

# **Ceylon Beverage Holdings PLC**

*Interim Condensed Financial Statements  
for the Third Quarter ended  
31st December 2019*

## **CEYLON BEVERAGE HOLDINGS PLC**

### **Review**

For the 9 months ended 31st December 2019, the Group earned a pre-tax profit of Rs 3.661 bn on a turnover of Rs 36.776 bn. The Group recorded a 7% decline in its bottom line compared to the same period of the previous year. However, considering the challenging operating environment of the year under review – the Easter Sunday tragedy at the commencement of the financial year & the continuous rain during most of the 3rd quarter being the most significant - the Group's returns maybe considered satisfactory. Notwithstanding the drop in its profits, revenue to Government from the Group's operations increased by Rs. 6.090 bn to Rs.28.659 bn during the reporting period.

Since Lion Brewery (Ceylon) PLC operated at a level below expectations, it was compelled to record an impairment of Rs. 538 Mn on account of the brands acquired from Miller Brewery.

In line with the tax changes announced by the Government, VAT on beer was reduced to 8% w.e.f. 1st December 2019. However, Government more than compensated for the reduction in VAT by increasing Excise Duty. As a result, consumer prices of most brands of beer also underwent an upward revision in order to absorb the net increase in applicable taxes.

<b>CEYLON BEVERAGE HOLDINGS PLC</b> <b>BOARD OF DIRECTORS AS AT 31ST DECEMBER 2019</b>
---

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)

Mr. S. K. Shah (Chief Executive Officer)

Mr. D. C. R. Gunawardena

Mr. R. H. Meewakkala

Mr. S. Clini (appointed w.e.f. 31/10/2019)

Mr. T. Akiskalos (appointed w.e.f. 20/05/2019 / resigned w.e.f. 25/10/2019)

Mr. L. Lehmann (resigned w.e.f. 20/05/2019)

<b>CEYLON BEVERAGE HOLDINGS PLC</b>				
<b>STATEMENT OF FINANCIAL POSITION</b>				
	<b>Company</b>		<b>Group</b>	
<b>As at</b>	<b>31st December 2019</b>	<b>31st March 2019</b>	<b>31st December 2019</b>	<b>31st March 2019</b>
<b>In Rs. '000s</b>		<b>(Audited)</b>		<b>(Audited)</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant & equipment	330,181	330,613	18,958,972	18,493,204
Right of use assets	-	-	247,123	-
Intangible assets	-	-	1,906,077	2,442,755
Deferred taxation	-	-	13,496	13,496
Investments in subsidiaries (Note 03)	1,964,272	1,764,272	-	-
<b>Total Non-Current Assets</b>	<b>2,294,453</b>	<b>2,094,885</b>	<b>21,125,668</b>	<b>20,949,455</b>
<b>Current Assets</b>				
Inventories	-	-	3,098,425	2,512,995
Trade & other receivables	19,524	22,457	2,316,596	2,345,704
Amounts due from related companies	93,381	36,079	-	-
Current Taxation	-	-	2,477	5,653
Cash and cash equivalents	16,695	242,604	9,222,897	10,564,799
<b>Total Current Assets</b>	<b>129,600</b>	<b>301,140</b>	<b>14,640,395</b>	<b>15,429,151</b>
<b>Total Assets</b>	<b>2,424,053</b>	<b>2,396,025</b>	<b>35,766,063</b>	<b>36,378,606</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated capital	533,384	533,384	533,384	533,384
Capital reserves	245,352	245,352	813,949	813,949
Revenue reserves	850,394	815,521	5,602,301	4,732,703
<b>Equity Attributable To Equity Holders of the Company</b>	<b>1,629,130</b>	<b>1,594,257</b>	<b>6,949,634</b>	<b>6,080,036</b>
Non controlling interest	-	-	6,830,518	5,978,375
<b>Total Equity</b>	<b>1,629,130</b>	<b>1,594,257</b>	<b>13,780,152</b>	<b>12,058,411</b>
<b>Non Current Liabilities</b>				
Loans and borrowings	32,500	55,000	3,058,550	3,326,271
Employee benefits	-	-	195,234	204,058
Net deferred tax liabilities	89,935	89,935	4,857,908	5,092,601
<b>Total Non- Current Liabilities</b>	<b>122,435</b>	<b>144,935</b>	<b>8,111,692</b>	<b>8,622,930</b>
<b>Current Liabilities</b>				
Trade and other payables	17,383	17,834	1,617,044	1,350,370
Amounts due to related companies	485,503	588,587	68,471	114,945
Refundable deposits	-	-	1,664,538	1,456,224
Tax liabilities	1,171	20,024	1,733,944	2,448,319
Debentures	-	-	-	2,078,285
Loans and borrowings	30,000	30,388	6,733,712	6,353,084
Bank overdraft	138,431	-	2,056,510	1,896,038
<b>Total Current Liabilities</b>	<b>672,488</b>	<b>656,833</b>	<b>13,874,219</b>	<b>15,697,265</b>
<b>Total Liabilities</b>	<b>794,923</b>	<b>801,768</b>	<b>21,985,911</b>	<b>24,320,195</b>
<b>Total Equity and Liabilities</b>	<b>2,424,053</b>	<b>2,396,025</b>	<b>35,766,063</b>	<b>36,378,606</b>
<b>Net assets per ordinary share (Rs.)</b>	<b>77.62</b>	<b>75.96</b>	<b>331.12</b>	<b>289.69</b>

The above figures are provisional and subject to audit.

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

(Sgd.)

**D.R.P. Goonetilleke**

Head of Finance

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

Approved and signed on behalf of the Managers

Approved and signed on behalf of the Board

(Sgd.)

**V. R. Wijesinghe**

Director - Finance

**Carsons Management Services (Private) Ltd.**

06th February 2020

(Sgd.)

**M.Selvanathan**

Director

(Sgd.)

**S.K. Shah**

Director

# CEYLON BEVERAGE HOLDINGS PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

	Quarter Ended			Nine Months Ended			31-Mar-19 (Audited)
	31-Dec-19	31-Dec-18	Change %	31-Dec-19	31-Dec-18	Change %	
In Rs.'000s							
Revenue	38,956	39,361	(1)	334,670	106,121	215	293,426
Cost of Sales	-	-	-	-	-	-	-
<b>Gross Profit</b>	<b>38,956</b>	<b>39,361</b>	<b>(1)</b>	<b>334,670</b>	<b>106,121</b>	<b>215</b>	<b>293,426</b>
Administrative Expenses	(5,265)	(4,205)	25	(11,158)	(10,978)	2	(15,138)
Impairment of investments	-	-	-	-	-	-	(207,692)
<b>Profit from Operations</b>	<b>33,691</b>	<b>35,156</b>	<b>(4)</b>	<b>323,512</b>	<b>95,143</b>	<b>240</b>	<b>70,596</b>
Finance Income	2,029	-	-	5,503	-	-	12,741
Finance Costs	(16,494)	(4,204)	292	(55,782)	(15,525)	259	(49,118)
<b>Net Finance Costs</b>	<b>(14,465)</b>	<b>(4,204)</b>	<b>244</b>	<b>(50,279)</b>	<b>(15,525)</b>	<b>224</b>	<b>(36,377)</b>
<b>Profit Before Taxation</b>	<b>19,226</b>	<b>30,952</b>	<b>(38)</b>	<b>273,233</b>	<b>79,618</b>	<b>243</b>	<b>34,219</b>
Income Tax	(8,523)	(9,450)	(10)	(28,479)	(24,433)	17	(37,508)
<b>Profit/(Loss) After Taxation</b>	<b>10,703</b>	<b>21,502</b>	<b>(50)</b>	<b>244,754</b>	<b>55,185</b>	<b>344</b>	<b>(3,289)</b>
<b>Earnings per Ordinary Share (Rs.)</b>	<b>0.51</b>	<b>1.02</b>		<b>11.66</b>	<b>2.63</b>		<b>(0.16)</b>

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

**CEYLON BEVERAGE HOLDINGS PLC**
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP**

	Quarter Ended			Nine Months Ended			31-Mar-19 (Audited)
	31-Dec-19	31-Dec-18	Change %	31-Dec-19	31-Dec-18	Change %	
In Rs.'000s							
Revenue	12,157,794	11,607,388	5	36,776,499	32,070,435	15	44,216,827
Cost of Sales	(9,224,799)	(8,663,725)	6	(28,117,615)	(23,678,694)	19	(32,953,571)
<b>Gross Profit</b>	<b>2,932,995</b>	<b>2,943,663</b>	<b>(0)</b>	<b>8,658,884</b>	<b>8,391,741</b>	<b>3</b>	<b>11,263,256</b>
Other Income	52,081	32,399	61	131,833	88,458	49	138,025
	<b>2,985,076</b>	<b>2,976,062</b>	<b>0</b>	<b>8,790,717</b>	<b>8,480,199</b>	<b>4</b>	<b>11,401,281</b>
Distribution Expenses	(766,185)	(881,986)	(13)	(2,247,423)	(2,265,856)	(1)	(3,030,771)
Administrative Expenses	(450,003)	(389,961)	15	(1,323,924)	(1,125,764)	18	(1,657,223)
Other Expenses	(92,231)	(29,853)	209	(456,030)	(293,125)	56	(413,166)
Impairment of intangible assets	(538,182)	-	-	(538,182)	-	-	-
<b>Profit from Operations</b>	<b>1,138,475</b>	<b>1,674,262</b>	<b>(32)</b>	<b>4,225,158</b>	<b>4,795,454</b>	<b>(12)</b>	<b>6,300,121</b>
<b>Profit Before Finance Cost</b>	<b>1,138,475</b>	<b>1,674,262</b>	<b>(32)</b>	<b>4,225,158</b>	<b>4,795,454</b>	<b>(12)</b>	<b>6,300,121</b>
Finance Income	195,206	278,805	(30)	751,138	730,221	3	1,009,923
Finance Costs	(390,731)	(509,834)	(23)	(1,314,413)	(1,571,616)	(16)	(2,094,515)
<b>Net Finance Costs</b>	<b>(195,525)</b>	<b>(231,029)</b>	<b>(15)</b>	<b>(563,275)</b>	<b>(841,395)</b>	<b>(33)</b>	<b>(1,084,592)</b>
<b>Profit Before Taxation</b>	<b>942,950</b>	<b>1,443,233</b>	<b>(35)</b>	<b>3,661,883</b>	<b>3,954,059</b>	<b>(7)</b>	<b>5,215,529</b>
Income tax	(594,492)	(282,718)	110	(1,735,754)	(390,774)	344	(846,185)
Deferred taxation	233,167	(57,849)	(503)	234,693	(1,166,494)	(120)	(1,304,425)
<b>Profit After Taxation</b>	<b>581,625</b>	<b>1,102,666</b>	<b>(47)</b>	<b>2,160,822</b>	<b>2,396,791</b>	<b>(10)</b>	<b>3,064,919</b>
<b>Other Comprehensive Income</b>							
<b>Items that will never be reclassified to profit or loss</b>							
Remeasurement of employee benefit obligation	-	-	-	-	-	-	12,533
Deferred tax adjustment	-	-	-	-	-	-	(5,013)
Revaluation gain on land & buildings	-	-	-	-	-	-	279,091
Deferred tax adjustment on revaluation of lands	-	-	-	-	-	-	(78,145)
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>208,466</b>
<b>Total Comprehensive Income</b>	<b>581,625</b>	<b>1,102,666</b>	<b>(47)</b>	<b>2,160,822</b>	<b>2,396,791</b>	<b>(10)</b>	<b>3,273,385</b>
<b>Profit Attributable to</b>							
- Equity Holders of the Company	318,138	572,767	(44)	1,079,479	1,254,103	(14)	1,526,949
- Non - controlling interest	263,487	529,899	(50)	1,081,343	1,142,688	(5)	1,537,970
<b>Profit Available for Appropriation</b>	<b>581,625</b>	<b>1,102,666</b>	<b>(47)</b>	<b>2,160,822</b>	<b>2,396,791</b>	<b>(10)</b>	<b>3,064,919</b>
<b>Total Comprehensive Income Attributable to</b>							
- Equity Holders of the Company	318,138	572,767	(44)	1,079,479	1,254,103	(14)	1,635,872
- Non - controlling interest	263,487	529,899	(50)	1,081,343	1,142,688	(5)	1,637,513
<b>Profit Available for Appropriation</b>	<b>581,625</b>	<b>1,102,666</b>	<b>(47)</b>	<b>2,160,822</b>	<b>2,396,791</b>	<b>(10)</b>	<b>3,273,385</b>
<b>Earnings per Ordinary Share (Rs.)</b>	<b>15.16</b>	<b>27.29</b>		<b>51.43</b>	<b>59.75</b>		<b>72.75</b>

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

## STATEMENTS OF CHANGES IN EQUITY

In Rs. '000s	Attributable to Equity Holders of the Parent					Non-Controlling Interests	Total Equity
	Stated Capital	Revaluation Reserve	General Capital Reserve	Retained Profits	Total		
COMPANY							
Balance as at 1st April 2018	533,384	239,576	5,776	965,727	1,744,463	-	1,744,463
Total Comprehensive Income							
Profit for the period	-	-	-	55,185	55,185	-	55,185
Total Comprehensive income for the period	-	-	-	55,185	55,185	-	55,185
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Balance as at 31st December 2018	533,384	239,576	5,776	1,020,912	1,799,648	-	1,799,648
Balance as at 1st April 2018	533,384	239,576	5,776	965,727	1,744,463	-	1,744,463
Total Comprehensive Income							
Loss for the period	-	-	-	(3,289)	(3,289)	-	(3,289)
Total Comprehensive Loss for the period	-	-	-	(3,289)	(3,289)	-	(3,289)
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(146,917)	(146,917)	-	(146,917)
Balance as at 31st March 2019	533,384	239,576	5,776	815,521	1,594,257	-	1,594,257
Balance as at 1st April 2019	533,384	239,576	5,776	815,521	1,594,257	-	1,594,257
Total Comprehensive Income							
Profit for the period	-	-	-	244,754	244,754	-	244,754
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	244,754	244,754	-	244,754
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(209,881)	(209,881)	-	(209,881)
Balance as at 31st December 2019	533,384	239,576	5,776	850,394	1,629,130	-	1,629,130
GROUP							
Balance as at 1st April 2018	533,384	703,179	5,776	3,348,742	4,591,081	4,493,662	9,084,743
Total Comprehensive Income							
Profit for the period	-	-	-	1,254,103	1,254,103	1,142,688	2,396,791
Total Comprehensive income for the period	-	-	-	1,254,103	1,254,103	1,142,688	2,396,791
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Balance as at 31st December 2018	533,384	703,179	5,776	4,602,845	5,845,184	5,636,350	11,481,534
Balance as at 1st April 2018	533,384	703,179	5,776	3,348,742	4,591,081	4,493,662	9,084,743
Total Comprehensive Income							
Profit for the period	-	-	-	1,526,949	1,526,949	1,537,970	3,064,919
Other comprehensive Income for the period	-	104,994	-	3,929	108,923	99,543	208,466
Total Comprehensive Income for the period	-	104,994	-	1,530,878	1,635,872	1,637,513	3,273,385
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(146,917)	(146,917)	(152,800)	(299,717)
Balance as at 31st March 2019	533,384	808,173	5,776	4,732,703	6,080,036	5,978,375	12,058,411
Balance as at 1st April 2019	533,384	808,173	5,776	4,732,703	6,080,036	5,978,375	12,058,411
Total Comprehensive Income							
Profit for the period	-	-	-	1,079,479	1,079,479	1,081,343	2,160,822
Other comprehensive income for the period	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	1,079,479	1,079,479	1,081,343	2,160,822
Transactions with owners, recorded directly in equity contribution by and distribution to owners							
Dividends	-	-	-	(209,881)	(209,881)	(229,200)	(439,081)
Balance as at 31st December 2019	533,384	808,173	5,776	5,602,301	6,949,634	6,830,518	13,780,152

**STATEMENT OF CASH FLOWS**

<i>For the period ended In Rs. '000s</i>	<b>Company</b>		<b>Group</b>	
	<b>31-Dec-19</b>	<b>31-Mar-19 (Audited)</b>	<b>31-Dec-19</b>	<b>31-Mar-19 (Audited)</b>
<b>Cash Flows From Operating Activities</b>				
Profit before taxation	273,233	34,219	3,661,883	5,215,529
Adjustments for:				
Finance expenses	55,782	49,118	1,314,413	2,096,644
Depreciation on Right of use assets	-	-	50,290	-
Depreciation on property, plant & equipment	432	577	897,091	1,224,812
Amortisation of intangible assets	-	-	3,447	53,515
Net Inventory provisions/(reversals)	-	-	6,390	(20,818)
Provision for retirement benefit obligations	-	-	13,335	36,847
Impairment of property plant & equipment	-	-	150,223	60,547
Impairment of Intangible Assets	-	-	538,182	881
Impairment of doubtful debtors	-	-	-	24,651
Impairment of Investments	-	207,692	-	-
Finance income	(5,503)	(12,741)	(751,138)	(1,009,923)
Loss on disposal of property, plant & equipment	-	-	(11,520)	(3,529)
Unrealised exchange loss/(gain)	-	-	6,382	(4,638)
<b>Operating cash flow before working capital changes</b>	<b>323,944</b>	<b>278,865</b>	<b>5,878,978</b>	<b>7,674,518</b>
(Increase)/decrease in inventories	-	-	(591,820)	(582,036)
(Increase)/decrease in trade & other receivables	2,933	(12,302)	29,106	762,324
(Increase)/decrease in amounts due from related companies	(57,302)	84,480	-	58,957
Increase/(decrease) in amounts due to related companies	(144,543)	163,862	(46,474)	9,386
Increase/(decrease) in tax payables	(1,337)	158	(536,618)	129,006
Increase/(decrease) in trade & other payables	(2,954)	771	266,674	(41,324)
<b>Cash generated from operations</b>	<b>120,741</b>	<b>515,834</b>	<b>4,999,846</b>	<b>8,010,831</b>
Finance expenses	(8,820)	(18,563)	(1,274,713)	(1,899,035)
Tax paid	(45,995)	(21,620)	(1,875,218)	(460,282)
Retirement benefits paid	-	-	(22,159)	(11,209)
<b>Net cash generated from operating activities</b>	<b>65,926</b>	<b>475,651</b>	<b>1,827,756</b>	<b>5,640,305</b>
<b>Cash Flows from Investing Activities</b>				
Purchase and construction of property, plant & equipment	-	-	(1,525,128)	(1,022,884)
Purchase of intangible assets	-	-	(4,950)	(49,205)
Proceeds from sale of property, plant & equipment	-	-	23,566	3,529
Agent deposits received	-	-	208,314	298,961
Agent deposits refunded	-	-	-	(6,998)
Interest received	-	-	751,138	1,009,923
Investment in subsidiaries	(200,000)	-	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(200,000)</b>	<b>-</b>	<b>(547,060)</b>	<b>233,326</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of loans & borrowings	(22,500)	(123,300)	(1,282,120)	(2,442,990)
Repayment of debentures	-	-	(2,000,000)	(998,800)
Dividends paid net of tax	(207,766)	(145,792)	(474,199)	(323,139)
<b>Net cash generated from/(used in) financing activities</b>	<b>(230,266)</b>	<b>(269,092)</b>	<b>(2,783,070)</b>	<b>(3,764,929)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(364,340)</b>	<b>206,559</b>	<b>(1,502,374)</b>	<b>2,108,702</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>242,604</b>	<b>36,045</b>	<b>8,668,761</b>	<b>6,560,059</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>(121,736)</b>	<b>242,604</b>	<b>7,166,387</b>	<b>8,668,761</b>
<b>Analysis of Cash and Cash Equivalents</b>				
Cash and cash equivalents	16,695	242,604	9,222,897	10,564,799
Bank overdraft	(138,431)	-	(2,056,510)	(1,896,038)
	<b>(121,736)</b>	<b>242,604</b>	<b>7,166,387</b>	<b>8,668,761</b>

Figures in brackets indicate deductions.



## 1 CORPORATE INFORMATION

Ceylon Beverage Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The parent company is Carson Cumberbatch PLC (CCPLC). The Ultimate parent company is Bukit Darah PLC. The registered office of the Company is situated at No 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at No 254, Colombo Road, Biyagama.

The Interim Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The Subsidiaries of the Company are set out below.

Subsidiary	Controlling interest	Note
Lion Brewery (Ceylon) PLC	52.25%	"LBCPLC"
Pubs 'N Places (Private) Limited	99.9%	
Retail Spaces (Private) Limited	100%	
Luxury Brands (Private) Limited	100%	
Pearl Springs (Private) Limited	52.25%	"PSPL" , 100% Subsidiary of LBCPLC
Millers Brewery Limited	52.25%	100% Subsidiary of PSPL

The principal activities of the Group is brewing and marketing of high quality beers for both local & export markets and retailing of beer & alcohol products locally through its owned/managed wine shops & pubs. The Group is also engaged in the import & marketing of globally renowned high quality beer and spirits brands.

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

The condensed Interim Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 – Interim Financial Reporting. This Interim Financial Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2019 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards, ("SLFRSs/LKASs ")

### 2.2 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;

- Freehold Land and buildings are measured at cost at the time of acquisition and construction and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.

- Employee benefits are recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

### 2.3 New standards, interpretations and amendments adopted by the Group

The Group and the Company adopted SLFRS 16, 'Leases', with effect from 1st April 2019, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Group and Company has adopted SLFRS 16 using modified retrospective method from 1st April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of SLFRS 16, the Company and the Group recognised right-of-use assets and lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of LKAS 17, 'Leases'.

#### *The effect of adopting SLFRS 16 is, as follows*

In Rs. 000's	Right of Use Assets	Lease Creditor
<b>As at 1st April 2019</b>	<b>291,770</b>	<b>291,770</b>
Addition	5,643	5,643
Depreciation	(50,290)	-
Interest Expense	-	26,545
Payments	-	(62,806)
<b>As at 31st December 2019</b>	<b>247,123</b>	<b>261,152</b>

*\*Lease Creditor classified under Loans and borrowings*

### 2.4 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees Thousands (Rs.'000s) which is the Group's functional currency, unless otherwise indicated.

<b>CEYLON BEVERAGE HOLDINGS PLC</b>
<b>NOTES TO THE INTERIM FINANCIAL STATEMENTS</b>

**3 INVESTMENT IN SUBSIDIARIES**

Company purchased 20,000,000 shares of Luxury Brands (Private) Limited at Rs. 10/- per share with a total value of Rs. 200,000,000/- on 16th May 2019

**4 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES****4.1 Financial Commitments****Lion Brewery (Ceylon) PLC**

Document credits established for foreign purchases of the Company as at 31st December 2019 amounts to Rs. 354,259,699/- (2018 - Rs.100,714,048/-)

**4.2 Contingencies**

Following legal matters are outstanding against the Group and no provision has been made in the Financial Statements in this regard.

**(i) Company**

In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs.25,059,553/86 as its penalty. The Company and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86, pending the Judgment from the Supreme Court in the said Leave to Appeal matter. Currently this matter is in the Arguments stage and will be heard in the Supreme Court.

(ii) Contingent liabilities as at 31st December 2019 amounts to Rs.141,703,678/- (2018 - Rs. 165,144,004/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

Apart from the above there were no other material contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

**CEYLON BEVERAGE HOLDINGS PLC****NOTES TO THE INTERIM FINANCIAL STATEMENTS****5 COMPARATIVE FIGURES**

Comparative figures/information have been reclassified where necessary in line with the changes to the new Sri Lanka Accounting Standards (SLFRS/LKAS).

**6 STATED CAPITAL**

The Company's stated capital consists of 20,988,090 ordinary shares.

**7 IMPAIRMENT OF INTANGIBLE ASSETS**

consisted of five brands namely, Sando Power, Sando Stout, Three Coins, Grand Blonde and Irish Dark. Brands are not amortised as the useful life is considered to be infinite given the nature of the assets. In March 2017 these brands were impaired by Rs. 1,673,064,593/- and the carrying value as at 1 April 2019 was Rs. 2,326,935,407/-.

Consequent to the evaluation of the short term down turn post April Easter Attacks and the inclement weather during the period under review an impairment test was carried out for the brands acquired from Millers Brewery Ltd as at 31st December 2019 as per the accounting standard LKAS 36. The Company had computed its recoverable amount of the acquired brands by forecasting the annual sales values and discounting such estimated cash flows by its cost of equity. Accordingly, the carrying value of the said brands as at 31st December stands at Rs.1,788,753,370/- resulting in an impairment of Rs. 538,182,037/- which has been charged to the income statement.

**8 SEGMENTAL ANALYSIS**

The Group does not distinguish its products into significant components for different Geographical / Business segments as the differentiations are insignificant.

**9 INVESTOR INFORMATION**

Investor Information	Quarter Ended		Six Month Ended		Year Ended
	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
<b>Share Information</b>					
Price as at the end of the period (Rs.)	855.20	731.00	855.20	731.00	825.00
Highest price (Rs.)	998.00	869.90	998.00	869.90	899.90
Lowest price (Rs.)	680.20	710.00	680.20	600.00	600.00
<b>Trading Statistics</b>					
No of Transactions	24	29	105	126	155
No of Shares traded	300	6,301	8,314	15,826	24,816
Value of all shares traded (Rs. Mn.)	0.26	4.54	7.05	11.21	18.05

# CEYLON BEVERAGE HOLDINGS PLC

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 10 DIRECTORS' SHAREHOLDINGS

As at 31st December 2019	No. of Shares
Mr. D. A. Cabraal (Chairman)	1,500
Mr. H. Selvanathan (Deputy Chairman)	690
Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)	690
Mr. S. K. Shah (Chief Executive Officer)	2,632
Mr. D.C.R. Gunawardena	15
Mr. R. H. Meewakkala	-
Mr. S. Clini (appointed w.e.f. 31/10/2019)	-
Mr. L. Lehmann (resigned w.e.f. 20/05/2019)	-
Mr. T. Akiskalos (appointed w.e.f. 20/05/2019 / resigned w.e.f. 25/10/2019)	-

### 11 TWENTY MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2019

#	Name of Shareholder	No. of Shares	%
1	CARSON CUMBERBATCH PLC A/C NO.2	15,726,912	74.93
2	GF CAPITAL GLOBAL LIMITED	1,926,366	9.18
3	CARLSBERG A/S	1,676,440	7.99
4	SERENDIP INVESTMENTS LIMITED	800,000	3.81
5	SSBT-DEUSTCHE BANK AG SINGAPORE A/C 01	130,000	0.62
6	CARSON CUMBERBATCH PLC A/C NO. 01	91,655	0.44
7	TRANZ DOMINION,L.L.C.	75,500	0.36
8	MRS. C.A.D.S. WOODWARD	40,065	0.19
9	MRS. J.K.P. SINGH	31,485	0.15
10	GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10
11	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07
12	MISS M.P. RADHAKRISHNAN	10,257	0.05
13	MISS A. RADHAKRISHNAN	10,256	0.05
14	SEYLAN BANK PLC/CHANNA NALIN RAJAHMONEY	10,131	0.05
15	MR. H.A. PIERIS	10,000	0.05
16	MR. N.J. GAMADIA	8,786	0.04
17	MR. R. MAHESWARAN	8,134	0.04
18	MRS. M.S.K. WELIKALA	7,856	0.04
19	ADMIN.OF T A.C. ABDEEN (DECD)	7,725	0.04
20	MRS. M.C. ABEYSEKERA	7,622	0.04

### 12 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange, under Option 1, i.e. Float-Adjusted Market Capitalization of Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 7.5%.

#### The Company's Public Holding as at 31st December 2019

Market Capitalization of the Public Holding	Rs.4.41 Billion
Percentage of ordinary shares held by the public	24.60%
Number of Public Shareholders	942

### 13 EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen which required adjustment to or disclosure in the Financial Statements.

**14 RELATED PARTY DISCLOSURES**
**14.1 Parent and ultimate controlling party**

In the opinion of the Directors, Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

**14.2 Transactions with key management personnel (KMP)**

(I) According to Sri Lanka Accounting Standard 24 "Related Party Disclosures", key management personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including executive and non executive directors) and their immediate family members have been classified as KMP of the Company.

(II) The compensation paid to key management personnel consist of short-term employment benefits and no other payments such as post-employment benefits, termination benefits and share based payments have been paid to key management personnel during the Period.

**14.3 Other related party transactions**
**14.3.1 Transactions with subsidiary companies**
**(a) Lion Brewery (Ceylon) PLC (LBCPLC)**

Messrs. D.A.Cabraal, H Selvanathan, S.K.Shah, D.C.R. Gunawardena and R.H. Meewakkala are Directors of the related entity. Mr. L. Lehmann who was a Director of the Company and Lion Brewery (Ceylon) PLC resigned on 20/05/2019, Mr. T. Akiskalos was appointed as a Director of the Company and Lion Brewery (Ceylon) PLC w.e.f. 20/05/2019 and resigned on 25/10/2019 and Mr. S. Clini was appointed as a Director of the Company w.e.f. 31/10/2019 and Lion Brewery (Ceylon) PLC w.e.f. 26/10/2019 with which the following contracts / transactions have been entered into during the period by the Company in the normal course of business.

(i) Was charged Rs. 118,988,487/- (2018 -Rs. 106,121,360/-) as royalty in accordance with the licensed brewing agreement with the Company.

(ii) As per the loan agreement with Lion Brewery Ceylon PLC, the Company was charged Rs. 46,961,616/- (2018 - Nil) at a rate of AWPLR+1% as loan interest during the period

(iii) Balance payable to Lion Brewery Ceylon PLC as at 31st December 2019 was Rs. 485,502,905/-

**(b) Pubs 'N Places (Private) Limited**

(i) An interest amount of Rs. 5,502,876/- (2018 - Nil) was charged from Pubs 'N Places (Private) Limited for the outstanding receivable balance during the period at a rate of AWPLR+1%.

(ii) As at 31st December 2019 balance receivable from Pubs 'N Places (Private) Limited to the Company was Rs. 93,380,596/-.

**(c) Luxury Brands (Private) Limited**

(i) Company purchased 20,000,000 shares of Luxury Brands (Private) Limited at Rs. 10/- per share with a total value of Rs. 200,000,000/- on 16th May 2019

**14.3.2 Transactions with group entities**
**(a) Carsons Management Services (Private) Ltd.**

Messrs. H.Selvanathan, S.K.Shah and M.Selvanathan, Directors of the Company, are also Directors of Carsons Management Services (Private) Ltd., which provides supporting services to the Company. An amount of Rs. 529,819/- (2018 - Rs. 545,976/-) was charged by Carsons Management Services (Private) Limited to the Company and Group Rs. 441,091,414/- (2018 - Rs. 326,746,408/-) during the period, which included supporting services fees of Rs. 357,356,411/- (2018 - Rs. 324,202,914/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Group.

**(b) SKC Management Services Ltd.**

A sum of Rs. 596,475/- was incurred as reimbursement of casual wages for the period. (2018 - Nil/-)

**CEYLON BEVERAGE HOLDINGS PLC****Corporate Information**

---

**NAME OF THE COMPANY**

Ceylon Beverage Holdings PLC  
(A Carson Cumberbatch Company)

**COMPANY REGISTRATION NUMBER**

PQ 35

**LEGAL FORM**

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910  
Official listing of the Colombo Stock Exchange was obtained in April 1991

**SUBSIDIARY COMPANIES**

Lion Brewery (Ceylon) PLC  
Pubs 'N Places (Private) Limited  
Retail Spaces (Private) Limited  
Luxury Brands (Private) Limited  
Pearl Springs (Private) Limited  
Millers Brewery Limited

**PARENT AND CONTROLLING ENTITY**

In the opinion of the Directors, Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

**DIRECTORS**

Mr. D. A. Cabraal (Chairman)  
Mr. H. Selvanathan (Deputy Chairman)  
Mr. M. Selvanathan (Director / Alternate Director to H. Selvanathan)  
Mr. S. K. Shah (Chief Executive Officer)  
Mr. D. C. R. Gunawardena  
Mr. R. H. Meewakkala  
Mr. S. Clini (appointed w.e.f. 31/10/2019)  
Mr. L. Lehmann (resigned w.e.f. 20/05/2019)  
Mr. T. Akiskalos (appointed w.e.f. 20/05/2019 / resigned w.e.f. 25/10/2019)

**BANKERS**

Bank of Ceylon  
Citibank  
Commercial Bank  
Deutsche Bank  
DFCC Bank  
Hatton National Bank  
HSBC  
Nations Trust Bank  
National Development Bank  
Peoples' Bank  
Standard Chartered Bank  
Sampath Bank

**LEGAL ADVISERS**

Messrs. F.J. & G. De Saram  
216, De Saram Place  
Colombo 10  
Sri Lanka  
Tel: + 94 11 4718200  
Fax: + 94 11 4718220

**AUDITORS**

Messrs. KPMG  
Chartered Accountants  
No. 32A, Sir Mohamed Macan Markar Mawatha  
Colombo 3  
Sri Lanka  
Tel: + 94 11 5426426  
Fax: +94 11 2445872

**MANAGERS & SECRETARIES**

Carsons Management Services (Private) Limited  
No: 61, Janadhipathi Mawatha  
Colombo 1  
Sri Lanka  
Tel : +94 11 2039 200  
Fax: +94 11 2039 300

**REGISTERED OFFICE**

No: 61, Janadhipathi Mawatha  
Colombo 1  
Sri Lanka  
Tel : +94 11 2039 200  
Fax: +94 11 2039 300

**CORPORATE OFFICE & BREWERY**

254, Colombo Road, Biyagama  
Sri Lanka  
Tel: +94 11 2465900 (10 Lines)  
Fax: +94 11 2465901

**GROUP WEBSITE**

[www.carsoncumberbatch.com](http://www.carsoncumberbatch.com)