Ceylon Guardian Investment Trust PLC

Interim Report for the Fourth quarter ended 31st March 2010

Ceylon Guardian Investment Trust PLC

Interim Report for the fourth quarter ended 31st March 2010

Income Statement - Group

(All figures in Sri Lankan Rupees '000)

	Quarter ended 31st March			Year ended 31st March		
	2010	2009	Change %	**2010**	2009	Change %
Revenue	**522,971**	1,257,272	(58)	**1,960,283**	2,350,153	(17)
Cost of the investments disposed and Mark to Market value adjustments	**(298,161)**	(1,293,528)	(77)	**(559,029)**	(1,718,331)	(67)
Profit on portfolio activities	**224,810**	(36,256)	720	**1,401,254**	631,822	122
Other Income	**-**	962	(100)	**-**	962	(100)
Administrative expenses	**(25,368)**	(9,897)	156	**(67,887)**	(34,327)	98
Profit from operations	**199,442**	(45,191)	541	**1,333,367**	598,457	123
Finance costs	**(4,974)**	(1,181)	321	**(5,414)**	(13,525)	(60)
Profit from operations after finance cost	**194,468**	(46,372)	519	**1,327,953**	584,932	127
Share of associate companies' profits net of taxation	**16,444**	13,936	18	**386,732**	75,700	411
Profit before taxation	**210,912**	(32,436)	750	**1,714,685**	660,632	160
Taxation	**(403)**	(3,741)	(89)	**(35,106)**	(7,463)	370
Profit for the period	**210,509**	(36,177)	682	**1,679,579**	653,169	157
Profit Attributable to						
Equity holders of the parent	**152,381**	(252,331)	160	**1,320,373**	292,727	351
Minority shareholders	**58,128**	216,154	(73)	**359,206**	360,442	-
	210,509	(36,177)	682	**1,679,579**	653,169	157
Earnings per share (Rs.)	**8.86**	(12.47)		**68.65**	14.47	
Dividend per share* (Rs.)	**9.00**	11.50		**9.00**	11.50	

Change % column represents the percentage change in current period's results compared to comparative period of previous year.

Figures in brackets indicate deductions/negative changes.

* Dividend per share is based on the proposed/interim dividend

Ceylon Guardian Investment Trust PLC

Interim Report for the fourth quarter ended 31st March 2010

Balance Sheet - Group

As at 31st March	**2010**	2009
(All figures in Sri Lankan Rupees '000)		
ASSETS		
Non-Current Assets		
Property, plant & equipment	**8,017**	10,039
Intangible Assets	**7,099**	9,152
Investments in associates	**1,667,306**	1,022,079
Other long-term investments	**7,121,063**	2,463,564
Deferred tax asset	**250**	250
	8,803,735	3,505,084
Current Assets		
Trade and other receivables	**46,638**	14,941
Income tax recoverable	**-**	5,812
Short-term investments	**651,826**	114,044
Short-term deposits	**9,287**	1,974,584
Cash at bank	**38,895**	60,643
	746,646	2,170,024
Total assets	**9,550,381**	5,675,108
EQUITY AND LIABILITIES		
Stated Capital & Reserves		
Stated capital	**672,811**	672,811
Capital reserves	**1,255,328**	1,001,762
Revenue reserves	**5,709,110**	2,877,333
Shareholders' funds	**7,637,249**	4,551,906
Minority shareholders' interest	**1,566,029**	1,053,800
	9,203,278	5,605,706
Non-Current Liabilities		
Retirement benefit obligation	**561**	361
	561	361
Current Liabilities		
Creditors and accruals	**69,398**	5,405
Income tax payable	**15,533**	-
Unclaimed dividends	**12,873**	5,895
Bank overdraft	**248,738**	57,741
	346,542	69,041
Total equity and liabilities	**9,550,381**	5,675,108
Net assets per ordinary/deferred share - Book value (Rs.)	**444.03**	224.95
Net assets per ordinary/deferred share - Market value (Rs.)	**620.33**	252.77

The Balance Sheet of the Group as at 31st March 2010 and the related Statements of Income, Changes in Equity and Cash Flow for the year ended as disclosed in pages 2 to 5, have been drawn up from audited accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)
A. P. Weeratunge
Chief Financial Officer
Carsons Management Services (Private) Limited

Approved and signed on behalf of the Investment Managers,

(Sgd.)
W. Y. R. Fernando
Director
Guardian Fund Management Limited
2nd June 2010

Approved and signed on behalf of the Board,

(Sgd.)
I. Paulraj
Chairman

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

Ceylon Guardian Investment Trust PLC
Interim Report for the fourth quarter ended 31st March 2010

Statement of Changes in Equity - Group

(All figures in Sri Lankan Rupees '000)	Stated Capital	Capital Reserves	Market Value Adjustment Reserve-S/T	Long-term Investment Revaluation Reserve	Revenue Reserves	Share-holders Funds	Minority Share-holders' Interest	Total Equity
Balance as at 31st March 2008 (Audited)	672,811	935,683	57,573	2,078,293	2,271,758	6,016,118	1,210,710	7,226,828
Profit for the period	-	-	-		292,727	292,727	360,442	653,169
Dividend paid for 2008	-	-	-	-	(35,411)	(35,411)	(31,850)	(67,261)
Loss on revaluation of long-term investments	-	-	-	(1,787,607)	-	(1,787,607)	(485,502)	(2,273,109)
Transfers	-	-	(45,214)	-	45,214	-	-	-
Movement in associate company's reserves	-	66,079		-	-	66,079	-	66,079
Balance as at 31st March 2009 (Audited)	672,811	1,001,762	12,359	290,686	2,574,288	4,551,906	1,053,800	5,605,706
Balance as at 1st April 2009	**672,811**	**1,001,762**	**12,359**	**290,686**	**2,574,288**	**4,551,906**	**1,053,800**	**5,605,706**
Profit for the period	**-**	**-**	**-**	-	**1,320,373**	**1,320,373**	**359,206**	**1,679,579**
Repurchase of shares		-	-	-	**(1,116,991)**	**(1,116,991)**	**(399,083)**	**(1,516,074)**
Gain on revaluation of long-term investments	-	-	-	**2,844,379**	-	**2,844,379**	**666,666**	**3,511,045**
Effect of change in Associate Company's Negative Goodwill	-	-	-	**-**	**16,718**	**16,718**	**-**	**16,718**
Movement in associate company's reserves	**-**	**253,566**	**-**	-	**-**	**253,566**	-	**253,566**
Transfers	**-**	**-**	**291,980**	-	**(291,980)**	**-**	-	**-**
Dividend paid for 2009	**-**	**-**	**-**	-	**(232,702)**	**(232,702)**	**(114,560)**	**(347,262)**
Balance as at 31st March 2010 (Audited)	**672,811**	**1,255,328**	**304,339**	**3,135,065**	**2,269,706**	**7,637,249**	**1,566,029**	**9,203,278**

Ceylon Guardian Investment Trust PLC
Interim Report for the fourth quarter ended 31st March 2010

Cash Flow Statement - Group

For the year ended 31st March	**2010**	2009
(All figures in Sri Lankan Rupees '000)		
Net cash generated from / (used in) operating activities	**(321,393)**	1,383,420
Net cash generated from / (used in) investing activities	**(291)**	707,908
Net cash used in financing activities	**(1,856,358)**	(63,051)
Net increase / (decrease) in cash & cash equivalents	**(2,178,042)**	2,028,277
Cash & cash equivalents at the beginning of the period	**1,977,486**	(50,791)
Cash & cash equivalents at the end of the period	**(200,556)**	1,977,486
Statement of Cash & Cash Equivalents		
Short-term deposits	**9,287**	1,974,584
Cash at bank	**38,895**	60,643
	48,182	2,035,227
Bank overdrafts	**(248,738)**	(57,741)
	(200,556)	1,977,486

Figures in brackets indicate deductions.

Ceylon Guardian Investment Trust PLC

Interim Report for the fourth quarter ended 31st March 2010

Income Statement - Company

(All figures in Sri Lankan Rupees '000)

	Quarter ended 31st March			Year ended 31st March		
	2010	2009	Change %	**2010**	2009	Change %
Revenue	**163,625**	691,073	(76)	**1,660,742**	1,284,028	29
Cost of the investments disposed and Mark to Market value adjustments	**(111,684)**	(654,599)	(83)	**(210,765)**	(875,616)	(76)
Profit on portfolio activities	**51,941**	36,474	42	**1,449,977**	408,412	255
Other income	**-**	479	(100)	**-**	479	(100)
Administrative expenses	**(8,692)**	(2,368)	267	**(18,964)**	(9,837)	93
Profit from operations	**43,249**	34,585	25	**1,431,013**	399,054	259
Finance cost	**(4,971)**	(1)	497,000	**(5,309)**	(12,013)	(56)
Profit before taxation	**38,278**	34,584	11	**1,425,704**	387,041	268
Taxation	**(103)**	(624)	(83)	**(6,408)**	(624)	927
Profit for the period	**38,175**	33,960	12	**1,419,296**	386,417	267
Earnings per share (Rs.)	**2.22**	1.68		**73.83**	19.10	
Dividend per share* (Rs.)	**9.00**	11.50		**9.00**	11.50	

Change % column represents the percentage change in current period's results compared to comparative period of previous year.

Figures in brackets indicate deductions/negative changes.
*Dividend per share is based on the proposed/interim dividend.

Ceylon Guardian Investment Trust PLC

Interim Report for the fourth quarter ended 31st March 2010

Balance Sheet - Company

As at 31st March	**2010**	2009
(All figures in Sri Lankan Rupees '000)		
ASSETS		
Non-Current Assets		
Investments in subsidiaries	**277,217**	346,500
Other long-term investments	**3,047,976**	978,160
	3,325,193	1,324,660
Current Assets		
Trade and other receivables	**24,337**	2,885
Income tax recoverable	**5,356**	4,611
Short-term investments	**31,734**	54,619
Short-term deposits	**-**	46,806
Cash at bank	**19,799**	280,209
	81,226	389,130
Total assets	**3,406,419**	1,713,790
EQUITY and LIABILITIES		
Stated Capital & Reserves		
Stated capital	**672,811**	672,811
Capital reserves	**208,660**	208,660
Revenue reserves	**2,242,896**	828,334
Total equity	**3,124,367**	1,709,805
Current Liabilities		
Creditors and accruals	**28,350**	1,120
Unclaimed Dividends	**5,970**	2,520
Bank overdraft	**247,732**	345
	282,052	3,985
Total equity and liabilities	**3,406,419**	1,713,790
Net assets per ordinary/deferred share (Rs.)	**181.65**	84.50
Net assets per share - Market value (Rs.)	**576.18**	185.53

The Balance Sheet of the Company as at 31st March 2010 and the Statements of Income, Changes in Equity and Cash Flow for the year ended as disclosed in pages 6 to 9, have been drawn up from audited Accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)
A. P. Weeratunge
Chief Financial Officer
Carsons Management Services (Private) Limited

Approved and signed on behalf of the Investment Managers,

(Sgd.)
W. Y. R. Fernando
Director
Guardian Fund Management Limited
2nd June 2010

Approved and signed on behalf of the Board,

(Sgd.)
I. Paulraj
Chairman

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

Ceylon Guardian Investment Trust PLC
Interim Report for the fourth quarter ended 31st March 2010

Statement of Changes in Equity - Company

(All figures in Sri Lankan Rupees '000)	Stated Capital	Capital Reserve	Market Value Adjustment Reserve-S/T	Long-term Investment Revaluation Reserve	Revenue Reserves	Total Equity
Balance as at 31st March 2008 (Audited)	672,811	208,660	35,559	869,917	399,641	2,186,588
Profit for the year	-	-	-	-	386,417	386,417
Loss on revaluation of long-term investments	-	-	-	(827,789)	-	(827,789)
Transfers	-	-	(27,054)	-	27,054	-
Dividend paid for 2008	-	-	-	-	(35,411)	(35,411)
Balance as at 31st March 2009 (Audited)	672,811	208,660	8,505	42,128	777,701	1,709,805
Balance as at 1st April 2009 (Audited)	**672,811**	**208,660**	**8,505**	**42,128**	**777,701**	**1,709,805**
Profit for the period	**-**	**-**	**-**	**-**	**1,419,296**	**1,419,296**
Re-purchase of shares	**-**	**-**	**-**	**-**	**(1,116,991)**	**(1,116,991)**
Gain on revaluation of long-term investments	**-**	**-**	**-**	**1,344,959**	**-**	**1,344,959**
Transfers	**-**	**-**	**158,561**	**-**	**(158,561)**	**-**
Dividend paid for 2009	**-**	**-**	**-**	**-**	**(232,702)**	**(232,702)**
Balance as at 31st March 2010 (Audited)	**672,811**	**208,660**	**167,066**	**1,387,087**	**688,743**	**3,124,367**

Ceylon Guardian Investment Trust PLC
Interim Report for the fourth quarter ended 31st March 2010

Cash Flow Statement - Company

For the year ended 31st March	**2010**	2009
(All figures in Sri Lankan Rupees '000)		
Net cash generated from operating activities	**791,640**	456,248
Net cash used in financing activities	**(1,346,243)**	(35,465)
Net increase/(decrease) in cash & cash equivalents	**(554,603)**	420,783
Cash & cash equivalents at the beginning of the period	**326,670**	(94,113)
Cash & cash equivalents at the end of the period	**(227,933)**	326,670

Statement of Cash & Cash Equivalents

Short-term deposits	**-**	46,806
Cash at bank	**19,799**	280,209
	19,799	327,015
Bank overdrafts	**(247,732)**	(345)
	(227,933)	326,670

Figures in brackets indicate deductions.

Ceylon Guardian Investment Trust PLC

Interim Report for the fourth quarter ended 31st March 2010

Notes to the Interim Financial Statements

1 Basis of Preparation of Interim Financial Statements

The Interim Financial Statements of the Company and the Group have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2010 and are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting. Further, provision of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company & the Group.

2 Gain on repurchase of shares in subsidiaries

The net profit for the period of the Company of Rs.1,419mn includes the gain resulting from re-purchase of shares by the subsidiary companies amounting to Rs.793 mn.

3 Events Occurring after the Balance Sheet date

After satisfying the Solvency Test in accordance with Section 57 of the Companies Act No. 7 of 2007, the Directors have recommended the payment of a first and final dividend of Rs.9/- per ordinary share, Rs.900/- per fully paid deferred share and Rs.817/20 per partly paid deferred share for the year ended 31st March 2010 amounting to Rs.154,797,664/-, which is to be approved at the forthcoming Annual General Meeting. In accordance with Sri Lanka Accounting Standard No. 12 (Revised 2005) "Events After the Balance Sheet date" this proposed first and final dividend has not been recognised as a liability as at 31st March 2010.

Subsequent to be balance sheet date there are no other circumstances other than disclosed above.

4 Capital Commitments and Contingent Liabilities

The Company has entered into a shareholder agreement with Softlogic Holding (Pvt) Ltd. To purchase additional shares amounting to Rs. 100mn. The payment was made on 6th April 2010.
There were no material contingent liabilities as at the Balance Sheet date.

5 Investor Information

Market Performance - Ordinary Shares	**31.03.10**
	Rs.
Market value per share	**501.50**
Highest price per share	**540.00**
Lowest price per share	**425.00**
Market capitalization (Rs. mn)	**8,073**

6 Stated Capital as at 31st March 2010

Rs.672,811,410/- consisting of 16,097,396 Ordinary Shares, 8,669 fully paid Deferred shares and 2,593 partly paid Deferred Shares. (Rs.908/- paid)

7 Public Holding

The percentage of Ordinary Shares held by the Public as at 31st March 2010 was 32.85%.

8 Directors Shareholding as at 31.03.2010

	No. of shares as at 31.03.10
Mr. I. Paulraj	**50**
Mr. D. C. R. Gunawardena	**50**
Mr. A. De Z. Gunasekera	**50**
Mr. V. M. Fernando	**-**
Mrs. M.A.R.C. Cooray (Appointed w.e.f. 11.03.2010)	**-**

9 Comparative Figures

Comparative figures have been re-arranged where necessary to conform to the current period's presentation.

Ceylon Guardian Investment Trust PLC

Interim Report for the fourth quarter ended 31st March 2010

10. Twenty Major Shareholders as at 31st March 2010

	Name of the Shareholder	No. of Shares	%
1	Carson Cumberbatch PLC A/C No. 01	**10,809,967**	**67.15**
2	Thurston Investments Limited	**1,077,199**	**6.69**
3	Mr. M. Radhakrishnan	**398,664**	**2.48**
4	Pershing LLC S/A Averbach Grauson & Co.	**381,600**	**2.37**
5	The Gilpin Fund Limited	**308,424**	**1.92**
6	Mr. G.J.W. De Silva	**186,000**	**1.16**
7	Miss G.I.A. De Silva	**170,250**	**1.06**
8	Mrs. M.L. De Silva	**168,160**	**1.04**
9	Mr. K.C. Vignarajah	**110,935**	**0.69**
10	Miss R.H. Abdulhussein	**100,585**	**0.62**
11	The Ceylon Desiccated Coconut & Oil Company Limited	**74,988**	**0.47**
12	Waldock Mackenzie Ltd/Mr. H.M.S. Abdulhussein	**72,367**	**0.45**
13	Miss G.N.A. De Silva	**70,685**	**0.44**
14	Waldock Mackenzie Ltd/Mr. M.A.N. Yoosufali	**61,764**	**0.38**
15	Mr. O.D. Liyanage	**51,492**	**0.32**
16	DFCC Bank A/C 1	**48,318**	**0.30**
17	Mr. G.N. Russel	**45,568**	**0.28**
18	J.B. Cocoshell (Pvt) Ltd	**45,279**	**0.28**
19	Mrs. S. Vignarajah	**42,236**	**0.26**
20	Mr. A.C. Rizan	**37,200**	**0.23**

Corporate Information

Name of Company
Ceylon Guardian Investment Trust PLC
(A Carson Cumberbatch Company)

Domicile and Legal Form
Ceylon Guardian Investment Trust PLC is a Public Quoted Company with limited liability domiciled in Sri Lanka.
The Company was incorporated in Sri Lanka in 1951.

Company Registration No.
PQ 52

Principal Activity and Nature of Operations
During the year, the principal activity of the Company was holding and managing of an investment portfolio.

Parent Enterprise and Ultimate Parent Enterprise
The Company's ultimate holding company and controlling entity is Carson Cumberbatch PLC, which is incorporated in Sri Lanka.

Directors
Mr. I. Paulraj (Chairman)
Mr. D. C. R. Gunawardena
Mr. Asoka De Z. Gunasekera
Mr. V. Manilal Fernando
Mrs. M.A.R.C. Cooray (Appointed w.e.f. 11.03.2010)

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

Auditors
Messrs. KPMG Ford, Rhodes,Thornton & Company
Chartered Accountants,
No. 32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

Investment Managers
Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha,
Colombo 1.
Tele: +94-11-4739200
Fax: +94-11-4739385

Managers & Secretaries
Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 1.
Tele: +94-11-4739200
Fax: +94-11-4739300

Registered Office and Principal Place of Business
No. 61, Janadhipathi Mawatha,
Colombo 1.
Tele: +94-11-4739200
Fax: +94-11-4739300

Corporate Website
www.carsoncumberbatch.com

CEYLON GUARDIAN INVESTMENT TRUST PLC -PQ 52

ADDITIONAL INFORMATION TO SHAREHOLDERS

We are herewith circulating the portfolio of the company's subsidiary company, Rubber Investment Trust Limited.

INVESTMENT PORTFOLIO OF RUBBER INVESTMENT TRUST LIMITED
(Amounts expresssed in Sri Lankan Rs. '000)

	Note	2010 Cost As At 31st March	2010 Directors Valuation/ Market Value As At 31st March	2009 Cost As At 31st March	2009 Directors Valuation/ Market Value As At 31st March
Investment in Subsidiary	1	**10,450**	**10,450**	10,450	10,450
Investment in Associate	2	**1,927**	**6,011,250**	1,927	1,582,962
Other Long-term Investments	3	**431,506**	**1,980,961**	449,728	709,784
Short-term Investments	4	**-**	**219,482**	-	13,682
		443,883	**8,222,143**	462,105	2,316,878

1 Investment in Subsidiary

	2010 No. of shares	2010 Cost As At 31st March	2010 Directors Valuation As At 31st March	2009 No. of shares	2009 Cost As At 31st March	2009 Directors Valuation As At 31st March
Unquoted investments						
Guardian Fund Management Limited	**1,045,015**	**10,450**	**10,450**	1,045,015	10,450	10,450
Total Investment in Subsidiary		**10,450**	**10,450**	1,045,015	10,450	10,450

2 Investment in Associate

	2010 % Holding	2010 Cost as at 31st March 2010	2010 Market Value as at 31st March 2010	2009 % Holding	2009 Cost as at 31st March 2009	2009 Market Value as at 31st March 2009
Quoted Investments						
Bukit Darah PLC	**20.04%**	**1,927**	**6,011,250**	20.04%	1,927	1,582,962
Total Investment in Associate		**1,927**	**6,011,250**		1,927	1,582,962

3 Other Long-term Investments

	2010 No. of Shares	2010 Cost As At 31st March	2010 Market Value As At 31st March	2009 No. of Shares	2009 Cost As At 31st March	2009 Market Value As At 31st March
(A) Quoted						
Diversified						
John Keells Holdings PLC	**10,763,178**	**430,970**	1,980,425	10,763,178	430,970	675,389
		430,970	1,980,425		430,970	675,389
Manufacturing						
Tokyo Cement Ltd.	**-**	**-**	**-**	249,596	8,046	31,199
		-	**-**		8,046	31,199
Telecommunication						
Dialog Telekom PLC	-	-	-	542,850	10,176	2,660
		-	**-**		10,176	2,660
Total Long Term Investments - Quoted		**430,970**	**1,980,425**		449,192	709,248
(B) Unquoted						
DFCC Vardhana Bank	**42,975**	**533**	**533**	42,975	533	533
Total Long-term Investment - Unquoted		**533**	**533**		533	533
Total Investment in Equity Securities		**431,503**	**1,980,958**		449,725	709,781

	2010			2009		
	No. of Shares	**Cost As At 31st March**	**Market Value As At 31st March**	No. of Shares	Cost As At 31st March	Market Value As At 31st March
(C) Investments in Debentures - Redeemable unsecured Debentures						
Riverina Hotels Limited	**56**	**1**	**1**	56	1	1
Ocean View Limited - 6%	**120**	**1**	**1**	120	1	1
Total Investment in Debentures		**2**	**2**		2	2
(D) Preference Shares in Associate						
Bukit Darah PLC - 8%	**3,125**	**1**	**1**	125	1	1
Total Investment in Debentures		**1**	**1**		1	1
Total Other Long-term Investments		**431,506**	**1,980,961**		**449,728**	**709,784**

4 Short-term Investments

	No. of shares	**Market Value As At 31st March 2010**	**No. of shares**	Market Value As At 31st March 2009
Beverage Food and Tobacco				
Distilleries Company of Sri Lanka PLC	**-**	**-**	159,600	10,374
Diversified				
John Keells Holdings PLC	**164,000**	**30,176**	-	-
Manufacturing				
Royal Ceramic Lanka PLC	**100,000**	**11,300**	-	-
Banks				
Development Finance Corporation of Ceylon PLC	**412,500**	**74,456**	-	-
Hotels & Travels				
Aitken Spence Hotel Holdings PLC	**250,000**	**96,250**	10,500	3,308
Amaya Leisure PLC	**100,000**	**7,300**	-	-
Total Short-term Investments		**219,482**		13,682