

Financial Statements for The Year Ended 31st March 2019

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31st March. Table with columns for 2019 Rs., 2018 Rs., and Growth %.

Statement of Financial Position As at 31st March. Table with columns for 2019 Rs., 2018 Rs., and Growth %.

Statement of Profit or Loss and Other Comprehensive Income Contd. For the Year Ended 31st March. Table with columns for 2019 Rs., 2018 Rs., and Growth %.

Liabilities and Equity section of the Statement of Financial Position. Table with columns for 2019 Rs., 2018 Rs., and Growth %.

Statement of Changes in Equity. Table with columns for Stated Capital Rs., Statutory Reserve Fund Rs., Revaluation Reserve Rs., Available For Sale Reserve Rs., General Reserve Rs., Retained Earnings Rs., and Total Equity Rs.

Certification: These Financial Statements have been prepared in compliance with the requirements of the Companies Act, No.07 of 2007.

sgd. K.D.Menaka Sameera, Senior DGM - Finance & Administration

The Board of Directors is responsible for the preparation and the presentation of these Financial Statements. Approved and signed for and on behalf of the Board ;

sgd. Dhammika Perera, Executive Director and sgd. S.B. Ranganuwa, Managing Director

30th May 2019, Colombo.



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TO THE SHAREHOLDERS OF VALLIBEL FINANCE PLC Report on the Audit of the Financial Statements

Opinion: We have audited the financial statements of Vallibel Finance PLC (the Company), which comprise the statement of financial position as at 31st March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

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

1. IMPAIRMENT OF LOANS AND RECEIVABLES, LEASE AND HIRE PURCHASE RECEIVABLES AND TRANSITION IMPACT WITH THE ADOPTION OF SLFRS 9 - FINANCIAL INSTRUMENTS

Refer to the accounting policies in "Note 5.1.9 to the Financial Statement: Identification and Measurement of Impairment of Financial Assets, Note 2.12 to the Financial Statements: Use of Judgments and Estimates," explanatory Note 29 to the Financial Statements: Financial Assets at amortised cost - Loans and receivables to other customers Note 30 to the Financial Statements: Financial Assets at amortised cost - Lease Rental and hire purchase receivables and Note 4.1 to the Financial Statements: SLFRS 9 - Financial Instruments

2. REVALUATION OF FREEHOLD LAND AND BUILDING

Refer to the accounting policies in "Note 5.2 to the Financial Statement and Note 34 Property Plant and Equipment." As at reporting date, freehold land and building carried at fair value, classified as Property, Plant and Equipment, amounted to Rs. 1,383,467,000 and Rs. 107,500,000 respectively. The Company recorded a revaluation gain of Rs. 176,592,184 by reporting freehold land and building during the year.

Selected Performance Indicators (As Per Regulatory Reporting) As at 31st March

Table with 3 columns: Indicator, 2019, and 2018. Includes Regulatory Capital Adequacy, Assets Quality, Profitability, Regulatory Liquidity, and Memorandum information.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements: Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement if one exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We also: Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report on Other Legal and Regulatory Requirements: As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.