPLC) & Ceylon Investment PLC (CIPLC) at values of Rs.453.2mn and Rs.504.1mn respectively on the trading floor.

4 Company disposed of its 10.62% holding in Ceylon Investment PLC (CIPLC) in its entirety to Ceylon Guardian Investment Trust PLC (CGITPLC) for Rs.999.7mn on the trading floor as part of the restructuring of Group's investment business.

Last year - 2009/10

1 During the financial year 2009/10, Company's subsidiary companies, Ceylon Guardian Investment Trust PLC (CGITPLC) and Ceylon Investment PLC (CIPLC) re-purchased part of its shares as per section 64 of the Companies Act No.7 of 2007. Company accepted the said re-purchase offer and as a result received Rs.773.5mn and Rs.96.9mn from CGITPLC and CIPLC respectively as share re-purchase proceeds. The resulting gains made from above re-purchase was Rs.648.9mn & Rs.55.0mn respectively.

(b) Transaction between Subsidiaries

Current year - 2010/11

1 Company's subsidiary, Goodhope Asia Holdings Ltd (GAHL), purchased a 70% stake in PT Agro Bukit (PTAB) and 13.33% stake in Shalimar Developments Sdn Bhd (SDSB) from Bukit Darah PLC and a further 20% stake of PTAB from SDSB.

With this acquisition, share holder loans due to Bukit Darah PLC and SDSB from PTAB were also transferred to GHAL. Total consideration for the transaction was Rs.6,550.3mn (USD 59.37mn)

2 Pursuant to the restructuring of the plantation sector of the Carsons Group of companies, its subsidiary Goodhope Asia Holdings Limited (GHAL) consolidated its holdings in the Indonesian plantation companies.

In the course of the same, GAHL acquired the following shares and share holder advance from Rim capital Holdings Sdn Bhd (RHSB) for a consideration of USD 28,654,434 against which GAHL allotted 12,512,853 ordinary shares to RHSB.

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

- (i) PT Rim Capital (PTRC)- 95% of the share capital (950,000 shares) and a share holder loan amounting to US\$ 7,887,557/-
- (ii) PT Agro Indomas (PTAI)–6.78% of the share capital (3,050 shares)
- (iii) PT Agro Bukit (PTAB)– 5.00% of the share capital (413,250 shares) and a shareholder loan amounting to US\$ 1,966,225/-
- (iv) PT Agro Harapan Lestari (PTAHL) – 40.00% of the share capital (100,000 shares)
- (v) Agro Harapan Lestari Sdn Bhd (AHLSB) –40.00% of the share capital (112,000 shares)

- 3** During the year, ownership of Carsons Group's investment management company, Guardian Fund Management Ltd (GFM) was transferred from Rubber Investment Trust Limited to Ceylon Guardian Investment Trust PLC (CGITPLC) for Rs.28.1mn, both companies being Carsons Group subsidiaries as a part of the investment sector restructuring. CGITPLC now owns 99.99% of GFM.
- 4** 41,600,000 ordinary shares of Expolanka holdings Limited, initially held by Group subsidiary, Ceylon Investment PLC (CIPLC) on behalf of another Group subsidiary, Guardian Capital Partners PLC (GCPPLC), was transferred during the year for Rs. 250.85 mn. GCPPLC paid Rs.5.72mn as interest to CIPLC against the cost of funds at 8% per annum for the said transaction.

(ii) RECURRING TRANSACTION

(a) Transaction with Subsidiaries

1 Carsons Management Services (Private) Limited (CMSL)

Carsons Management Services (Private) Limited is a subsidiary of Carson Cumberbatch PLC.

i A summary of transactions with CCPLC is as Follows:

	2011	2010
Interest income	-	12,245
Current account balance		
Amount due from	217,705	203,886

ii A summary of transaction with other group companies is given below

	2011	2010
Management services income	191,224	131,661
Administration expenses paid	10,137	18,504
Current account balance - 31st March		
Amount due from	125,673	119,243
Amount due to	-	5,627
Amount due from Associates	-	16

2 PT Agro Harapan Lestari.

PT Agro Harapan Lestari is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Management services income	951,166	619,352
Administration expense paid	15,113	
Current account balance - 31st March		
Amount due from	139,390	188,770
Amount due to	8,058	52,266
Amount due from Associates	-	64,326

(Amounts expressed in Sri Lankan Rs. '000)

3 Agro Harapan Lestari Sdn. Bhd.

Agro Harapan Lestari Sdn. Bhd. is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Management services income	55,165	39,539
Current account balance		
Amount due from	-	165,686

4 Agro Harapan Lestari (Private) Limited

Agro Harapan Lestari (Private) Limited is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Management services income	261,881	150,111
Administration expenses paid	8,533	6,969
Current account balance		
Amount due from	64,923	85,197
Amount due from Associates	-	14,957

5 AHL Business Solution (Private) Limited

AHL Business Solution (Private) Limited is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Management services income	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Management services income	19,720	-
Current account balance - 31st March		
Amount due from	-	-

6 Guardian Fund Management Limited (GFM)

Guardian Fund Management Limited (GFM) is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Management services income	32,345	13,496
Administration expenses paid	648	490
Current account balance		
Amount due to	-	11,750

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

7 Good Hope PLC

Good Hope PLC is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Management services income	-	6,750

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	38,855	7,557
Dividend paid	65,494	17,577
Administration expenses paid	15,515	10,135
Long term lending balance *	274,362	274,362

*These advances non -interest bearing and pending capitalization

8 Indo-Malay PLC

Indo-Malay PLC is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Management services income	-	6,356

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	38,301	5,394
Dividend paid	46,392	4,859
Administration expenses paid	13,116	7,181
Long term lending balance *	8,311	8,311
Current account balance	-	18,642

*These advances non -interest bearing and pending capitalization

9 Shalimar (Malay) PLC

Shalimar (Malay) PLC is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Management services income	-	8,246

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	36,919	
Dividend paid	57,637	223,048
Administration expenses paid	15,038	7,995
Loan obtain during the year	18,642	
Long term lending balance *	48,972	48,972

*These advances are non-interest bearing and pending capitalization

(Amounts expressed in Sri Lankan Rs. '000)

10 Selinsing PLC

Selinsing PLC is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Management services income	-	6,597

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	43,624	26,168
Dividend paid	202,491	16,138
Administration expenses paid	22,211	14,205
Long term lending balance *	199,472	199,472

*These advances non -interest bearing and pending capitalization

11 Agro Asia Pacific Limited

Agro Asia Pacific Limited is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Administration expenses paid	2,703	-
Current account balance		
Amount due to *	441,600	-

*These advance non - interest bearing, unsecured and repayable upon demand

12 Agro Jaya Bakititma

Agro Jaya Bakititma is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Management services income	-	-
Current account balance - 31st March		
Amount due to *	816,738	-

*These advances are non-interest bearing and pending capitalization

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

13 PT Agro Indomas (PTAI)

PT Agro Indomas (PTAI) is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction of CCPLC with is Follows:

	2011	2010
Management services income	-	40,046

ii A summary of transaction of with other group companies is given below

	2011	2010
Dividend paid	286,217	102,516
Administration expenses paid	793,838	784,866
Current account balance - 31st March		
Amount due from *	1,267,491	4,214,874
Amount due to	162,092	78,515
Amount due from Associates	-	2,673

*These advance non -interest bearing , unsecured

14 PT Agro Bukit

PT Agro Bukit is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction of CCPLC with PT Agro Bukit are is Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Administration expenses paid	379,597	-
Current account balance - 31st March		
Amount due to	96,853	-

15 PT Rim Capital

PT Rim is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction of with PT Rim with other group companies is given below

	2011	2010
Current account balance - 31st March		
Amount due from	18,204	
Amount due to	349,742	-

16 PT Nabir Baru

PT Nabir Baru is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Management services income	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Current account balance - 31st March		
Amount due to	97,696	-

*These advances are non-interest bearing

(Amounts expressed in Sri Lankan Rs. '000)

17 PT Agro Asia Pacific

PT Agro Asia Pacific is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Management services income	65,577	42,430
Administration expenses paid	2,705	2,757
Current account balance		
Amount due from	29,514	26,308

18 PT Karya Makmur Sejahtrea

PT Karya Makmur Sejahtrea is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Management services income	28,244	-

ii A summary of transaction with other group companies is given below

	2011	2010
Administration expenses paid	99,623	64,316
Current account balance - 31st March		
Amount due from	2,925,616	
Amount due to	115,850	1,513,120

19 Goodhope Asia Holdings Limited

Good Hope Asia Holdings Limited is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Dividend income	473,358	195,581

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	475,438	221,258
Current account balance - 31st March		
Amount due from	658,385	117,003
Amount due to	1,562,766	3,323,859
Amount due from Associates	-	239,987

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

20 Shlimar Developments Sdn. Bhd.

Shlimar Developments Sdn. Bhd. is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	286,217	102,516
Current account balance - 31st March		
Amount due from	1,582,302	546,829
Amount due to	531,117	531,177
Amount due from Associates	-	179,819

21 Ceylon Guardian Investment Trust PLC (CGIT)

Ceylon Guardian Investment Trust PLC (CGIT) is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Dividend income	107,211	160,074
Interest income	-	5,861

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	107,881	190,549
Administration expenses paid	9,128	6,226

20 Ceylon Investment PLC (CIPLC)

Ceylon Investment PLC (CIPLC) is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Dividend income	13,740	12,051
Interest income	-	39,726

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	30,389	94,883
Dividend paid	86,572	107,167
Administration expenses paid	9,453	6,388

(Amounts expressed in Sri Lankan Rs. '000)

21 Rubber Investments Trust Limited (RITL)

Rubber Investments Trust Limited (RITL) is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Dividend income	-	19
Interest income	-	20,500

ii A summary of transaction with other group companies are given below

	2011	2010
Dividend paid	50,440	185,105
Administration expenses paid	7,644	4,771
Current account balance - 31st March		
Amount due from	-	11,750

22 Guardian Capital Partners PLC (GCPPLC)

GCPPLC is a subsidiary of Carson Cumberbatch PLC

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Dividend income	69,169	9,412
Interest income	2,179	3,999

ii A summary of transaction with other group companies is given below

	2011	2010
Administration expenses paid	343	1,096

23 Ceylon Brewery PLC (CBPLC)

Ceylon Brewery PLC (CBPLC) is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Dividend income	41,952	41,952

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	164,645	43,750
Royalty income	79,582	61,950
Dividend paid	47,180	47,180
Interest income	-	9,219
Current account balance - 31st March		
Amount due from	91,982	72,890
Amount due to	2,228	25,980

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

24 Lion Brewery (Ceylon) PLC (LBCPLC)

Lion Brewery (Ceylon) PLC (LBCPLC) is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Dividend income	1,577	-

ii A summary of transaction with other group companies is given below

	2011	2010
Administration expenses paid	157,769	108,770
Royalty fees paid	79,582	61,950
Dividend paid	130,756	43,750
Current account balance		
Amount due from	11,639	33,680
Amount due to	5,571	5,627
Sale of beer	37,635	23,582

Messrs. H. Selvanathan (K. Selvanathan - Alternate Director to H. Selvanathan in Carlsberg India Private Limited) Director of the LBCPLC, is also a Director of South Asian Breweries Pte Limited - Singapore and Carlsberg India Private Limited. R.E. Bagattini is a Director of Carlsberg India Private Limited. During the year the LBCPLC invested R. 739,671,000/- (2010 - Rs. 355,738,000/-) on equity shares of South Asian Breweries Pte Limited - Singapore.

The LBCPLC purchases a part of its requirement of the raw material rice from Ran Sahal (Pvt) Limited. The entire production of Ran Sahal (Pvt) Limited is exclusively sold to the LBCPLC. Towards this Company advances funds to Ran Sahal (Pvt) Limited from time to time in lieu of pending purchases. As at the Balance Sheet date an amount of Rs. 56,205,933/- (2010 - Rs. 53,038,038/-) has been advanced to Ran Sahal (Pvt) Limited which remains to be settled from future purchases.

25 CBL Retailers (Pvt) Ltd

CBL Retailers (Pvt) Ltd is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Current account balance - 31st March		
Amount due to	101,392	72,890

26 Equity One PLC

Equity One PLC is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Interest income	-	-
Long term lending balance *	637,642	531,030

*These advance non -interest bearing , unsecured and repayable upon demand

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	-	13,635
Rental income	-	738
Administration expenses paid	1,572	1,572
Current account balance - 31st March		
Amount due from	-	830,154
Amount due to	43,926	227,820

(Amounts expressed in Sri Lankan Rs. '000)

27 Equity Two PLC

Equity Two PLC is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Rental income	16,717	12,749
Interest income	-	2,263
Administration expenses paid	852	852
Current account balance -		
Amount due from	31,378	31,720

28 Equity Three (Private) Limited

Equity Three (Private) Limited is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend paid	1,700	1,215
Administration expenses paid	414	414
Current account balance - 31st March		
Amount due from	12,548	12,249

29 Pegasus Hotels of Ceylon PLC

Pegasus Hotels of Ceylon PLC is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
Long term lending balance *	109,637	-

ii A summary of transaction with other group companies is given below

	2011	2010
Administration expenses paid	10,222	222
Interest expenses paid	5,681	-
Current account balance		
Amount due to	78,871	78,286

* These advances are non-interest bearing and pending capitalization

Notes to the Financial Statements

(Amounts expressed in Sri Lankan Rs. '000)

30 Equity Hotels Limited

Equity Hotels Limited is a subsidiary of Carson Cumberbatch PLC.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-

ii A summary of transaction with CCPLC other group companies is given below

	2011	2010
Administration expenses paid	42	42
Current account balance - 31st March		
Amount due to	28,081	29,105

(a) Transaction with Subsidiaries

Carson Cumberbatch PLC has provided letters of comfort to the following subsidiaries confirming its intention to continue to provide financial and other support and meet liabilities to enable the subsidiaries to continue as going concern.

- i Carson Airline Services (Private) Limited - Wholly owned
- ii Carson Management Services (Private) Limited - Wholly owned
- iii Equity Hotels Limited - Wholly owned

(b) Transaction with Associates

I PT Agro Bukit

PT Agro Bukit is an Associate of Carson Cumberbatch PLC upto 30/06/2010.

i A summary of transaction with CCPLC is as Follows:

	2011	2010
There were no transactions during the period	-	-
Current account balance - 31st March		
Amount due to	-	23

ii A summary of transaction with other group companies are given below

	2011	2010
Administration expenses/Cost recovery	-	235,866
Current account balance - 31st March		
Amount due to	-	325,723

(Amounts expressed in Sri Lankan Rs. '000)

2 Bukit Darah PLC (BDPLC)

Bukit Darah PLC is an Associate of Carson Cumberbatch PLC.

A summary of transaction with CCPLC is as Follows:

	2011	2010
Dividend income	-	5,431
Dividend paid	-	67,008

ii A summary of transaction with other group companies is given below

	2011	2010
Dividend income	-	15,026

(c) Transaction with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard 30 (Revised 2006) "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including Executive and Non Executive Directors) and their immediate family members have been classified as KMP of the Company.

The compensation paid to Key Management Personnel and other short term employment benefits are disclosed in aggregate in Note 20 to the Financial Statements. No other payments such as post employment benefits, termination benefits and share based payments have been paid to key management personnel during the year.

50 COMPARATIVE INFORMATION

The presentation and classification of the following items in the financial statements are amended to ensure the comparability with current year:

	Current Presentation 2011	As Reported Previously 2010	Change
Group			
Intangible assets	786,466	784,500	1,966
Property Plant & Equipments	18,868,349	18,911,281	(42,932)
Prepaid lease payment for land	355,603	314,637	40,966
Company			
Short term borrowings	-	3,306	(3,306)
Trade and other creditors	67,470	64,169	3,306

51 DIRECTORS RESPONSIBILITY STATEMENT

Refer page 55.

Ten Year Summary - Group

(Amounts expressed in Sri Lankan Rs. '000)

(Amounts expressed in Sri Lankan Rs. '000 unless otherwise stated)

For the year ended 31st March	2011	2010	2009
OPERATING RESULTS			
Revenue	36,348,462	21,327,821	16,795,047
Profit from operations	12,478,585	7,237,000	5,013,934
Finance expenses	688,194	530,376	993,586
Profit before taxation	12,293,283	6,879,407	3,767,804
Income tax expenses	2,569,229	1,434,052	809,317
Profit for the year	9,724,054	5,445,355	2,958,487
Profit attributable to the Non controlling interest'	5,103,732	2,158,444	1,176,141
Profit attributable to the Owners of the company	4,620,322	3,286,911	1,782,346
CAPITAL EMPLOYED			
Stated capital	1,614,652	1,118,255	1,118,255
Reserves	22,588,292	19,204,116	12,415,858
	24,202,944	20,322,371	13,534,113
Minority shareholders equity interest	25,065,965	9,429,378	5,781,881
Short - term and long - term borrowings	23,340,260	4,989,581	6,741,913
	72,609,169	34,741,330	26,057,907
ASSETS EMPLOYED			
Non - current assets	58,752,764	30,441,199	21,524,200
Current assets	21,409,147	9,567,352	8,976,347
	80,161,911	40,008,550	30,500,547
Current liabilities - excluding borrowings	(4,740,249)	(3,321,967)	(2,731,081)
Non - current liabilities	(773,052)	(651,168)	(628,255)
Deferred liabilities	(2,039,439)	(1,294,085)	(1,083,304)
	72,609,169	34,741,330	26,057,907
CASH FLOW STATEMENTS			
Net cash inflows from operating activities	4,058,814	2,604,948	1,723,854
Net cash used in investing activities	(4,547,340)	(2,299,836)	(908,660)
Net cash generated from/(used in) financing activities	9,803,861	(1,268,542)	535,727
Net (decrease)/increase in cash & cash equivalents	9,315,335	(963,430)	1,350,921
OPERATIONAL RATIOS			
Return on ordinary shareholders' funds (%)	19.13	16.12	13.31
Equity to total assets (%)	61.26	73.67	61.88
Revenue growth (%)	70.43	26.99	10.18
Asset growth (%)	100.36	31.17	(0.96)
Revenue to capital employed (times)	0.50	0.61	0.64
Number of employees	11,672	6,943	5,083
Revenue per employee (Rs. '000)	3,114	3,072	3,304
Value added per employee (Rs. '000)	1,631	1,697	2,048
DEBT & GEARING RATIOS			
Interest cover (times)	18.13	13.65	5.05
Total debts	23,505,260	5,265,831	7,185,663
Net debts	12,450,514	4,114,949	4,014,765
Debt equity ratio (%)	47.87	17.87	38.08
Gearing ratio (%)	32.37	15.16	27.58
Debt/total assets (%)	29	13	24
Current ratio (times)	2.31	1.61	1.34
INVESTOR RATIOS			
Dividend cover (times)	11.71	8.23	5.91
Dividends per share (Rs.)	2.00	2.00	1.50
Market value per share (Rs.)	634	547	116
Market capitalization (Rs. mn)	124,666	52,611	11,167
Earnings per share (Rs.)	23.42	16.45	8.87
Price earnings ratio (times)	23.34	33.22	13.08
Net assets per ordinary share (Rs.)	122.40	102.07	66.66

2008	2007	2006	2005	2004	2003	2002
15,243,172	9,321,234	7,995,793	6,148,827	5,957,216	4,022,342	3,276,001
5,052,989	2,421,154	1,842,054	2,043,699	1,636,855	967,464	610,514
835,747	539,058	357,906	703,260	398,740	373,077	234,533
4,273,921	1,705,940	1,662,247	1,346,298	1,241,320	743,700	321,211
1,204,072	477,768	437,607	36,660	60,624	121,211	(30,573)
3,069,849	1,228,172	1,224,640	1,309,638	1,180,696	622,489	351,784
1,348,181	525,352	598,552	485,905	454,909	385,409	213,067
1,721,668	702,820	626,089	823,733	725,787	237,080	138,717
286,123	286,123	286,123	235,187	235,187	235,187	310,187
12,584,693	9,646,490	8,190,159	6,000,929	4,905,339	4,008,134	3,685,639
12,870,816	9,932,613	8,476,282	6,236,116	5,140,526	4,243,321	3,995,826
7,055,721	5,054,539	4,543,248	3,366,037	2,995,671	2,860,781	3,011,791
6,179,030	6,170,039	3,662,970	3,178,648	3,569,094	4,442,399	3,857,961
26,105,567	21,157,191	16,682,499	12,780,801	11,705,291	11,546,501	10,865,578
24,043,466	21,791,487	18,188,041	14,231,108	11,983,825	12,019,074	11,230,223
6,752,769	4,190,620	2,783,066	1,654,837	1,763,783	1,323,493	1,374,693
30,796,235	25,982,107	20,971,107	15,885,945	13,747,608	13,342,567	12,604,916
(3,085,224)	(1,869,907)	(1,688,399)	(1,339,315)	(831,775)	(658,735)	(848,273)
(460,503)	(1,300,176)	(1,315,153)	(853,439)	(816,570)	(796,824)	(670,659)
(1,144,941)	(1,654,833)	(1,285,056)	(912,390)	(393,972)	(340,507)	(220,406)
26,105,567	21,157,191	16,682,499	12,780,801	11,705,291	11,546,501	10,865,578
3,195,910	515,377	952,122	2,023,709	1,182,382	568,898	202,729
(1,100,761)	(2,185,966)	(1,461,901)	(872,509)	(349,399)	(699,213)	(412,016)
(1,719,207)	904,709	(246,590)	(796,995)	(722,260)	362,190	(250,107)
375,942	(765,880)	(756,369)	354,205	110,723	231,875	(459,394)
13.37	6.96	7.26	13.25	14.15	4.98	2.54
63.97	56.82	61.01	59.03	57.55	51.56	53.21
63.53	16.58	30.04	3.22	48.10	22.78	38.23
18.53	23.89	32.01	15.55	3.04	5.85	10.47
0.58	0.44	0.48	0.48	0.51	0.35	0.30
4,109	4,014	3,468	3,489	3,130	3,077	2,324
3,710	2,322	2,306	1,762	1,903	1,307	1,410
2,270	1,501	1,520	1,331	1,179	753	873
6.05	4.49	5.15	2.91	4.11	2.59	2.60
6,404,030	6,395,039	3,887,970	3,403,648	3,794,094	4,667,399	4,157,961
4,423,959	5,519,758	3,323,494	3,059,677	3,585,448	4,503,027	3,864,183
32.51	43.32	30.39	36.30	47.96	67.85	61.99
24.53	30.23	23.31	26.63	32.41	40.42	38.27
21	25	19	21	28	35	33
0.93	0.85	0.73	0.64	0.89	0.76	0.79
2.87	1.38	1.22	0.41	0.71	0.20	0.10
3.00	2.50	2.50	10.00	5.00	5.00	5.00
3,800	4,270	2,300	14,500	8,000	1,605	1,300
23,227	26,100	14,058	14,771	8,150	1,635	1,325
8.61	3.44	3.05	4.06	3.54	1.02	0.48
441.54	1,240.82	753.96	3,574.11	2,258.28	1,575.29	2,722.53
64.39	49.43	42.02	30.61	25.03	20.46	18.82

Value Addition - Group

(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	2011	2010	2009	2008	2007					
Revenue	36,348,462	21,327,821	16,795,047	15,243,172	9,321,234					
Other income	218,804	27,633	134,105	98,751	76,117					
	36,567,266	21,355,454	16,929,152	15,341,923	9,397,351					
Cost of materials and services purchased from outside	(17,525,254)	(9,569,946)	(6,825,125)	(5,937,970)	(3,377,861)					
Value Added	19,042,012	11,785,508	10,104,027	9,403,953	6,019,490					
		%	%	%	%					
Distributed as follows:										
To Employees as remuneration and other benefits	2,261,542	12	1,290,267	11	1,085,129	11	1,351,970	14	950,844	16
To Governments										
as taxation/excise - Sri Lanka	5,328,046	28	3,078,678	26	2,503,658	25	2,135,927	23	1,858,944	31
- Overseas	1,647,505	9	1,376,698	12	817,462	8	1,134,832	12	302,496	5
To Providers of capital										
as interest on loans	709,524	4	586,334	5	993,586	10	835,747	9	539,058	9
as minority interest	5,103,732	27	2,158,444	18	1,176,141	12	1,348,181	14	777,313	13
as dividend to shareholders	392,774	2	192,536	2	58,450	1	46,781	0	42,281	1
Retained in the business										
as depreciation	1,220,113	6	1,001,777	9	850,838	8	789,582	8	477,555	8
as retained profits	2,378,776	12	2,100,774	18	2,618,763	26	1,760,933	19	1,070,999	18
	19,042,012	100	11,785,508	100	10,104,027	100	9,403,953	100	6,019,490	100

Note

- The Statement of Value Added shows the quantum of wealth generated by the activities of the companies within the Group, excluding its Associate Companies, and its application.
- Value Added Tax, Economic Services Charge and Social Responsibility Levy are excluded in arriving at the above revenue. Therefore, total tax liability to the Sri Lankan Government during the year included the following:

	2011	2010	2009	2008	2007
Economic Services Charges	97,699	39,665	22,361	22,851	17,863
Value Added Tax/					
Good Services Tax	2,008,292	1,624,842	1,263,922	1,110,694	882,521
Social Responsibility Levy/					
Nation Building Levy	39,575	45,025	39,628	981	605
Excise Duty included					
under net sales above	4,551,302	2,918,917	2,383,898	2,078,929	1,779,497
	6,696,868	4,628,449	3,709,809	3,213,455	2,680,486
Income Tax	639,470	75,071	57,771	33,166	60,979
Total Taxes paid to the Government of Sri Lanka	7,336,338	4,703,520	3,767,580	3,246,621	2,741,465

US \$ Financial Statements 2010/11

Income Statement

(Amounts expressed in Dollars)

For the year ended 31st March	2011	Group 2010	Change %
REVENUE	324,163,575	186,693,111	74
Direct operating expenses	(161,734,273)	(90,604,412)	79
	162,429,302	96,088,699	69
Gain on disposal of non current investments			
/shares re - purchase	199,260	(5,462)	(3,748)
Change in fair value of investment properties	269,758	23,967	1,026
Other income	1,951,342	241,886	107
Distribution expenses	(28,055,739)	(15,401,217)	82
Administrative expenses	(36,573,236)	(24,313,944)	50
Other operating expenses	(1,364,461)	(1,785,005)	(24)
Impairment of business assets	(25,756)	(95,588)	(73)
Net realized gain on sale of investment	7,118,104	5,949,869	20
Mark to market value adjustments - Unrealised	5,338,188	2,645,886	102
Finance expenses	(6,137,465)	(4,642,647)	32
Foreign exchange gain	4,603,246	341,982	1,246
Net results of share of associates	(118,345)	1,170,474	(110)
Profit before taxation	109,634,198	60,218,899	82
Taxation			
Current taxation	(20,395,746)	(12,708,062)	60
Deferred taxation	(2,517,203)	155,086	(1,723)
	(22,912,949)	(12,552,976)	82
Profit for the year	86,721,249	47,665,923	83
Profit attributable to:			
Equity holders of the parent	41,205,045	28,771,980	43
Non controlling interest	45,516,204	18,893,943	141
Profit for the year	86,721,249	47,665,923	82
Exchange Rate	112.13	114.24	(2)

Figures in brackets indicate deductions.

Balance Sheet

(Amounts expressed in Dollars)

As at 31st March	2011	Group 2010
ASSETS		
Non - Current Assets		
Property, Plant & Equipments	357,120,054	165,511,833
Prepaid lease payment for Land	14,775,480	3,119,325
Investment properties	12,291,476	11,637,991
Intangible assets	16,066,540	6,898,825
Investments in subsidiaries	-	-
Investments in associates	3,950,851	5,764,991
Long - term investments	122,665,511	69,938,917
Land compensation receivable	1,716,150	1,661,956
Asset held-for-sale	-	1,473,684
Deferred tax assets	3,594,774	1,020,535
Amounts due from related companies	-	-
Total non - current assets	532,180,837	267,028,058
Current Assets		
Inventories	39,231,694	23,098,123
Trade and other receivables	42,274,429	39,772,430
Current tax recoverable	940,679	486,667
Amounts due from related companies	453,351	4,589,807
Short - term investments	10,889,709	5,881,657
Cash and cash equivalents	100,133,569	10,095,456
Total current assets	193,923,432	83,924,139
Total assets	726,104,269	350,952,197
EQUITY AND LIABILITIES		
EQUITY		
Stated capital	14,632,680	10,205,703
Capital reserves	33,718,659	44,765,667
Revenue reserves	170,878,246	123,295,047
Equity attributable to owners of the company	219,229,586	178,266,416
Non -controlling interest	227,046,784	82,713,842
Total equity	446,276,370	260,980,258
LIABILITIES		
Non - Current Liabilities		
Long - term borrowings	170,421,639	21,171,605
Trade and other payables	7,002,283	5,712,000
Retirement benefit obligations	3,026,205	1,757,825
Deferred tax liabilities	15,446,975	9,593,798
Total non - current liabilities	195,897,101	38,235,228
Current Liabilities		
Trade and other payables	34,072,228	22,943,386
Current tax liabilities	8,864,810	6,196,675
Long - term borrowings falling due within one year	19,646,594	7,086,140
Short - term borrowings	5,000,000	-
Bank overdrafts	16,347,165	15,510,509
Total current liabilities	83,930,797	51,736,711
Total liabilities	279,827,899	89,971,939
Total equity and liabilities	726,104,269	350,952,197

Exchange Rates

110.40

114

This information does not constitute a full set of Financial Statements in compliance with SLAS.

Glossary

A

ACCOUNTING POLICIES

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

ACCRUAL BASIS

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

ASSOCIATE

An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

C

CAPITAL RESERVES

Reserves identified for specific purposes and considered not available for distribution.

CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

CONTINGENT LIABILITIES

Conditions or situations at the balance sheet date, the financial effect of which are to be determined by the future events which may or may not occur.

CURRENT RATIO

Current Assets over Current Liabilities

CAPITAL EMPLOYED

Shareholders' Funds plus Debt

CURRENT SERVICE COST

Is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

D

DEFERRED TAXATION

The tax effect of timing differences deferred to/from other periods, which would only qualify for inclusion on a tax return at a future date.

DEPRECIATION

The systematic allocation of the depreciable amount of an asset over its useful life.

DIVIDENDS

Distribution of profits to holders of equity investments.

DIVIDEND COVER

Profit after tax divided by gross dividends. This ratio measures the number of times dividend is covered by the current year's distributable profits.

DIVIDEND YIELD

Dividend earned per share as a percentage of its market value.

DEBT/EQUITY RATIO

Debt as a percentage of Shareholders Funds

DIVIDEND PAYOUT RATIO

Total Dividend interest and Tax as percentage of Capital Employed (Note 01)

E

EARNINGS PER SHARE (EPS)

Profit attributable to ordinary shareholders, divided by the number of ordinary shares in issue.

F

FAIR VALUE

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

FINANCE LEASE

A contract whereby a lessor conveys to the lessee the right to use an asset for rent over an agreed period of time which is sufficient to amortise the capital outlay of the lessor. The lessor retains ownership of the asset but transfers substantially all the risks and rewards of ownership to the lessee.

G

GROSS DIVIDENDS

The portion of profit inclusive of tax withheld distributed to shareholders.

GROUP

A group is a parent and all its subsidiaries.

I

IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

INTANGIBLE ASSET

An identifiable able non-monetary asset without physical substance held for use in the production / supply of goods / services or for rental to others or for administrative purposes.

K

KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

L

LIQUID ASSETS

Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, bills of exchange and treasury bills.

M

MARKET CAPITALISATION

Number of Shares in issue at the end of the period multiplied by the Market price at end of period

N

NET ASSETS

Total assets minus Current Liabilities minus Long Term Liabilities minus Minority Interest

NET ASSET VALUE PER SHARE

Shareholders' funds divided by the number of ordinary shares in issue.

NET DEBT

Net Debt minus (Cash plus Short Term Deposits)

P

PARENT

A parent is an entity that has one or more subsidiaries.

PRICE EARNINGS RATIO (P/E RATIO)

Market price of an ordinary share divided by earnings per share (EPS).

R

RETURN ON AVERAGE ASSETS (ROA)

Net income expressed as a percentage of average total assets, used along with ROE, as a measure of profit and as a basis of intra-industry performance comparison.

RETIREMENT BENEFITS

- Present value of a defined benefit obligation Is the present value of expected future payments required to settle the

obligation resulting from employee service in the current and prior periods.

REVENUE RESERVE

Reserves set aside for future distribution and investment.

RETURN ON EQUITY

Profit after Tax as a percentage of Average Shareholder's Funds

RETURN ON CAPITAL EMPLOYED

Earning before interest and tax as percentage of Capital Employed

RELATED PARTIES

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

S

SHAREHOLDERS' FUNDS

Shareholders' funds consist of stated capital plus capital and revenue reserves.

SUBSIDIARY

A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).

SEGMENTS

Constituent business units grouped in terms of similarity of operations and location.

T

TOTAL VALUE ADDED

The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources

TOTAL ASSETS

Fixed Assets plus Investments plus Non Current Assets plus Current Assets

V

VALUE ADDED

Value added is the wealth created by providing banking services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to government by way of taxes and retained for expansion and growth.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Ninety Eighth Annual General Meeting of Carson Cumberbatch PLC will be held on Thursday the 30th day of June 2011 at 2.30 p.m. at the Taj Samudra Hotel, 'Crystal Room', Upper Floor, No. 25, Galle Face Centre Road, Colombo 3 for the following purposes :

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2011 together with the Report of the Independent Auditors thereon.
2. To declare a dividend as recommended by the Directors.
3. To re-elect Mr. S. K. Shah who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.
4. To re-elect Mr. D. C. R. Gunawardena who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.
5. To re-appoint Messrs. KPMG Ford, Rhodes, Thornton & Company, Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act No. 07 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
Secretaries

Colombo, 26th May 2011

Notes:

1. A member is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, not later than 2.30 p.m. on 28th June 2011.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check -
We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.

Form of Proxy

*I/ We..... of

being *a Member/Members of CARSON CUMBERBATCH PLC hereby appoint.....

of.....bearing NIC

No./ Passport No. or failing him/her

Tilak de Zoysa	or failing him,
Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Suresh Kumar Shah	or failing him,
Palehenalage Chandana Priyankara Tissera	or failing him,
Vijaya Prasanna Malalasekera	or failing him,
Mangala Moonesinghe	or failing him,
Faiz Mohideen	

as *my/our proxy to attend at the 98th Annual General Meeting of the Company to be held on Thursday, the 30th of June 2011 at 2.30 p.m., at the Taj Samudra Hotel, 'Crystal Room', Upper Floor, No.25, Galle Face Centre Road, Colombo 3, and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
(1) To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2011, together with the Report of the Independent Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(2) To declare Rs. 2/- per share as a First & Final dividend for the financial year ended 31st March 2011 as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
(3) To re-elect Mr. S. K. Shah who retires in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(4) To re-elect Mr. D. C. R. Gunawardena who retires in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(5) To re-appoint Messrs. KPMG Ford, Rhodes, Thornton & Company, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Eleven.

.....
Signature /s

Note:

- (a) * Please delete the inappropriate words.
- (b) A shareholder entitled to attend and vote at a General meeting of the company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the general meeting of the shareholders.
- (c) A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
- (d) Instructions are noted on the reverse hereof.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 54 of the Articles of Association of the Company:
 - (i) Any Shareholder entitled to attend and vote at a meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of him. A proxy so appointed shall have the same right as the Shareholder to vote on a show of hands or on a poll and to speak at the meeting.
 - (ii) An instrument appointing a proxy shall be in Writing and:
 - (a) in the case of an individual shall be signed by the appointor or by his attorney; and
 - (b) in the case of a corporation shall be either under the common seal, or signed by its attorney, or by an authorized officer on behalf of the corporation.
 - (iii) An instrument appointing a proxy or the power of attorney or other authority, if any, must be left or received at the Office or such other place (if any) as is specified for the purpose in the notice convening the meeting not less than forty eight (48) hours before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used and in default shall not be treated as valid unless the Directors otherwise determine.
4. Where there are joint registered holders of any Share any one (01) of such persons may vote and be reckoned in a quorum at any meeting either personally or by proxy as if he were solely entitled thereto and if more than one (01) of such joint holders be so present at any meeting one (01) of such persons so present whose name stands first in the Register in respect of such Share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Shareholder in whose name any Share stands shall for the purpose of this Article be deemed joint holders thereof.
5. To be valid the completed form of proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 2.30 p.m. on 28th June 2011.

Please fill in the following details

Name :

Address :

.....

Jointly with Share folio no. :

Corporate Information

Name of the Company

Carson Cumberbatch PLC

Company Registration No.

PQ 41

Legal Form

A Public Quoted Company with Limited Liability Incorporated in Sri Lanka in 1913

Board of Directors

T. de Zoysa (Chairman)

H. Selvanathan (Deputy Chairman)

M. Selvanathan

I. Paulraj

D.C.R. Gunawardena

S.K. Shah

P.C.P. Tissera

V.P. Malalasekera

M. Moonesinghe

F. Mohideen

Alternate Director

K. Selvanathan (for M. Selvanathan)

Audit Committee

V.P. Malalasekera (Chairman)

Non-Executive / Independent Director

D.C.R. Gunawardena

Executive Director *

F. Mohideen

Non-Executive / Independent Director

Remuneration Committee

I. Paulraj (Chairman)

Non-Executive / Independent Director

M. Moonesinghe

Non-Executive / Independent Director

H. Selvanathan

Executive Director **

M. Selvanathan

Executive Director **

D.C.R. Gunawardena

Executive Director *

Bankers to the Group

Standard Chartered Bank

Bank of Ceylon

Citibank NA

Commercial Bank

HSBC

Sampath Bank

Hatton National Bank

Nations Trust Bank

Indian Bank

Deutsche Bank

Public Bank

Pan Asia Bank

Auditors

Messrs. KPMG Ford Rhodes, Thornton & Co.

Chartered Accountants

32A, Mohamed Macan Markar Mawatha,

Colombo 3, Sri Lanka.

Secretaries

Carsons Management Services (Private) Limited

61, Janadhipathi Mawatha, Colombo 1,

Sri Lanka.

Tel: +94 11 4739200

Fax: + 94 11 4739300

Registered Office

No. 61, Janadhipathi Mawatha, Colombo 1,

Sri Lanka.

Tel: + 94 11 4739200

Fax: + 94 11 4739300

Email


carsons@carcumb.com

Corporate Website

www.carsoncumberbatch.com

* Mr. D.C.R. Gunawardena having assumed Non-Executive responsibilities with effect from 15th April 2011, is categorised as Non-Executive Director.

** Mr. H. Selvanathan and Mr. M. Selvanathan have stepped down as remuneration committee members with effect from 15th April, 2011.



Carson Cumberbatch PLC
61 Janadhipathi Mawatha Colombo 1
Sri Lanka

www.carsoncumberbatch.com