GUARDIAN CAPITAL PARTNERS PLC

Annual Report 2013

ORGANIC GROWTH

Contents

Financial Highlights

In Rupees Thousands

For the year ended / As at 31st March	**2013**	2012	Change (%)
Revenue	**23,051**	13,834	67
Loss from operations	**(32,872)**	(20,678)	59
Loss before taxation	**(33,968)**	(21,283)	60
Loss for the year	**(33,791)**	(21,481)	57
Other comprehensive income/(expense) for the year	**11,999**	(303,184)	(104)
Total comprehensive expense for the year	**(21,792)**	(324,665)	(93)
Net cash generated from/(used in) operating activities	**48,804**	(197,199)	(125)
Accumulated loss	**(61,340)**	(27,549)	123
Total equity	**483,127**	505,724	(4)
Total assets	**489,220**	527,950	(7)
Earnings/(loss) per share (Rs.)	**(1.31)**	(0.83)	57
Net assets per share (Rs.)	**18.70**	19.58	(4)
Return on ordinary shareholders' funds (%)	**(6.99)**	(4.25)	65
Market capitalisation	**997,185**	1,813,533	(45)
Fair value of investment portfolio *	**488,092**	510,758	(4)

* Based on fair value of portfolio after adjusting for cash and cash equivalents.

Guardian Capital Partners PLC

Guardian Capital Partners PLC is the private equity investment arm of Ceylon Guardian Investment Trust Group. The company's portfolio is managed by Guardian Fund Management Limited.

The company looks to partner with unlisted mid and large scale companies which are attractively placed to tap into Sri Lanka's growth story, by providing capital and management input to fund their growth plans.

Chairman's Statement

Dear shareholder,

I welcome you to the 93rd Annual General Meeting of the Company and on behalf of the Board of Directors, take pleasure in presenting the Annual Report and Audited Accounts of the Company for the year ended 31st March 2013.

The lackluster performance witnessed in the private equity (PE) market during the last financial year continued into the current financial year as well. The number of PE raisings was minimal, and the few deals that came our way did not meet the investment criteria of Guardian Capital Partners (GCP). Hence no new investments were made during the year. Although many of our portfolio companies are now listed, no divestments were made either, as the trading price of many of these companies on the Colombo Stock Exchange is below our estimate of their intrinsic value. However a small quantity of shares were sold to settle borrowings outstanding given the sharp rise in interest rates witnessed during the year.

During the year the company generated an accounting loss of Rs. 33.8mn and a total comprehensive loss of Rs. 21.8mn for the year. The loss was primarily due to an impairment charge made against Access Engineering PLC as its trading price on the Colombo Stock Exchange fell below the acquired cost. Given the above, the NAV per share of GCP declined by 4.4%, from Rs. 19.58 to Rs. 18.70.

We continue to strongly believe in the important role that private equity can play in helping promising businesses achieve rapid growth, both with the help of new capital, as well as gaining access to wider management expertise. Hence as stressed last year, GCP together with the Guardian Group will continue to pursue avenues to grow this asset class, and becoming a leading player in the industry. We will continue to focus on improving our deal pipeline as well as develop and improve our expertise on deal evaluation and structuring. We also continue to pursue opportunities of tying up with foreign private equity firms and foreign funding partners to expand assets under management and build our expertise.

The discrepancy between the actual net worth of the company and the price at which the share trades in the market continues to persist, the former being Rs. 18.70 and the latter Rs. 38.60 per share, however the difference has contracted significantly relative to levels seen last year. The payment of a dividend this year also is not recommended. Further we would like to stress again to our shareholders the fact that private equity investments are riskier, relatively illiquid by nature, carry a longer gestation period, and therefore carry a higher risk weight than listed equity.

In conclusion, I would like to thank the shareholders for the confidence and trust placed in the management over the years. We thank the audit committee, remuneration committee, the regulators and our business associates for their continued support. I also like to thank the members of our staff for their contribution, and to my colleagues on the Board for their inputs.

(Sgd.)
Israel Paulraj
Chairman

Colombo
29th April 2013

Operational Review

Private equity philosophy

The management philosophy on private equity is focused on identifying, investing in, protecting and building attractively valued businesses that have the ability to grow and reach the next level. The philosophy is built around forging meaningful partnerships with our investee companies and close engagement to track progress and add value to their operations. Our contribution would not just focus on productivity and operational improvements at the investee company but also in introducing good governance and sound management practices that would facilitate their eventual listing.

Composition of the portfolio

As at 31st March 2012 our portfolio consists of 4 companies (Figure 1). Expolanka Holdings PLC continues to be our largest holding, followed by Access Engineering PLC.

Figure 1: Portfolio Composition	Rs. Mn	%
Expolanka Holdings PLC	237	52%
Access Engineering PLC	158	35%
Hsenid Business Solutions (Pvt) Ltd	40	9%
Textured Jersey Lanka PLC	16	4%
Total	451	100%

Expolanka Holdings PLC

Expolanka is one of the leading freight forwarders in the South Asian region, specialized in the garments/apparel vertical. In addition to freight forwarding the company has also diversified into air line GSA, travel agency, export of agro commodities, pharmaceutical and paper manufacturing, and also holds strategic investments in BPO and education sectors. The exposure to the regional apparel industry through valuable international partnerships, though sensitive to global economic forces, provides exposure to a competitive and scalable business model.

Access Engineering PLC

Access Engineering PLC (AEP) is engaged in construction and real estate businesses. AEP is one of the leading C1 contractors in the country involved in construction of buildings, roads & highways, water & waste water management, bridges & flyovers, harbours & marine work, dredging & reclamation, telecommunication, irrigation & land drainage, and piling. Given the infrastructure development thrust in Sri Lanka, exposure to AEP would enable us to benefit from the growth trends in this sector.

HSenid Business Solutions (Pvt) Ltd

HSenid develops and markets human resource management software, delivering solutions via on-premise and software as a service (SaaS) platforms. The company also offers HR outsourcing services. Whilst being the market leader in Sri Lanka, the company also derives roughly 25% of its revenue from overseas markets, mainly from the African region, India and Malaysia. The company is in the process of investing and building these overseas markets to further penetrate and improve market share, a key driver of its future growth.

Textured Jersey Lanka PLC

Textured Jersey is engaged in the manufacturing and selling of weft knit fabrics. It supplies its fabric to leading global apparel brands which include Intemissimi, M&S, and Victoria's Secret. It is exposed to the impacts of global economic sensitivities in both sourcing as well as at the ultimate consumer end.

Consolidate performance of the portfolio companies

The portfolio companies recorded a consolidated revenue and profit growth of 38.3% and 24.4% respectively (Figure 2) for the 9 months of the current financial year. This is a sharp turnaround relative to the last financial year. This improvement in performance was primarily driven by Expolanka Holdings PLC, which benefitted from an improvement in retail sales in the US and EU, and Access Engineering PLC which benefitted from many large scale projects undertaken over the last financial year being completed/nearing completion. Further, top and bottom line growth in Access was also aided by the consolidation of the new subsidiary acquired during the last financial year.

Figure 2: Portfolio Company Performance				
	Annual		9 months	
Rs. Mn	2011M	2012M	Dec-11	Dec-12
Revenue	54,169	55,210	38,323	53,006
Net profit	3,113	3,473	2,438	3,003
Growth				
Revenue		1.9%		38.3%
Profit		11.6%		24.4%

Movement in the portfolio

The portfolio value of GCP as at 31st March 2013 stood at Rs. 451mn, down 13%. As shown in figure 3, this was primarily due to the divestments we made during the year, and the impairment provision made against Access Engineering PLC of Rs. 43mn. Adjusting for the divestments the portfolio is down by 4.7% for the year. The fair value and disposal gains were realized against Textured Jersey PLC and Expolanka Holdings PLC. Whilst the prices reflected on the CSE for our listed positions are below our estimate of their intrinsic value, we decided to divest small quantities of Expolanka and Textured Jersey during the year in order to cover the overdraft position we held, as interest rates increased sharply during the year.

Figure 3: Movement in Portfolio *Rupees Millions*		
Portfolio value as at 31st March 2012		522
Mark to market adjustment		
Fair value and disposal gains	18	
Impairment losses	(43)	(25)
Disposals		(46)
Portfolio value as at 31st March 2013		451

Financial performance

During the financial year the company generated a loss of Rs. 33.8 mn and a comprehensive loss of Rs. 21.8 mn on revenue of Rs. 23 mn.

Revenue grew by 66% during the year, driven by a substantial increase in capital gains realized on partial sales made during the year and dividends received. Expolanka Holdings, Access Engineering and Textured Jersey together generated Rs. 10.6mn in dividend income.

Despite the jump in revenue, losses increased primarily due to the impairment provision made against Access Engineering PLC. During the year the traded price of Access on the Colombo Stock Exchange dropped below our acquisition price of Rs. 25 per share, requiring us to make an impairment provision of Rs. 43mn. Administrative and other operating expenses declined by 17.5% relative to last year, primarily due to a one off expense recorded last year and a decline in management fees.

Interest expenses increased on account of the sharp rise in interest rates on the overdraft position we held and this was settled in the 2nd quarter. The tax reversal was made on account of an overprovision made in the last financial year.

Financial position

As at 31st March 2013, GCP remains fully invested, hence we may be required to raise new funds if there is an increase in the number of deals that we choose to invest in. Funds from divestments of an existing position is also an option, however the timing of the same is not within our control. As we are not leveraged, we have the option of using borrowings to temporarily fund any deal that comes our way, giving us the flexibility and leeway to decide on the most suitable permanent funding source and timing of the fund raising.

Profile of the managers

The funds are managed by Guardian Fund Management Ltd (GFM) which is a fully owned subsidiary of the Ceylon Guardian Investment Trust PLC. Guardian Fund Management is registered with the Securities and Exchange Commission of Sri Lanka as an Investment Manager, thus being compliant with all regulatory requirements. At present, GFM manages the largest listed equity fund in Sri Lanka and has built up its competencies in the field of portfolio management, research and support services. GFM is in the process of investing in knowledge, talent and seeking opportunities to tie up with foreign private equity players and funding partners to facilitate the growth of the PE business, focusing on deal flow generation and research & structuring capabilities.

Guardian Fund Management Ltd
Investment Managers

Colombo
29th April 2013.

Risk Management

Risk management forms an integral and important part of operational and strategic management functions of GCP. The critical risks we monitor and manage are market risk, liquidity risk, operational risk, monitoring risk, governance risk and regulatory risk.

Market risk

Whilst it is traditionally believed that market risk, defined as exposure to adverse movements in the securities market, does not affect private equity, it does have a direct bearing on the return generated on this asset class. This is due to the fact that when it comes to exits, the value realization is directly linked to the performance of the overall market as well as price to earnings multiples of peer companies on the stock exchange. Hence towards the end of our holding period we would actively monitor market movements to ensure that exits are timed to derive the maximum benefit. Upon listing of our positions we are directly exposed to market risk in the event we do not divest at the time of listing. Movement in prices are monitored and analysed to understand the reasoning behind such movement and these are assessed against our view and understanding of the company's fundamentals (Please refer the note 26, 'Risk Management' in the financial statements for further details).

Liquidity risk

Private equity investments by nature are highly illiquid, preventing the investor from realizing cash quickly or easily. The virtual non existence of a secondary market and restrictions imposed by way of lock in periods, further impact the ability to cut loss and liquidate positions in an eventuality. This is part and parcel of this business, which is mitigated by factoring in a liquidity risk premium when setting a minimum hurdle rate of return, at the point of filtering prospective investments. The initial pricing of the PE investment, as well as our view on the eventual IPO price would be key determinants of our entry and exit strategy, since the company would have been carrying the higher risk of an unlisted investment in its books, unlike an investor who enters at the IPO stage. Sufficient liquidity is maintained to meet obligations entered into (Please refer the note 26, 'Risk Management' in the financial statements for further details).

Operational risk

Operational risk is the possibility of incurring a loss due to failure of systems, people and processes of GCP. Detailed policy manuals and checklists covering investment analysis, governance & legal aspects, covenants and shareholder agreements have been developed to manage and reduce this risk. These would cover key risks such as sell outs by promoters, retention of key staff and protection of important tangible and intangible assets.

Monitoring risk

No regular performance reporting requirements are there for unlisted companies and hence private equity investors face the risk of not getting financial statements on quarterly & yearly basis as is mandatory for listed securities. However we request the investee companies through our shareholder agreement to provide us quarterly & annual financial statements along with relevant MIS & market data, and we also schedule review meetings with management on a regular basis. A rapport with the management is built through time, along with a monitoring process.

Credit risk

Credit risk or default risk is the risk of potential loss due to an external party we deal with failing to meet its obligations in accordance with agreed terms and conditions. The company is exposed to credit risk in dealing with counter parties such investment banks, stock brokers, placement agents etc. and also when investing excess cash temporarily in fixed income securities. The risk arising from counter parties is managed by being selective in the counter parties we deal with, an internal rating framework has been formulated focusing on criteria such as reputation, operating history, external ratings etc. Dealings are carried out with counter parties who meet these criteria only. Further an age analysis is carried out with respect to all outstanding amounts from counter parties. (Please refer the note 26, 'Risk Management' in the financial statements for further details).

Governance risk

Since unlisted companies are not governed by a regulatory framework related to investor interests, there is no established mechanism to ensure good governance and transparency by such companies. However, we request investee companies through the shareholder agreement to get our approval for critical decisions such as divestment of major assets, acquisitions etc. We also require appointment of audit committees and adherence to disclosure requirements of listed companies, so that they may prepare themselves for eventual listing requirements. Where our stake in a company exceeds a particular threshold, we may request board representation to safeguard our interests as investors.

Regulatory risk

Changes in regulation relating to listing rules and related lock-in periods have posed additional risks to private equity. We attempt to have a constant dialog with regulators and provide relevant feed back wherever possible on proposed regulatory changes that are relevant to this asset class.

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. 07 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Board of Directors on 29th April 2013.

1. GENERAL

The Directors have pleasure in presenting to the shareholders their report together with the audited financial statements for the year ended 31st March 2013 of Guardian Capital Partners PLC (the "Company"), a public limited liability company incorporated in Sri Lanka in 1920.

2. PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activity of the Company is to hold and manage a portfolio of private equity investments.

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

3. REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement and Operational Review on pages 2 to 4 provide an overall assessment of the business performance of the Company and its future developments.

These reports together with the audited financial statements reflect the state of affairs of the Company.

4. FINANCIAL STATEMENTS

The financial statements which comprise the Statement of Comprehensive Income, Statement of Financial Position, Cash Flow Statement, Statement of changes in Equity and Notes to the financial statements of the Company for the year ended 31st March 2013 are set out on pages 18 to 44 These financial statements comply with the requirements of the Companies Act No. 07 of 2007.

4.1 Financial Results

An abridgement of the financial performance of the Company is presented in the following table.

For the year ended 31st March	**2013 Rs. '000**	2012 Rs. '000
Accumulated loss brought forward from previous year	**(27,549)**	(6,068)
Dividend paid	**-**	-
	(27,549)	(6,068)
Loss for the year	**(33,791)**	(21,481)
Accumulated loss carried forward	**(61,340)**	(27,549)

4.2 Significant accounting policies

For all periods up to and including the year ended 31st March 2012, the Company prepared its financial statements in accordance with Sri Lanka Accounting Standards which were in effect up to that date. Following the convergence of Sri Lanka Accounting Standards with the International Financial Reporting Standards (IFRSs), all existing/ new Sri Lanka Accounting Standards were prefixed as SLFRS and LKAS (referred to as "SLFRS" in these financial statements) to represent Sri Lanka Accounting Standards corresponding to International Financial Reporting Standards and Sri Lanka Accounting Standards corresponding to International Accounting Standards (IASs), respectively. Accordingly, the Company adopted these new Sri Lanka Accounting Standards applicable for financial periods commencing from 1 April 2012.

These are the Company's first audited financial statements prepared in accordance with LKAS/ SLFRS and SLFRS 1 - First time Adoption of Sri Lanka Accounting Standards has been applied.

An explanation on how the transition to LKAS/ SLFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 25.

The significant accounting policies adopted in the preparation of these financial statements of the Company are given on pages 22 to 27.

4.3 Investment in financial instruments – available for sale financial assets

Investments in financial instruments of the Company represents investments in available for sale financial assets, categorized in to,

- Fair value hierarchy Level 1 - quoted securities
- Fair value hierarchy Level 2 and 3 - private equity (unlisted).

Investments placed at fair value hierarchy Level 1 - quoted securities, as at the balance sheet date, carried a fair value of Rs. 410.7mn (2012 – Rs. 482.2mn) as disclosed in note 16.

Investments placed at fair value hierarchy Level 2 and 3 - private equity (unlisted) investments, as at the balance sheet date, carried a fair value of Rs. 40mn (2012 – Rs. 40mn) as disclosed in note 16.

4.4 Reserves

As at 31st March 2013, the total reserves of the Company stood at a negative Rs 30.5mn (2012 – negative Rs 7.9mn).

The movements are set out in the Statement of Changes in Equity and note 20 to the financial statements.

4.5 Available for sale financial assets reserve

During the year, the net movement reflected in the 'Available for sale financial assets reserve' of the Company was Rs. 11.2mn (2012 – negative Rs. 311.1mn) arising out of fair value adjustment on "available for sale financial assets."

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibilities of the Directors, in relation to the financial statements are detailed in the following paragraphs, while the responsibilities of the Auditors are set out in the Independent Auditors' Report.

According to the Companies Act, No. 7 of 2007 and Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, Directors are required to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the performance for the said period.

The financial statements comprise of:

- a Statement of financial position, which presents a true and fair view of the state of affairs of the Company as at the end of the financial year:
- a Statement of comprehensive income, of the Company, which presents a true and fair view of the profit and loss of the Company for the financial year.

In preparing these financial statements, the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently, while material departures, if any, have been disclosed and explained;
- all applicable accounting standards have been complied with;
- reasonable and prudent judgments and estimates have been made; and
- provides the information required by and otherwise comply with the Listing Rules of the Colombo Stock Exchange.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company, and for ensuring that the financial statements have been prepared and presented in accordance with Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, and meet with the requirements of the Companies Act, No. 7 of 2007.

They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard to give proper consideration to the establishment and effective operation of appropriate systems of internal control with a view to prevent, detect and rectify fraud and other irregularities.

These financial statements have been prepared on a going concern basis, since the Directors are of the view that the Company has adequate resources to continue in operation in the foreseeable future from the date of signing these financial statements.

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

6. INDEPENDENT AUDITOR'S REPORT

The Independent Auditors' Report on the Financial Statements is given on page 17 of this Annual Report.

7. INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act No. 07 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 Register is available for inspection as required under the Companies Act.

7.1 Remuneration of Directors
Directors' remuneration for the financial year ended 31st March 2013 is given in Note 12 to the Financial Statements on page 28 of the Annual Report.

7.2 Directors' Interest in Contracts and Shares
Directors' interests in transactions of the Company are disclosed in Note 24 to these financial statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in contracts or proposed contracts in relation to the business of the company, while they had the following interests in ordinary shares of the Company.

Directors	**No. of Shares as at 31st March 2013**	No. of Shares as at 1st April 2012
Mr. I. Paulraj (Chairman)	**200**	200
Mr. D.C.R. Gunawardena	**25**	25
Mr. S. Mahendrarajah	**25**	25

8. 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.

8.1 Directors to Retire by Rotation
In terms of Articles 72, 73 & 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.

8.2 Appointment of Directors who are over 70 years of age
Upon the recommendation of the Nomination Committee of Ceylon Guardian Investment Trust PLC (the parent company), which acts as the Nomination Committee of the Company and the Board, it is recommended that Mr. I. Paulraj who is over 70 years of age, be re-appointed as a Director of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act No.7 of 2007 shall not be applicable.

9. INDEPENDENT AUDITORS
Company's Auditors during the year under review were Messrs. KPMG, Chartered Accountants.

A sum of Rs. 120,000/- (2012 - Rs. 105,000/-) was paid to them by the Company as audit fees for the year ended 31st March 2013. Further the auditors were paid an amount of Rs. 18,000/- (2012 – Nil) as professional fees for audit related services during the year.

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as auditors of the Company and authorising the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the auditors, its effectiveness and its relationship with the Company, including the level of audit and non-audit fees paid to the auditors.

9.1 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 interest with the Company that would impair their independence.

10. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR
There were no significant events during the year.

11. RELATED PARTY TRANSACTIONS EXCEEDING 10% OF THE EQUITY OR 5% OF THE TOTAL ASSETS OF THE COMPANY
There were no transactions entered into by the Company during the year under review in the ordinary course of business, the value which exceeded 10% of the Shareholders' equity or 5% of the total assets of the Company as at 31st March 2013.

12. CORPORATE GOVERNANCE
The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

12.1 Board of Directors
The following Directors held office as at the balance sheet date and their brief profiles are given on page13 of the Annual Report.

Directors	Executive/ Non-Executive/ Independent/
Mr. I. Paulraj (Chairman)	Non-Executive/ Independent*
Mr. S. Mahendrarajah	Non-Executive/ Independent**
Mr. D.C.R. Gunawardena	Non-Executive

Each of the Non-Executive Directors of the Company has submitted a signed declaration on 'Independence/ Non-Independence' as per Rule 7.10.2.b. of the Listing Rules of the Colombo Stock Exchange. The said declarations were tabled at the Board Meeting held on 29th April 2013, in order to enable the Board of Directors to determine the Independence/ Non-Independence of the Non-Executive Directors.

Accordingly, the Board has determined Mr. I. Paulraj and Mr. S. Mahendrarajah as Independent Directors on the Board.

*The Board has determined that Mr. I. Paulraj is an Independent/ Non-Executive Director in spite of being on the Board for more than 9 years, being a Director of many other companies within the Carson Cumberbatch group, of which majority of the other Directors of the Company are also Directors and being a Director of Ceylon Guardian Investment Trust PLC and Carson Cumberbatch PLC which has a significant shareholding in the Company, since he is not directly involved in the management of the Company.

**The Board has determined that Mr. S. Mahendrarajah 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.

12.2 Remuneration Committee

As per the Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CCPLC), the ultimate parent Company, functions as the Remuneration Committee of the Company and comprises of the following members;

Remuneration Committee Members	Executive/Non-Executive/ Independent
Mr. I. Paulraj (Chairman)	Non-Executive/Independent Director of CCPLC
Mr. M. Moonesinghe	Non-Executive/Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC

The committee has formulated a remuneration policy based on market and industry factors and individual performance for all group Companies.

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

12.3 Audit Committee

As per the Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange, the Audit Committee of Carson Cumberbatch PLC (CCPLC), the ultimate parent Company, functions as the Audit Committee of the Company and comprises of the following members;

Audit Committee members	Executive/Non-Executive/ Independent
Mr. Vijaya Malalasekera (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. Chandima Gunawardena	Non-Executive Director of CCPLC
Mr. Faiz Mohideen	Non-Executive/ Independent Director of CCPLC

The Audit Committee Report is given on pages 14 to 15 of this Annual Report.

12.4 Directors Meeting Attendance

Four (04) Board Meetings were convened during the financial year and the attendance of the Directors were as follows:

Directors	Meetings attended (out of 04)
Mr. I. Paulraj (Chairman)	04
Mr. D.C.R. Gunawardena	03
Mr. S. Mahendrarajah	04

13. NOMINATION COMMITTEE

The Nomination Committee of Ceylon Guardian Investment Trust PLC (CGIT), the parent Company, functions as the Nomination Committee of the Company and comprises of the following members;

Nomination Committee Members	Executive/Non-Executive/ Independent
Mr. I. Paulraj (Chairman)	Non-Executive/Independent Director of CGIT
Mrs. M.A.R.C. Cooray	Non-Executive/Independent Director of CGIT
Mr. D.C.R. Gunawardena	Non-Executive Director of CGIT

14. INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a company-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.

Effective maintenance of internal controls, risk identification and mitigation is handed down to the respective members of senior management within the guidelines of benchmark policies, procedures and authority limits clearly laid down.

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's resource base and governance requirements.

This allows the Board to have total control of the fulfillment 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 pages 5 to 6.

15. HUMAN RESOURCES

The management of the Company's investments is undertaken by Guardian Fund Management Limited (GFM) and management support services are provided by Carsons Management Services (Private) Limited (CMSL).

16. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company endeavours at all times to ensure equitable treatment to all shareholders.

17. DIVIDENDS

The Directors do not recommend a dividend for the current financial year. (2012 – Nil)

18. SOLVENCY TEST

The Company did not make any distributions during the year which necessitated the measurement of the Solvency Test requirement under section 56 (2) of the Companies Act No. 07 of 2007.

19. STATED CAPITAL

The stated capital of the Company as at 31st March 2013 was Rs. 513,655,750/- consisting of 25,833,808 ordinary shares.

There was no change in the stated capital of the Company during the year.

20. STATUTORY PAYMENTS

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

21. GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue it's operations in the foreseeable future. Accordingly, the Financial Statements are prepared based on the Going Concern concept.

22. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the balance sheet date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements.

23. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The contingent liabilities and commitments as at 31st March 2013 are given in Note 23 to the financial statements.

24. CORPORATE DONATIONS

There were no donations granted during the year.

25. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 45 to 47 of the Annual Report.

26. TWENTY MAJOR SHAREHOLDERS WITH COMPARATIVES

The parent Company, Ceylon Guardian Investment Trust PLC holds 83.97% of the total ordinary shares in issue of the Company.

	31st March 2013		31st March 2012	
Name of shareholders	**No. of shares**	**%**	No. of shares	%
Ceylon Guardian Investment Trust PLC A/C No 3	**21,692,800**	**83.97**	21,692,800	83.97
Lake View Investments Limited	**641,790**	**2.48**	652,397	2.53
Carson Cumberbatch PLC A/C No.2	**581,950**	**2.25**	581,950	2.25
Merchant Bank of Sri Lanka Limited / Union Investments Ltd	**98,000**	**0.38**	98,000	0.38
Mr. M.W. De Silva	**49,291**	**0.19**	62,058	0.24
Dr. C.E.G. Abayasekera	**47,600**	**0.18**	47,600	0.18
First Capital Markets Limited/ Mr. M.A.U. Gnanathi	**47,342**	**0.18**	47,342	0.18
Mrs. J.R. Kelaart	**44,838**	**0.17**	44,237	0.17
Mr. S.N.C.W.M.B.C. Kandegedara	**43,600**	**0.17**	34,900	0.14
Mr. S.P. Jayakumar	**39,664**	**0.15**	3,500	0.01
Mr. L.J.R. Dissanayake	**36,557**	**0.14**	-	-
Mr. D. Ganeshamoorthy	**36,400**	**0.14**	36,400	0.14
Mr. W.A.W.N. Wickramasinghe	**31,000**	**0.12**	11,700	0.05
Mr. K.K.P. Kodikara	**28,342**	**0.11**	16,300	0.06
Mr. W. Dharmawardana	**24,600**	**0.10**	24,500	0.09
DPMC Assetline Holdings (Pvt) Ltd. / Account No. 02	**24,500**	**0.09**	36,400	0.14
Mr. M.A. Lukmanjee	**21,360**	**0.08**	13,860	0.05
Mr. M.A.U. Gnanatilake	**20,100**	**0.08**	21,600	0.08
Mr. S.D. Divakarage	**19,500**	**0.08**	18,500	0.07
Merchant Bank of Sri Lanka PLC /Mr. J.A.S. Piyawardena	**19,302**	**0.07**	-	-

27. ANNUAL REPORT

The Board of Directors on 29th April 2013 approved the financial statements together with the reviews which forms a part of the Annual Report.

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.

28. ANNUAL GENERAL MEETING

93rd Annual General Meeting of the Company will be held on 06th day of June 2013, at 3.00 p.m. at No. 65C, Dharmapala Mawatha, Colombo 7.

The Notice of the Annual General Meeting is on page 50 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)
I. Paulraj
Chairman

(Sgd.)
D.C.R. Gunawardena
Director

(Sgd.)
K.D. de Silva (Mrs.)
Director
Carsons Management Services (Pvt) Ltd
Secretaries

Colombo
29th April 2013.

Profiles of the Directors

ISRAEL PAULRAJ

Israel Paulraj is the Chairman of Ceylon Guardian Investment Trust PLC, Ceylon Investment 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 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 of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as Chairman of the Incorporated Trustees of the Church of Ceylon.

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.

SUBRAMANIAM MAHENDRARAJAH

Subramaniam Mahendrarajah is a Director of Equity One PLC and Leechman & Company (Private) Limited. He is the Group Finance Director of Sri Krishna Group of Companies. He 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.

CHANDIMA GUNAWARDENA

Chandima Gunawardena serves as a Non-Independent Non-Executive Director of Carson Cumberbatch PLC and in most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non-Executive status in the group in 2011, he serves as an advisor to the group's strategic planning and management forums in Sri Lanka and serves on Board Committees including its Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the group.

He has over four decades of experience in varied fields of business and commercial activities and has held senior positions in the Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served in the Management committee of the Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

Audit Committee Report

As provided by the Colombo Stock Exchange Listing Rules, the Audit Committee of Carson Cumberbatch PLC (CCPLC) - the ultimate Parent Company is the Audit Committee of the Company.

The purpose of the Audit Committee of CCPLC is as follows :

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

The members of the Audit Committee are as follows :

Audit Committee Members	Executive/Non-Executive/ Independent
Mr. Vijaya Malalasekera (Chairman)	Non-Executive, Independent (CCPLC)
Mr. Chandima Gunawardena	Non-Executive (CCPLC)
Mr. Faiz Mohideen	Non-Executive, Independent (CCPLC)

Mr. Vijaya Malalasekera is a Non-Executive, Independent Director of CCPLC and a former Director of Ceylon Tobacco Company PLC.

Mr. Chandima Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

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

The audit aspects of Guardian Capital Partners PLC are conducted within the Agenda of CCPLC-Audit Committee.

CCPLC-Audit Committee held four (04) Meetings during the financial year to discuss matters relating to the Company and the attendance of the Members of the Audit Committee was as follows :

Meetings attended (out of four)	
Mr. Vijaya Malalasekera (Chairman)	04
Mr. Chandima Gunawardena	04
Mr. Faiz Mohideen	04

The Chief Executive Officer-Investment Sector, Financial Controller-Carsons Management Services (Private) Limited)-Managers, internal auditors and senior management staff members attended the Audit Committee meetings by invitation.

The Committee met the external auditors twice during the year, i.e. to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Audit Committee also met the external auditors, Messrs. KPMG and discussed the draft Financial Report and Accounts, without the management being present.

In accordance with the audit plan formulated and approved by the Audit Committee for the financial year 2012/2013, the Group Internal Audit (GIA) carried out four detailed audits on the Investment Sector companies.

The findings and contents of the Group Internal Audit reports have been discussed with the management and subsequently the audit reports were circulated to the Audit Committee and to the management.

The objectives of the GIA work was 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/preventive action where necessary.

The interim financial statements of Guardian Capital Partners PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings.

For all periods up to and including the year ended 31st March 2012, the Company prepared its financial statements in accordance with the Sri Lanka Accounting Standards, which were in effect up to that date. Following the convergence of the Sri Lanka Accounting Standards with the International Financial Reporting Standards (IFRSs), all existing/new Sri Lanka Accounting Standards were prefixed as SLFRS and LKAS (referred to as “SLFRS” in these financial statements) and with effect from the financial periods beginning on or after 1st January 2012, it was mandatory for the Company to comply with the requirements of the said new / revised Sri Lanka Accounting Standards (LKAS/SLFRS). The adoption of the new/revised accounting framework required amendments to the basis of recognition, measurement and disclosure of transactions and balances in the financial statements of the Company, which are duly addressed in the financial statements for the year ended 31st March 2013. The transition and the resultant impact arising from the adoption of the new/ revised accounting standards on the financial statements of the Company were audited by Messrs.KPMG, Chartered Accountants, the Auditors, during the year end audit.

The draft financial statements of Guardian Capital Partners PLC for the year ended 31st March 2013 were reviewed at a Meeting of the Audit Committee, together with the External Auditors, Messrs.KPMG, 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, Carsons Management Services (Private) Limited 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, Chartered Accountants, Auditors were independent on the basis that they did 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, Chartered Accountants,as Auditors for the financial year ending 31st March 2014, subject to the approval of the shareholders of Guardian Capital Partners PLC at the Annual General Meeting.

(Sgd.)
V.P. Malalasekera
Chairman – Audit Committee
Carson Cumberbatch PLC

29th April 2013

Financial Information

FINANCIAL CALENDAR

Quarterly Financial Statements

1st Quarter ending 30th June 2012

Issued to Colombo Stock Exchange on 14th August 2012

2nd Quarter ending 30th September 2012

Issued to Colombo Stock Exchange on 14th November 2012

3rd Quarter ending 31st December 2012

Issued to Colombo Stock Exchange on 14th February 2013

Annual Report for the year ended 31st March 2013

93rd Annual General Meeting - 06th June 2013

Independent Auditors' Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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Colombo 00300,
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TO THE SHAREHOLDERS OF GUARDIAN CAPITAL PARTNERS PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Guardian Capital Partners PLC (the "Company"), which comprise the statement of financial position as at March 31, 2013, and the statements of comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 18 to 44 of the 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, 2013 and the financial statements give a true and fair view of the financial position of the Company as at March 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

KPMG

Chartered Accountants

Colombo
29th April 2013

Statement of Comprehensive Income

In Rupees Thousands

For the year ended 31st March	Note	**2013**	2012
Revenue	11	**23,051**	13,834
Impairment loss on available for sale financial assets		**(42,680)**	(18,453)
Loss on investment activities		**(19,629)**	(4,619)
Administrative and other operating expenses		**(13,243)**	(16,059)
Loss from operations	12	**(32,872)**	(20,678)
Finance expense	13	**(1,096)**	(605)
Loss before taxation		**(33,968)**	(21,283)
Income tax (expenses)/reversal	14	**177**	(198)
Loss for the year		**(33,791)**	(21,481)
Other comprehensive income			
Net change in fair value of available for sale financial assets		**11,999**	(303,184)
Other comprehensive income/(expense) for the year		**11,999**	(303,184)
Total comprehensive expense for the year		**(21,792)**	(324,665)
Earnings /(loss) per share (Rs.)	15	**(1.31)**	(0.83)

The notes to the financial statements from pages 22 to 44 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Financial Position

In Rupees Thousands

As at 31st March	Note	2013	2012	1 April 2011
ASSETS				
Non-current assets				
Available for sale financial assets	16	**450,727**	522,197	617,549
Total non-current assets		**450,727**	522,197	617,549
Current assets				
Trade and other receivables	17	**46**	92	39,691
Current tax recoverable		**1,082**	903	707
Cash and cash equivalents	18	**37,365**	4,758	185,810
Total current assets		**38,493**	5,753	226,208
Total assets		**489,220**	527,950	843,757
EQUITY AND LIABILITIES				
Equity				
Stated capital	19	**513,656**	513,656	513,656
Revenue reserves	20	**(30,529)**	(7,932)	324,673
Total equity		**483,127**	505,724	838,329
Current liabilities				
Other payables	21	**6,093**	6,029	5,428
Bank overdraft	18	**-**	16,197	-
Total current liabilities		**6,093**	22,226	5,428
Total equity & liabilities		**489,220**	527,950	843,757
Net assets per share (Rs.)		**18.70**	19.58	32.45

The notes to the financial statements from pages 22 to 44 form an integral part of these financial statements.

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

(Sgd.)
V. R. Wijesinghe
Financial Controller
Carsons Management Services (Private) Limited

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

Approved and signed on behalf of the Investment Managers,

(Sgd.)
W. Y. R. Fernando
Director
Guardian Fund Management Limited

Approved and signed on behalf of the Board,

(Sgd.)
I. Paulraj
Chairman

(Sgd.)
D. C. R. Gunawardena
Director

Colombo
29th April 2013

Statement of Changes in Equity

In Rupees Thousands

	Stated capital	Revenue reserves			Total equity
		Available for sale financial assets reserve	General reserve	Accumulated losses	
Balance as at 1st April 2011	513,656	330,122	619	(6,068)	838,329
Loss for the year	-	-	-	(21,481)	(21,481)
Other comprehensive expense	-	(303,184)	-	-	(303,184)
Total comprehensive expense for the year	-	(303,184)	-	(21,481)	(324,665)
Transfer of realized gains on available for sale financial assets	-	(7,940)	-	-	(7,940)
Balance as at 31st March 2012	513,656	18,998	619	(27,549)	505,724
Balance as at 1st April 2012	**513,656**	**18,998**	**619**	**(27,549)**	**505,724**
Loss for the year	**-**	**-**	**-**	**(33,791)**	**(33,791)**
Other comprehensive income for the year	**-**	**11,999**	**-**	**-**	**11,999**
Total comprehensive income/(expense) for the year	**-**	**11,999**	**-**	**(33,791)**	**(21,792)**
Transfer of realized gains on available for sale financial assets	**-**	**(805)**	**-**	**-**	**(805)**
Balance as at 31st March 2013	**513,656**	**30,192**	**619**	**(61,340)**	**483,127**

The notes to the financial statements from pages 22 to 44 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Cash Flow Statement
In Rupees Thousands

For the year ended 31st March	Note	2013	2012
Cash flows from operating activities			
Loss before taxation		**(33,968)**	(21,283)
Finance expenses	13	**1,096**	605
Impairment loss on available for sale financial assets		**42,680**	18,453
Operating profit / (loss) before changes in working capital		**9,808**	(2,225)
Net (Increase)/decrease in investments		**39,984**	(234,225)
Decrease in trade and other receivables		**46**	39,599
Increase in other payables		**64**	651
Cash generated from / (used in) operating activities		**49,902**	(196,200)
Finance expenses paid		**(1,096)**	(605)
Income tax paid		**(2)**	(394)
Net cash generated from / (used in) operating activities		**48,804**	(197,199)
Cash flows from financing activities			
Dividend paid (unclaimed)		**-**	(50)
Net cash used in financing activities		**-**	(50)
Net increase / (decrease) in cash & cash equivalents during the year		**48,804**	(197,249)
Cash & cash equivalents at the beginning of the year		**(11,439)**	185,810
Cash & cash equivalents at the end of the year	18	**37,365**	(11,439)

The notes to the financial statements from pages 22 to 44 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. Reporting entity

Guardian Capital Partners PLC (the 'Company') is a company domiciled in Sri Lanka. The shares of the Company are listed on the 'Diri Savi' board of the Colombo Stock Exchange of Sri Lanka.

The address of the Company's registered office is No. 61, Janadhipathi Mawatha, Colombo 1.

The principal activity of the Company was to act as a specialized investment vehicle to undertake private equity investments.

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

The Company had no employees (2012 - Nil) as at the reporting date.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Company comprise the statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows together with the notes to the financial statements.

The financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act No. 7 of 2007.

For all periods up to and including the year ended 31st March 2012, the Company prepared its financial statements in accordance with Sri Lanka Accounting Standards which were in effect up to that date. Following the convergence of Sri Lanka Accounting Standards with the International Financial Reporting Standards (IFRSs), all existing/new Sri Lanka Accounting Standards were prefixed as SLFRS and LKAS (referred to as "SLFRS" in these financial statements) to represent Sri Lanka Accounting Standards corresponding to International Financial Reporting Standards ('IFRS') and Sri Lanka Accounting Standards corresponding to International Accounting Standards (IASs), respectively. Accordingly, the Company adopted these new Sri Lanka Accounting Standards (which are commonly known as SLFRSs) applicable for financial periods beginning on or after 1 January 2012.

These are the Company's first financial statements prepared in accordance with LKAS/SLFRS and SLFRS 1 - First-time Adoption of Sri Lanka Accounting Standards has been applied.

The explanation how the transition to LKAS/SLFRS has affected the reported financial position, financial performance and cashflows of the Company is provided in Note 25 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 April 2013.

(b) Basis of measurement

The 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 material items in the statement of financial position:

- Available-for-sale financial assets are measured at fair value;

These financial statements have been prepared on the basis that the Company would continue as a going concern for the foreseeable future.

(c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with LKAS/SLFRS requires management to make judgements, 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 recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- **Assessment of impairment - key assumptions used in discounted cash flow projections**
  The Company assesses at each reporting date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset 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.

- **Fair value measurement of available for sale financial assets**
  The Company assesses at each reporting date, the fair value of the available for sale financial assets, which comprise both quoted securities and unquoted securities. The fair value measurement of such unquoted securities are primarily based on among others, estimated future cash flows, 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.

  At the point of realization, the amounts realized may differ from such reported values.

- **Current taxation**
  Current tax liabilities are provided for in the financial statements applying the relevant tax statutes and regulations which the management believes reflect the actual liability. There can be instances where the stand taken by the Company 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 the liability is confirmed on the entity.

- **Deferred taxation - utilization of tax losses**
  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 judgement 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.

(e) Materiality and aggregation
Each material class of similar items is presented in aggregate in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3. Significant accounting policies

The Accounting Policies set out below have been applied consistently to all periods presented in the financial statements of the Company and in preparing the opening LKAS/SLFRS Statement of Financial Position at 1 April 2011 for the purposes of the transition to LKAS/SLFRSs, unless otherwise indicated.

(a) Financial instruments
i. Non-derivative financial assets
The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The Company does not hold financial assets categorized in the “held to maturity” classification.

Financial assets at fair value through profit or loss
A financial asset is classified as at fair value through profit or loss if it is classified as held-for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company’s documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss

are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as held-for-trading comprise short-term sovereign debt securities actively managed by the Company's treasury department to address short-term liquidity needs.

Financial assets designated as at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the "available for sale financial assets reserve" in equity. When an investment is derecognised, the gain or loss accumulated in equity is transferred to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

ii. Non-derivative financial liabilities
The Company initially recognises subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

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

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

iii. Stated capital
Ordinary shares
Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognised as an expense.

(b) Impairment
i. Non-derivative financial assets
A financial asset not classified as at fair value through profit or loss, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Company considers a decline of 20 percent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost
The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets
Impairment losses on available for sale financial assets are recognized by transferring the cumulative loss that has been recognized in other comprehensive income and presented in the "available for sale financial assets reserve" in equity to profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

ii. Non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized in profit or loss, if the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(c) Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 Company 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 Company 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 Company. The Company does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(d) Revenue
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, 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 sales taxes.

The following specific criteria are used for the purpose of recognition of revenue:

Dividend income
Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Gain on disposal of financial assets categorized as available for sale / fair value through profit or loss
Profits or losses on disposal of investments are accounted for in the Income Statement on the basis of realized net profit.

Interest income
Interest income comprises the amounts earned on funds invested (including available-for-sale financial assets), and is recognised as it accrues in profit or loss, using the effective interest method.

Other Income
On accrual basis.

(e) Expenditure Recognition
Operating Expenses
All expenses incurred in day-to-day operations of the business has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for all known liabilities.

Finance costs
Finance costs comprise interest expense on borrowings and bank overdrafts

Income tax expense
Income tax expense comprises current tax. Current tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

i. Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

ii. Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, based on the level of future taxable profit forecasts and tax planning strategies.

iii. Tax exposures
In determining the amount of current tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Economic Service Charge (ESC)
As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, ESC 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.

4. Earnings per share
The Company presents basic 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.

5. 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. Events after the reporting period
All material and important events which occur after the reporting date have been considered and disclosed in Note 22

7. Dividends on ordinary 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.

8. Statement of Cash flows
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
Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

Where appropriate, the significant accounting policies are disclosed in the succeeding notes.

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 statement of financial position only where there is:

- a current enforceable legal right to offset the asset and the liability; and

- an intention to settle the liability simultaneously

10. Determination of fair values
A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Equity and debt securities
The fair values of investments in equity and debt securities are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed include among others, market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate.

(b) Trade and other receivables
Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(c) Other non-derivative financial liabilities
Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date.

In Rupees Thousands

For the year ended 31st March	2013	2012
11. Revenue		
Net gain from disposal of available for sale financial assets (note 11.1)	**10,621**	860
Net gain from disposal of fair value through profit or loss financial assets	**-**	3,700
Dividend income	**10,617**	5,318
Interest income	**1,813**	3,956
	23,051	13,834
11.1 Net gain from disposal of available for sale financial assets		
Proceeds from disposal of available for sale financial assets	**50,604**	6,920
Carrying value of available for sale financial assets disposed	**(40,788)**	(14,000)
Transfer from available for financial assets reserve	**805**	7,940
	10,621	860

12. Loss from operations

12.1 Loss from operations is stated after charging all expenses including the following:		
Auditors' remuneration & expenses		
- Audit fees	**120**	105
- Audit related fees	**18**	-
- Non-audit fees	**-**	-
Directors' fees & emoluments	**-**	-
Professional Services	**93**	1,500
Personnel cost	**-**	-
Management fees (note 24.3)	**2,313**	2,333

12.2 The Company had no employees of its own during the financial year under review.

13. Finance expenses

Interest on bank overdrafts	**1,096**	605
	1,096	605

14. Income tax (expense)/reversal

Provision for the year (note 14.1)	**-**	-
Under / (over) provision for previous years	**(177)**	198
	(177)	198
14.1 Reconciliation between accounting profit / (loss) and taxable profit / (loss)		
Accounting loss before taxation	**(33,968)**	(21,283)
Less: Exempt profits on share trading activities	**(21,238)**	(9,878)
Add: Disallowed expenses	**11,896**	11,153
Impairment loss on available for sale financial assets	**42,680**	18,453
Allowable claims	**-**	
Taxable loss for the year	**(630)**	(1,555)
Taxable income	**-**	-
Taxation thereon @ 28% (2012 - 28%)	**-**	-

	For the year ended 31st March	2013	2012
14.2	**Movement in tax losses**		
	Tax losses at the beginning of the year	**6,282**	4,720
	Adjustment on tax loss brought forward	**(461)**	7
	Tax loss incurred during the year	**630**	1,555
	Tax losses at the end of the year	**6,451**	6,282

14.3 In accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and amendments thereto, the Company is liable to income tax at 28% (2012 - 28%).

14.4 In terms of section 13 (t) of Inland Revenue Act, No. 10 of 2006 and amendments thereto, profits derived from the sale of shares on which the Share Transaction Levy (STL) has been paid is exempt from Income tax.

14.5 Utilization of tax losses brought forward is restricted to 35% of the current year's Statutory Income. Any part of unutilized tax losses can be carried forward indefinitely.

14.6 No deferred tax asset has been recognized based on tax losses considering the uncertainty regarding the availability of future taxable profits against which the deferred tax asset can be utilized.

The unrecognized deferred tax asset based on carried forward tax losses is Rs.1,806,203 (2012 – Rs. 1,758,960).

15. Earnings /(loss) per share

The Company's basic earnings/(loss) per share is calculated on the profit/(loss) attributable to the shareholders of Guardian Capital Partners PLC over the weighted average number of ordinary shares outstanding during the year, as required by Sri Lanka Accounting Standard (LKAS 33) - "Earnings per share".

The following reflects the earning and share data used for the computation of 'Earnings/(loss) per share'.

For the year ended 31st March	2013	2012
Amount used as the numerator		
Loss for the year (Rs '000)	**(33,791)**	(21,481)
Amount used as the denominator		
Weighted average number of ordinary shares outstanding during the year	**25,833,808**	25,833,808
Earnings /(loss) per share (Rs.)	**(1.31)**	(0.83)

In Rupees Thousands

16. Available for sale financial assets

16A Summary

	Note	**Cost as at 31st March 2013**	**Fair value as at 31st March 2013**	Cost as at 31st March 2012	Fair value as at 31st March 2012	Cost as at 1st April 2011	Fair value as at 1st April 2011
Investment in equity securities							
Quoted	16.1	**436,077**	**410,722**	481,647	482,192	-	-
Private equity (unlisted)	16.2	**40,005**	**40,005**	40,005	40,005	287,427	617,549
Total investment in equity securities		**476,082**	**450,727**	521,652	522,197	287,427	617,549

16B Movement in available for sale financial assets

Year 2012/13	As at 1st April 2012	Additions	Disposals	Change in fair value	**Fair value As at 31st March 2013**
Investment in equity securities	522,197	-	(45,570)	(25,900)	**450,727**
	522,197	-	(45,570)	(25,900)	**450,727**

Year 2011/12	As at 1st April 2011	Additions	Disposals	Change in fair value	Fair value As at 31st March 2012
Investment in equity securities	617,549	240,285	(6,060)	(329,577)	522,197
	617,549	240,285	(6,060)	(329,577)	522,197

The change in fair value represent realised and unrealized gains/(losses) on fair value adjustment of investment portfolios.

The impairment loss of Rs. 42.7 mn (2012 – Rs. 18.5 mn) recognized in the loss for the year is due to the adjustment on significant/ prolonged decline in fair value of investment in equity securities below its cost as required by LKAS – 39 "Financial Instruments ; recognition and measurement". LKAS – 39 also requires to recognise fair value gains and losses, other than impairment losses, in other comprehensive income. Accordingly, a loss of Rs.303.2 mn and a gain of Rs.11.9 mn have been recognised in financial years 2012 and 2013 respectively.

16.1 Investment in equity securities - Quoted

	No. of shares	Cost as at 31st March 2013	Fair value As at 31st March 2013	No. of shares	Cost as at 31st March 2012	Fair value As at 31st March 2012	No. of shares	Cost as at 1st April 2011	Fair value As at 1st April 2011
Construction & Engineering									
Access Engineering PLC	**8,000,000**	**200,280**	**157,600**	8,000,000	200,280	213,600	-	-	-
		200,280	**157,600**		200,280	213,600		-	-
Diversified									
Expolanka Holdings PLC	**34,845,150**	**211,167**	**236,947**	40,600,000	246,042	251,720	-	-	-
		211,167	**236,947**		246,042	251,720		-	-
Manufacturing									
Textured Jersey Lanka PLC	**1,633,844**	**24,630**	**16,175**	2,343,300	35,325	16,872	-	-	-
		24,630	**16,175**		35,325	16,872		-	-
Total investments in equity securities - Quoted		**436,077**	**410,722**		481,647	482,192		-	-

The fair value of the Company's investment portfolio is based on the official valuation list as at 31st March, published by the Colombo Stock Exchange.

16.2 Investment in equity securities - Private equity (unlisted)

	No. of shares	Cost as at 31st March 2013	Fair value As at 31st March 2013	No. of shares	Cost as at 31st March 2012	Fair value As at 31st March 2012	No. of shares	Cost as at 1st April 2011	Fair value As at 1st April 2011
Diversified									
Expolanka Holdings Limited	-	**-**	**-**	-	-	-	41,600,000	252,102	582,224
		-	**-**		-	-		252,102	582,224
Information Technology									
hSenid Business Solutions (Pvt) Ltd.	**163,419**	**40,005**	**40,005**	163,419	40,005	40,005	-	-	-
		40,005	**40,005**		40,005	40,005		-	-
Manufacturing									
Textured Jersey Lanka (Pvt) Ltd.	-	**-**	**-**	-	-	-	2,343,300	35,325	35,325
		-	-		-	-		35,325	35,325
Total investment in equity securities - Private equity (unlisted)		**40,005**	**40,005**		40,005	40,005		287,427	617,549

In Rupees Thousands

17. Trade and other receivables

As at 31st March	2013	2012	1 April 2011
Financial			
Trade receivables	**-**	-	39,675
	-	-	39,675
Non financial			
Prepaid expenses	**46**	92	16
	46	92	16
	46	92	39,691

Trade receivables as at 1 April 2011 represents the amount due on unalloted shares in Textured Jersey Lanka (Pvt) Limited.

18. Cash and cash equivalents

As at 31st March	2013	2012	1 April 2011
Cash at bank	**5,672**	4,758	9,213
Investments under repurchase agreements	**31,693**	-	176,597
Total cash and cash equivalents	**37,365**	4,758	185,810
Bank overdraft	**-**	16,197	-
	-	16,197	-
Net cash and cash equivalents for the cash flow statement purpose	**37,365**	(11,439)	185,810

19. Stated capital

As at 31st March	2013	2012	1 April 2011
Ordinary shares - Issued and fully paid	**513,656**	513,656	513,656
	513,656	513,656	513,656

19.1 Number of shares

As at 31st March	2013	2012	1 April 2011
Ordinary shares - Issued and fully paid	**25,833,808**	25,833,808	25,833,808
	25,833,808	25,833,808	25,833,808

20. Revenue reserves

As at 31st March	2013	2012	1 April 2011
General reserve (note 20.1)	**619**	619	619
Available for sale financial assets reserve (note 20.2)	**30,192**	18,998	330,122
Accumulated loss	**(61,340)**	(27,549)	(6,068)
	(30,529)	(7,932)	324,673

The movement of the above reserves are given in the Statement of Change in Equity.

20.1 General reserve represents the amounts set aside by the Directors to meet any contingencies.

20.2 Available for sale financial assets reserve consists of net unrealised gains arising from fair valuation of available for sale financial assets, excluding the impact arising from other impairment of assets.

21. Other payables

As at 31st March	2013	2012	1 April 2011
Financial			
Other payables	**4,835**	4,835	4,885
	4,835	4,835	4,885
Non Financial			
Accruals and provisions	**1,258**	1,194	543
	1,258	1,194	543
	6,093	6,029	5,428

22. Events after the reporting period

No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the financial statements.

23. Commitments and contingencies

23.1 Capital expenditure commitments

There were no contracts for capital expenditure of a material amount as at the reporting date.

23.2 Contingencies

There were no contingent liabilities as at the reporting date.

24. Related party transactions

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosures ", the details of which are reported below.

24.1 Parent and ultimate controlling entity

Ceylon Guardian Investment Trust PLC is the parent Company of Guardian Capital Partners PLC.

In the opinion of the Directors, Carson Cumberbatch PLC is the ultimate parent Company of Guardian Capital Partners PLC.

In Rupees Thousands

24. Related party transactions (Continued)

24.2 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS 24) - “Related Party Disclosures”, Key Management Personnel (KMP) 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 Key Management Personnel of the Company.

No compensation was paid to the key management personnel, in the form of short-term employee benefits, post employee benefits, termination benefits and other long term benefits during year under review.

24.3 Transactions with related companies

Name of the company	Name/s of common director/s	Nature of the transaction	**2013**	2012
Fellow Subsidiaries				
Guardian Fund Management Limited	I. Paulraj (Resigned from GFM w.e.f. 19.04.2011)	Portfolio management fees paid	**6,799**	7,000
		Professional fees reimbursed	**-**	1,500
	D.C.R. Gunawardena (Resigned from GFM w.e.f. 15.04.2011)			
Carsons Management Services (Private) Limited	D.C.R. Gunawardena (Resigned from CMSL w.e.f. 15.04.2011)	Management fees paid	**2,313**	2,333
		Secretarial fees paid	**300**	300
		Computer charges paid	**30**	30

25. Transition to LKAS/SLFRS

25.1 Reconciliation of Statement of Comprehensive Income

For the year ended 31st March	Note	2012		
		As per SLAS	Effect of transition to LKAS / SLFRS	As per LKAS / SLFRS
Revenue		13,834	-	13,834
Impairment loss on available for sale financial assets		(18,453)	-	(18,453)
Loss on investment activities		(4,619)	-	(4,619)
Administrative and other operating expenses		(16,059)	-	(16,059)
Loss from operations		(20,678)	-	(20,678)
Finance expense		(605)	-	(605)
Loss before taxation		(21,283)	-	(21,283)
Income tax expenses		(198)	-	(198)
Loss for the year		(21,481)	-	(21,481)
Other comprehensive income				
Net change in fair value of available for sale financial assets	25.3.1	18,998	(322,182)	(303,184)
Other comprehensive income/(expense) for the year		18,998	(322,182)	(303,184)
Total comprehensive expense for the year		(2,483)	(322,182)	(324,665)
Earnings /(loss) per share (Rs.)		(0.83)		(0.83)

In Rupees Thousands

25. Transition to LKAS/SLFRS (Continued)

25.2 Reconciliation of Equity

	Note	As at March 31, 2012				As at April 1, 2011			
			Effect of transition to LKAS / SLFRS				Effect of transition to LKAS / SLFRS		
		As per SLAS	Reclassification	Remeasurement	As per LKAS / SLFRS	As per SLAS	Reclassification	Remeasurement	As per LKAS / SLFRS
Non current assets									
Available for sale financial assets	25.3.1	-	522,197	-	522,197	-	287,427	330,122	617,549
Long term investments	25.3.1	522,197	(522,197)	-	-	287,427	(287,427)	-	-
Total non-current assets		522,197	-	-	522,197	287,427	-	330,122	617,549
Current Assets									
Trade and other receivables	25.3.2	92	-	-	92	39,715	-	(24)	39,691
Current tax recoverable		903	-	-	903	707	-	-	707
Cash and cash equivalents	25.3.2	4,758	-	-	4,758	185,786	-	24	185,810
Total current assets		5,753	-	-	5,753	226,208	-	-	226,208
Total assets		527,950	-	-	527,950	513,635	-	330,122	843,757
EQUITY AND LIABILITIES									
Equity									
Stated capital		513,656	-	-	513,656	513,656	-	-	513,656
Revenue reserves		(7,932)	-	-	(7,932)	(5,449)	-	330,122	324,673
Total equity		505,724	-	-	505,724	508,207	-	330,122	838,329
Current Liabilities									
Other payables		6,029	-	-	6,029	5,428	-	-	5,428
Bank overdraft		16,197	-	-	16,197	-	-	-	-
Total current liabilities		22,226	-	-	22,226	5,428	-	-	5,428
Total equity and liabilities		527,950	-	-	527,950	513,635	-	330,122	843,757

25.3 Notes to the reconciliations

25.3.1 Designation of long-term investments (including unquoted investments) to 'available for sale financial assets' category.

Under previous GAAP, the Company accounted for its long-term investments in equity securities - Quoted at revalued amounts, which were primarily based on the published market prices at the Colombo Stock Exchange. However, unquoted equity securities were carried at cost, on a more prudent basis.

Under LKAS/SLFRS, the Company have designated such investments in to 'available for sale financial assets' category and have measured at fair value. The resultant impact at the date of transition has been recognized under 'Revenue reserves'. Gains / (losses) arising in the subsequent periods were recognized in the 'Statement of other comprehensive income'.

The impact arising from the change is summarized as below:

For the year ended 31st March	2012
Statement of comprehensive income	
Other comprehensive income	
Net change in fair value of available for sale financial assets	(322,182)
Net effect on total comprehensive income	(322,182)

As at 31st March	2012	1 April 2011
Statement of financial position		
Available for sale financial assets	522,197	617,549
Long term investments	(522,197)	(287,427)
Net effect on total equity	-	330,122

25.3.2 Recognition of 'Loans and receivables - Financial assets' at amortized cost

Due to application of LKAS/SLFRS, cash and cash equivalents are classified as " loans and receivables" and recognized at their amortized cost in the statement of financial position.

As at 31st March	2012	1 April 2011
Statement of financial position		
Cash and cash equivalents		24
Trade and other receivables	-	(24)
Net effect on total equity	-	-

In Rupees Thousands

25. Transition to LKAS/SLFRS (Continued)

25.3.3 Impact on earnings / retained earnings

The above changes increased / (decreased) the income for the periods as follows:

For the year ended 31st March	2012
Statement of comprehensive income	
Other comprehensive income	
Net change in fair value of available for sale financial assets	(322,182)
Net effect on total other comprehensive income	(322,182)
Net effect on total comprehensive income	(322,182)

The above changes increased / (decreased) the total equity as at the end of the periods as follows:

As at 31st March	2012	1 April 2011
Statement of financial position		
Available for sale financial assets - Net effect due to designation of long-term investments (including unquoted investments) to 'Available for sale financial assets' category	-	330,122
Net effect on retained earnings	-	330,122

25.3.4 Cash flow statement

No material impact to the Cash flow statements of the Company arises from the transition from SLAS to LKAS/SLFRS.

26. Financial instruments

Financial risk management - Overview

The Company has exposure to the following risks arising from financial instruments:

Credit risk
Liquidity risk
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Pages 5 to 6 also carry a review of risks faced by the Company and the approach of managing such risks.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has delegated this function to the Chief Executive Officer of Guardian Fund Management Limited, the Fund Managers and Carsons Management Services (Private) Limited, the Managers; who are responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations, and thereby have the risk management measures incorporated with these functions.

The Audit Committee of Carson Cumberbatch PLC, the ultimate parent company, oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its supervision role by the Internal Audit function. Internal Audit function undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. In keeping with the best practices in an investment business, the Company has an Independent Compliance Officer, who has supervision over the regulatory, compliance aspects and operational procedures, and reports to the Audit Committee.

Further, an Investment Committee drawn from across the Carsons Group directorate provide advice and insights to the fund management team to further sharpen and refine their decision making process. This comprehensive management structure determines the objectives and policies of the Company's risk management framework and promotes a culture of risk awareness and balanced risk-taking within the Company.

26.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally on receivables from market intermediaries and other counter parties with whom the Company deals with.

26.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

As at 31st March		Carrying Amount		
	Note	**2013**	2012	1 April 2011
Trade receivables	17	**-**	-	39,675
Cash and cash equivalents - Cash in hand and at bank	18	**5,672**	4,758	9,213
Cash and cash equivalents - Investments under repurchase agreements	18	**31,693**	-	176,597
		37,365	4,758	225,485

Trade and other receivables

Trade and other receivable as at 1 April 2011 comprise amounts receivable on unalloted shares in Textured Jersey Lanka (Pvt) Limited.

Impairment losses

The aging of trade and other receivables at the end of the reporting period that were not impaired was as follows

As at 31st March	**2013**	2012	1 April 2011
Less than 30 days	**-**	-	39,675
More than 30 days	**-**	-	-
	-	-	39,675

The Company has neither recognized an impairment loss nor an allowance for impairment of its trade and other receivables over the past 5 financial years.

In Rupees Thousands

26. Financial instruments (Continued)

Cash and cash equivalents

The Company held cash and equivalents in the form of investments under repurchase agreements and demand deposits with banks/financial institutional counter parties, hence the Company is exposed to risk of such counter parties failing to meet the contractual obligation.

26.1.2 Management of credit risk

The Company minimize the credit risk by monitoring the creditworthiness of the counter parties periodically.

An analysis of banking / financial institutional counter parties with whom the balances were held at each reporting period end is presented below.

Credit rating	**2013**	2012	1 April 2011
AAA	**268**	290	1,467
AA	**32,115**		176,800
AA-	**-**	-	-
Unrated	**4,982**	4,468	7,543
	37,365	4,758	185,810

26.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

26.2.1 Exposure to liquidity risk

The following are the remaining contractual maturities at the end of the reporting period arising on it's financial liabilities.

As at 31st March 2013		Contractual cash flows			
	Carrying amount	Total	Up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Other payables	**4,835**	**4,835**	4,835	-	-
	4,835	**4,835**	4,835	-	-

As at 31st March 2012		Contractual cash flows			
	Carrying amount	Total	Up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Other payables	**4,835**	**4,835**	4,835	-	-
Bank overdrafts	**16,197**	**16,197**	16,197	-	-
	21,032	**21,032**	21,032	-	-

As at 1st April 2011		Contractual cash flows			
	Carrying amount	Total	Up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Other payables	**4,885**	**4,885**	4,885	-	-
	4,885	**4,885**	4,885	-	-

26.2.2 Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains a portion of its assets in highly liquid form – demand deposits and placements in repurchase agreements both in order to capitalize on the opportunities arising in volatile market conditions and to meet its contractual obligations during the normal course of its operations.

A significant portion of the Company's investment portfolio comprises listed equity investments which provides the Company with exposure to adequate liquidity, given the ability to convert in to cash and cash equivalents within a very short period of time.

In addition, the Company has access to approved financing arrangements, an analysis of which as at each of the reporting dates are given below.

As at 31st March	**2013**	2012	1 April 2011
Unutilised overdraft facilities	**350,000**	333,803	25,000
	350,000	333,803	25,000

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

26.3 Market risk

The market risk is exposure to adverse movements in the security markets for both equity and fixed income investments, which can result variations in the anticipated returns from those securities. All financial institutions face market risks, created by changes in the macro environment related to political factors, national security, economic management and globalization influences which have an impact on systematic risk factors such as interest rates, currency parity, inflation, and availability of credit.

26.3.1 Interest rate risk

The Company is exposed to interest rate risk, arising from its investments under repurchase agreements and overdraft facilities, in the event such have been utilized. All such financial instruments that the Company has contracted with, carry variable rates of interest.

Profile

At the end of the reporting period, the interest rate profile of the Company's interest-bearing financial instruments was as follows.

As at 31st March		Carrying Amount		
	Note	**2013**	2012	1 April 2011
Financial assets				
Investments under repurchase agreements	18	**31,693**	-	176,597
		31,693	-	176,597
Financial liabilities				
Bank overdrafts		**-**	(16,197)	-
		-	(16,197)	-

In Rupees Thousands

26. Financial instruments (Continued)

The indexed average base interest rates applied for the above financial instruments are as follows;

	2013	2012	2011
Commercial Banks Averaged Weighted Prime Lending Rate (AWPLR) *	**13.86%**	12.42%	9.15%
Commercial Banks Averaged Weighted Fixed Deposit Rate (AWFDR) *	**13.94%**	9.84%	8.17%

* Monthly averaged rate

Sensitivity Analysis

A change of 100 basis points in interest rates at the end of the reporting period would have increased/ (decreased) profit or loss by the amounts shown below. Considering all the financial instruments carry variable rates of interest. Impact to equity can not be assessed.

Movement in interest rate	Increase in 1%	Decrease in 1%
As at 31st March 2013		
- On interest earning assets	317	(317)
- On interest bearing liabilities	-	-
	317	(317)
As at 31st March 2012		
- On interest earning assets	-	-
- On interest bearing liabilities	(162)	162
	(162)	162

26.3.2 Other market price risks

Equity price risk

The Company is holding an investment portfolio which includes both investments in listed equity (initially undertaken as private equity which were subsequently listed) and unlisted private equity which expose the Company to equity price risk. Having a substantial portion of 92%% (2012 – 98%) of its asset base designated as listed investments in the Colombo Stock Exchange and private equity investments, market volatilities bring in substantial variations to the Company’s earnings and value of its asset base at the reporting dates.

Listed equity investments

Management of the Company monitors the mix of debt and equity securities in its investment portfolio based on market indices, where decisions concerned with the timing of buy / sell decisions are well supported with structured in-house research recommendations. Transactions of a major magnitude within the portfolio are subject to review and approval by the Investment Committee.

Private equity investments

Due evaluations are carried out before-hand, extending to both financial and operational feasibility of the private equity projects that the Company ventures into, with a view to ascertain the Company’s investment decision and the risks involved.

Continuous monitoring of the operations against the budgets and the industry standards ensure that the projects meet the desired outcome, and thereby the returns. Further, the Company generally carries investment agreements with the parties concerned, which carry specific ‘exit clauses’ to private equity projects - typically an ‘Initial Public Offering’ or a ‘Buy-out’ at a specified price agreed, which provides cover against movements in market conditions.

The total asset base which is exposed to equity price risk is tabulated below.

As at 31st March	Note	Carrying Amount 2013	2012	1 April 2011
Investment in equity securities - Available for sale financial assets		**450,727**	522,197	617,549
		450,727	522,197	617,549

A broad analysis of the investments made by the Company , based on the industry/sector is given in note 16.

Accounting classification and fair values

The fair values of financial assets and liabilities together with the respective carrying amounts as shown in the statement of financial position are as follows.

As at 31st March 2013	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	**Total carrying amount**	**Fair value**
Assets							
Available for sale financial assets	-	-	-	450,727	-	**450,727**	**450,727**
Cash and cash equivalents	-	-	37,365	-	-	**37,365**	**37,365**
Total financial assets	-	-	37,365	450,727	-	**488,092**	**488,092**
Liabilities							
Other payables	-	-	-	-	4,835	**4,835**	**4,835**
Total financial liabilities	-	-	-	-	4,835	**4,835**	**4,835**

As at 31st March 2012	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	**Total carrying amount**	**Fair value**
Assets							
Available for sale financial assets	-	-	-	522,197	-	**522,197**	**522,197**
Cash and cash equivalents	-	-	4,758	-	-	**4,758**	**4,758**
Total financial assets	-	-	4,758	522,197	-	**526,955**	**526,955**
Liabilities							
Other payables	-	-	-	-	4,835	**4,835**	**4,835**
Bank overdraft	-	-	-	-	16,197	**16,197**	**16,197**
Total financial liabilities	-	-	-	-	21,032	**21,032**	**21,032**

In Rupees Thousands

26. Financial instruments (Continued)

As at 1st April 2011	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	**Total carrying amount**	**Fair value**
Assets							
Available for sale financial assets	-	-	-	617,549	-	**617,549**	**617,549**
Cash and cash equivalents	-	-	185,810	-	-	**185,810**	**185,810**
Total financial assets	-	-	185,810	617,549	-	**803,359**	**803,359**
Liabilities							
Other payables	-	-	-	-	4,885	**4,885**	**4,885**
Total financial liabilities	-	-	-	-	4,885	**4,885**	**4,885**

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows.

Level 1: Availability of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices, included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
As at 31st March 2013				
Equity securities - available for sale	410,722		40,005	450,727
	410,722	-	40,005	450,727
As at 31st March 2012				
Equity securities - available for sale	482,192		40,005	522,197
	482,192	-	40,005	522,197
As at 1st April 2011				
Equity securities - available for sale	-	617,549		617,549
	-	617,549	-	617,549

During the year 2012, available-for-sale equity securities with a carrying amount of Rs. 617.6 mn were transferred from Level 2 to Level 1, upon their listing in the Colombo Stock Exchange and the quoted prices in the market for such equity securities becoming available.

No movements have occurred in the fair value measurements in Level 3 of the fair value hierarchy, during the year.

27. Responsibility for Financial Statements

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.

Five Year Summary
In Rupees Thousands

		SLFRS/LKAS		SLAS		
Year ended 31st March		**2013**	2012	2011	2010	2009
Operating results						
Revenue		**23,051**	13,834	2,991	20,191	55,045
Impairment on available for sale financial assets		**(42,680)**	(18,453)	-	-	(6,149)
Profit / (loss) on investment activities		**(19,629)**	(4,619)	2,991	20,191	48,896
Profit/(loss) before taxation		**(33,968)**	(21,283)	(8,910)	18,086	47,151
Income tax (expense)/reversal		**177**	(198)	(94)	(2,317)	(582)
Profit/(loss) after taxation		**(33,791)**	(21,481)	(9,004)	15,769	46,569
Statement of financial position						
Stated capital		**513,656**	513,656	513,656	10,400	10,400
Reserves		**(30,529)**	(7,932)	(5,449)	92,128	88,102
Total equity		**483,127**	505,724	508,207	102,528	98,502
Assets employed						
Current assets		**38,493**	5,753	226,208	105,555	99,822
Current liabilities		**(6,093)**	(22,226)	(5,428)	(3,027)	(1,320)
Net current assets		**32,400**	(16,473)	220,780	102,528	98,502
Available for sale financial assets		**450,727**	522,197	287,427	-	-
Net assets		**483,127**	505,724	508,207	102,528	98,502
Cash Flow Statements						
Net cash generated from/(used in) from operating activities		**48,804**	(197,199)	(337,842)	38,441	70,676
Net cash generated from/ (used in) financing activities		-	(50)	418,143	(11,418)	(9,676)
Net increase/ (decrease) in cash & cash equivalents		**48,804**	(197,249)	80,301	27,023	61,000
Ratios & statistics						
Earnings/(loss) per share *	(Rs.)	**(1.31)**	(0.83)	(0.37)	0.66	69.40
Dividend per share ***	(Rs.)	**-**	-	-	132.00	17.50
Dividend growth	(%)	**-**	-	-	654.3%	16.7%
Dividend yield	(%)	**-**	-	-	13.2%	3.5%
Dividend payout ratio	(%)	**-**	-	-	56.17	25.22
Net assets per share	(Rs.)	**18.70**	19.58	19.67	152.80	146.80
Market price per share *	(Rs.)	**38.60**	70.20	290.60	1,000.00	500.00
Price to book value	(times)	**2.06**	3.59	14.77	6.54	3.41
Fair value of investment portfolio ***	(Rs.'000)	**488,092**	510,758	473,213	105,485	98,950
Market capitalisation	(Rs.'000)	**997,185**	1,813,533	7,507,305	671,008	335,504
All Share Price Index (points)	(points)	**5,735.7**	5,420.2	7,226.1	3,724.6	1,638.1
S&P SL 20 Index (points)	(points)	**3,293.6**	2,985.5	3,893.3	2,141.7	911.6

* The earnings per share and the market price per share reflects value adjusted due to the right issue of shares, since 2011.

** Dividend per share is based on proposed dividends and interim dividends for the year.

*** based on the market value of portfolio after adjusting for cash and cash equivalents.

Financial information for the periods 2009 - 2011 were not adjusted to reflect the transition to new/revised Sri Lanka Accounting Standards (LKAS/SLFRS) applicable for financial periods beginning on or after 1st January 2012.

Information to shareholders and investors

1. Stock Exchange Listing

Guardian Capital Partners PLC is a Public Quoted Company, the ordinary shares of which are listed on the Diri-Savi Board of the Colombo Stock Exchange.

Stock Exchange code for Guardian Capital Partners PLC is 'WAPO'.

2. Ordinary shareholders

As at 31st March	**2013**	2012
Number of shareholders	**2,916**	3,189

The number of shares held by non-residents as at 31st March, 2013 was 115,350 (2012- 76,827) which amounts to 0.45% (2012 - 0.3%) of the total ordinary shares in issue.

	Residents			Non-Residents			Total		
Distribution of Shares	No of share-holders	No. of Shares	%	No of share-holders	No of Shares	%	No of share-holders	No of Shares	%
1 - 1,000	2,380	668,750	2.59	30	8,064	0.03	2,410	676,814	2.62
1001 - 10,000	454	1,274,216	4.93	9	30,563	0.12	463	1,304,779	5.05
10,001 - 100,000	36	858,952	3.32	4	76,723	0.30	40	935,675	3.62
100,001 - 1,000,000	2	1,223,740	4.74	-	-	-	2	1,223,740	4.74
Above 1,000,000	1	21,692,800	83.97	-	-	-	1	21,692,800	83.97
Grand Total	**2,873**	**25,718,458**	**99.55**	**43**	**115,350**	**0.45**	**2,916**	**25,833,808**	**100.00**

Categories of shareholders	No of share holders	No. of Shares	%
Individuals	2,834	2,524,830	9.77
Institutions	82	23,308,978	90.23
Total	**2,916**	**25,833,808**	**100.00**

3. Market performance - ordinary shares

For the year ended 31 March	**2013**	2012
Share price as at 31 March (Rs.)	**38.60**	70.20
Highest (Rs.)	**77.00**	344.90
Lowest (Rs.)	**35.00**	65.00
Value of shares traded (Rs. '000)	**154,001**	1,724,130
No. of shares traded	**2,809,690**	8,192,593
Volume of transactions (Nos.)	**10,760**	30,530
Market capitalization (Rs '000)	**997,185**	1,813,533

4. Public holding

The percentage shares held by public as at 31st March 2013 was 13.77% (2012- 13.77%).

5. Dividend

The Directors do not recommend a dividend for the year ended 31st March 2013 (2012 - Nil).

6. Number of employees

There were no employees of the Company as at the end of the year (2012 - Nil).

Note

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Ninety Third Annual General Meeting of Guardian Capital Partners PLC will be held on Thursday, the 6th day of June 2013 at 3.00 p.m. at the 8th Floor, No.65C, Dharmapala Mawatha, Colombo 7 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 2013 together with the report of the Auditors thereon.

2. To re-elect Mr. D.C.R. Gunawardena who retires by rotation in term of Articles 72, 73 & 74 of the Articles of Association of the Company.

3. To Re-appoint Mr. I. Paulraj as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is 76 years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General meeting for a further period of one year."

4. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act No. 07 of 2007 and to authorise the Directors to determine their remuneration.

By Order of the Board

(Sgd.)
K. D. de Silva (Mrs.)
Director
CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
Secretaries

Colombo,
29th April 2013

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 3.00 p.m. on 04th June 2013.

3. A person representing a Corporation is required to carry a certified copy of the resolution authorising 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 GUARDIAN CAPITAL PARTNERS PLC

hereby appoint..

of...

bearing NIC No./ Passport No....................................or failing him/her

Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Subramaniam Mahendrarajah	

as *my/our proxy to attend at the 93rd Annual General Meeting of the Company to be held on Thursday, the 6th day of June 2013 at 3.00 p.m., at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 07 and any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
(i)	To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2013, together with the Report of the Auditors thereon.		
(ii)	To re-elect Mr. D.C.R. Gunawardena who retires in terms of Article 72, 73 & 74 of the Articles of Association of the Company.		
(iii)	To re-appoint Mr. I. Paulraj who is over seventy years of age as a Director of the Company		
(iv)	To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorise the Directors to determine their remuneration.		

Signed this...day of …………...........…………. Two Thousand and Thirteen.

…………………………………..
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.

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:

   (1) 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.

   (2) An instrument appointing a proxy shall be in writing and :

   (i) in the case of an individual shall be signed by the appointor or by his attorney; and
   (ii) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

   The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

4. In terms of Article 50 of the Articles of Association of the Company :

   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 3.00 p.m. on 04th June 2013.

Please fill in the following details

Name	:	....
Address	:	....
		....
Jointly with	:	....
Share folio no.	:	....

Corporate Information

Name of the Company
Guardian Capital Partners PLC
(A Carson Cumberbatch Company)

Company Registration No
PQ-49

Legal Form
A Public Quoted Company (Quoted on the Diri Savi Board of the Colombo Stock Exchange) with Limited Liability, Incorporated in Sri Lanka in 1920

Principal Activity and Nature of Operations
The principal activity of the company is to hold and manage a portfolio of private equity investments.

Parent Enterprise
The Company's holding Company and Controlling Entity is Ceylon Guardian Investment Trust PLC, which is incorporated in Sri Lanka

Ultimate Parent Company
Carson Cumberbatch PLC

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

Alternate Director
S. Mahendrarajah (for I.Paulraj)

Bankers
Standard Chartered Bank
Commercial Bank of Ceylon PLC
Deutsche Bank AG Colombo

Auditors
Messrs. KPMG
Chartered Accountants
No 32A, Sir Mohamed Macan Marker Mawatha,
Colombo 03.
Sri Lanka.

Managers & Secretaries
Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 01.
Sri Lanka
Telephone No: +94-11-2039200
Fax No: +94-11-2039300

Investment Manager
Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha,
Colombo 01.
Sri Lanka
Telephone No: +94-11-2039200
Fax No: +94-11-2039385

Registered Office & Principal Place of Business
No. 61, Janadhipathi Mawatha,
Colombo 01.
Sri Lanka
Telephone No: +94-11-2039200
Fax No: +94-11-2039300

Corporate Website
www.carsoncumberbatch.com

Designed and produced by emagewise
Digital Plates by Imageline (Pvt) Ltd
Printed by Printage (Pvt) Ltd