

# **Ceylon Beverage Holdings PLC**

*Interim Condensed Financial Statements  
for the Third Quarter ended  
31st December 2017*

**CEYLON BEVERAGE HOLDINGS PLC**  
**BOARD OF DIRECTORS AS AT 31ST DECEMBER 2017**

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. L. Lehmann

Mr. R. H. Meewakkala

<b>CEYLON BEVERAGE HOLDINGS PLC</b>				
<b>STATEMENTS OF FINANCIAL POSITION</b>				
	<b>Company</b>		<b>Group</b>	
<i>As at 31st December 2017</i> <i>In Rs. '000s</i>	<b>2017</b>	<b>31-Mar-17</b> <b>(Audited)</b>	<b>2017</b>	<b>31-Mar-17</b> <b>(Audited)</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant & equipment	331,334	331,766	18,290,291	18,267,017
Intangible assets	-	-	2,427,237	2,469,013
Deferred taxation	-	-	6,919	-
Investments in subsidiaries (Note 03)	1,971,964	1,971,964	-	-
Loan to operators	-	-	55,475	54,138
<b>Total Non-Current Assets</b>	<b>2,303,298</b>	<b>2,303,730</b>	<b>20,779,922</b>	<b>20,790,168</b>
<b>Current Assets</b>				
Inventories	-	-	1,566,446	2,534,278
Trade & other receivables	12,117	18,377	2,334,996	2,073,358
Amounts due from related companies	91,898	39,909	777,963	33,076
Current Taxation	4,425	-	4,877	2,477
Cash and cash equivalents	3,988	70	7,426,109	7,645,227
<b>Total Current Assets</b>	<b>112,428</b>	<b>58,356</b>	<b>12,110,391</b>	<b>12,288,416</b>
<b>Total Assets</b>	<b>2,415,726</b>	<b>2,362,086</b>	<b>32,890,313</b>	<b>33,078,584</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated capital	533,384	533,384	533,384	533,384
Capital reserves	334,690	334,690	1,005,356	1,005,356
Revenue reserves	947,789	957,897	3,062,643	2,766,700
<b>Equity Attributable To Equity Holders of the Company</b>	<b>1,815,863</b>	<b>1,825,971</b>	<b>4,601,383</b>	<b>4,305,440</b>
Non controlling interest	-	-	4,360,983	3,969,835
<b>Total Equity</b>	<b>1,815,863</b>	<b>1,825,971</b>	<b>8,962,366</b>	<b>8,275,275</b>
<b>Non Current Liabilities</b>				
Debentures	-	-	2,000,000	2,998,800
Loans and borrowings	111,100	208,300	5,722,730	5,193,065
Employee benefits	-	-	71,571	78,440
Net deferred tax liabilities	597	597	2,528,048	2,373,520
<b>Total Non- Current Liabilities</b>	<b>111,697</b>	<b>208,897</b>	<b>10,322,349</b>	<b>10,643,825</b>
<b>Current Liabilities</b>				
Trade and other payables	14,904	12,497	1,284,780	753,760
Amounts due to related companies	-	-	91,019	144,628
Refundable deposits	-	-	1,047,383	1,009,357
Tax liabilities	1,855	6,653	1,748,088	919,951
Debentures	-	-	1,072,842	937,932
Loans and borrowings	129,600	129,600	6,231,865	7,846,468
Bank overdraft	341,807	178,468	2,129,621	2,547,388
<b>Total Current Liabilities</b>	<b>488,166</b>	<b>327,218</b>	<b>13,605,598</b>	<b>14,159,484</b>
<b>Total Liabilities</b>	<b>599,863</b>	<b>536,115</b>	<b>23,927,947</b>	<b>24,803,309</b>
<b>Total Equity and Liabilities</b>	<b>2,415,726</b>	<b>2,362,086</b>	<b>32,890,313</b>	<b>33,078,584</b>
<b>Net assets per ordinary share (Rs.)</b>	<b>86.52</b>	<b>87.00</b>	<b>219.24</b>	<b>205.14</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.)

**A. Weeratunge**

Director

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

9th February 2018

(Sgd.)

**M.Selvanathan**

Director

(Sgd.)

**S.K. Shah**

Director

## CEYLON BEVERAGE HOLDINGS PLC

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

In Rs.'000s	Quarter Ended			Nine Months Ended			31-Mar-17 (Audited)
	31-Dec-17	31-Dec-16	Change %	31-Dec-17	31-Dec-16	Change %	
Revenue	25,698	15,436	66	67,670	153,697	(56)	169,971
Cost of Sales	-	-	-	-	-	-	-
<b>Gross Profit</b>	<b>25,698</b>	<b>15,436</b>	<b>66</b>	<b>67,670</b>	<b>153,697</b>	<b>(56)</b>	<b>169,971</b>
Administrative Expenses	(6,592)	(2,845)	132	(16,614)	(11,030)	51	(15,268)
<b>Profit Before Finance Cost</b>	<b>19,106</b>	<b>12,591</b>	<b>52</b>	<b>51,056</b>	<b>142,667</b>	<b>(64)</b>	<b>154,703</b>
Finance Costs	(7,918)	(11,442)	(31)	(30,907)	(34,329)	(10)	(42,922)
<b>Net Finance Costs</b>	<b>(7,918)</b>	<b>(11,442)</b>	<b>(31)</b>	<b>(30,907)</b>	<b>(34,329)</b>	<b>(10)</b>	<b>(42,922)</b>
<b>Profit/(Loss) Before Taxation</b>	<b>11,188</b>	<b>1,149</b>	<b>874</b>	<b>20,149</b>	<b>108,338</b>	<b>(81)</b>	<b>111,781</b>
Income Tax Reversal /(Expenses)	(6,024)	-	-	(9,269)	(1,184)	683	(29,618)
<b>Profit/(Loss) After Taxation</b>	<b>5,164</b>	<b>1,149</b>	<b>349</b>	<b>10,880</b>	<b>107,154</b>	<b>(90)</b>	<b>82,163</b>
<b>Total Other Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Expenses)</b>	<b>5,164</b>	<b>1,149</b>	<b>349</b>	<b>10,880</b>	<b>107,154</b>	<b>(90)</b>	<b>82,163</b>
<b>Earnings/(Loss) per Ordinary Share (Rs.)</b>	<b>0.25</b>	<b>0.05</b>		<b>0.52</b>	<b>5.11</b>		<b>3.91</b>
<b>Dividend per Ordinary Share (Rs.)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>1.00</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-17 (Audited)
	31-Dec-17	31-Dec-16	Change %	31-Dec-17	31-Dec-16	Change %	
In Rs.'000s							
Revenue	8,573,692	5,956,928	44	21,422,708	16,637,495	29	23,083,883
Cost of Sales	(6,440,610)	(4,938,574)	30	(16,772,992)	(13,686,023)	23	(19,089,442)
<b>Gross Profit</b>	<b>2,133,082</b>	<b>1,018,354</b>	<b>109</b>	<b>4,649,716</b>	<b>2,951,472</b>	<b>58</b>	<b>3,994,441</b>
Progressive insurance receipts on business interruption	7,537	1,000,000	100	712,622	1,000,000	-	1,000,000
Other Income	16,060	31,995	(50)	34,262	43,018	(20)	29,721
	<b>2,156,679</b>	<b>2,050,349</b>	<b>5</b>	<b>5,396,600</b>	<b>3,994,490</b>	<b>35</b>	<b>5,024,162</b>
Distribution Expenses	(827,001)	(658,554)	26	(2,031,539)	(1,859,388)	9	(2,735,230)
Administrative Expenses	(314,039)	(299,074)	5	(907,224)	(889,452)	2	(1,334,140)
Other Expenses	(155,249)	(30,691)	406	(354,888)	(119,490)	197	(212,457)
Impairment of intangible assets	-	-	-	-	-	-	(1,673,065)
<b>Profit/(Loss) from Operations</b>	<b>860,390</b>	<b>1,062,030</b>	<b>(19)</b>	<b>2,102,949</b>	<b>1,126,160</b>	<b>87</b>	<b>(930,730)</b>
Reversal of unabsorbed VAT provision	-	339,811	-	-	339,811	-	339,811
Stocks and PPE provided/quantified and written-off to date due to flood related damages	-	(1,154,795)	(100)	-	(1,869,701)	-	(1,349,287)
Progressive insurance receipts on property damage	-	1,016,294	(100)	-	1,366,294	-	1,366,294
<b>Profit/(Loss) Before Finance Cost</b>	<b>860,390</b>	<b>1,263,340</b>	<b>(32)</b>	<b>2,102,949</b>	<b>962,564</b>	<b>118</b>	<b>(573,912)</b>
Finance Income	199,754	100,034	100	633,223	273,879	131	427,493
Finance Costs	(582,780)	(547,146)	7	(1,750,883)	(1,294,993)	35	(1,831,469)
<b>Net Finance Costs</b>	<b>(383,026)</b>	<b>(447,112)</b>	<b>(14)</b>	<b>(1,117,660)</b>	<b>(1,021,114)</b>	<b>9</b>	<b>(1,403,976)</b>
<b>Profit/(Loss) Before Taxation</b>	<b>477,364</b>	<b>816,228</b>	<b>(42)</b>	<b>985,289</b>	<b>(58,550)</b>	<b>(1,783)</b>	<b>(1,977,888)</b>
Income Tax Reversal /(Expenses)	(93,497)	(240,473)	(61)	(277,210)	(610,112)	(55)	417,716
<b>Profit/(Loss) After Taxation</b>	<b>383,867</b>	<b>575,755</b>	<b>(33)</b>	<b>708,079</b>	<b>(668,662)</b>	<b>(206)</b>	<b>(1,560,172)</b>
<b>Other Comprehensive Income</b>							
Items that will never be reclassified to profit or loss							
Remeasurement of employee benefit obligation	-	-	-	-	-	-	25,976
Deferred tax adjustment	-	-	-	-	-	-	(10,390)
<b>Total Other Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,586</b>
<b>Total Comprehensive Income/(Expenses)</b>	<b>383,867</b>	<b>575,755</b>	<b>(33)</b>	<b>708,079</b>	<b>(668,662)</b>	<b>(206)</b>	<b>(1,544,586)</b>
<b>Profit Attributable to</b>							
- Equity Holders of the Company	186,887	314,914	(41)	316,931	(365,880)	(187)	(869,075)
- Minority Shareholders	196,980	260,841	(24)	391,148	(302,782)	(229)	(691,097)
<b>Profit/(Loss) Available for Appropriation</b>	<b>383,867</b>	<b>575,755</b>	<b>(33)</b>	<b>708,079</b>	<b>(668,662)</b>	<b>(206)</b>	<b>(1,560,172)</b>
<b>Total Comprehensive Income Attributable to</b>							
- Equity Holders of the Company	186,887	314,914	(41)	316,931	(365,880)	(187)	(860,932)
- Minority Shareholders	196,980	260,841	(24)	391,148	(302,782)	(229)	(683,654)
<b>Profit/(Loss) Available for Appropriation</b>	<b>383,867</b>	<b>575,755</b>	<b>(33)</b>	<b>708,079</b>	<b>(668,662)</b>	<b>(206)</b>	<b>(1,544,586)</b>
<b>Earnings/(Loss) per Ordinary Share (Rs.)</b>	<b>8.90</b>	<b>15.00</b>		<b>15.10</b>	<b>(17.43)</b>		<b>(41.41)</b>
<b>Dividend per Ordinary Share (Rs.)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>1.00</b>

The above figures are provisional and subject to audit.  
Figures in brackets indicate deductions.

**CASH FLOW STATEMENT**

For the period ended In Rs. '000s	Company			Group		
	31-Dec-17	31-Dec-16	31-Mar-17 (Audited)	31-Dec-17	31-Dec-16	31-Mar-17 (Audited)
<b>Cash Flows From Operating Activities</b>						
Profit/(Loss) before taxation	20,149	108,339	111,781	985,289	(58,550)	(1,977,888)
Adjustments for:						
Finance expenses	30,907	34,329	42,922	1,752,437	1,307,657	1,838,477
Depreciation on property, plant & equipment	432	432	577	813,991	809,279	1,096,268
Amortisation of intangible assets	-	-	-	44,728	44,208	59,122
Net Inventory provisions/(reversals)	-	-	-	181,282	(14,986)	43,059
Provision for retirement benefit obligations	-	-	-	8,959	11,656	22,047
Impairment of property plant & equipment	-	-	-	289	1,065,996	11,736
Impairment of Intangible Assets	-	-	-	-	-	1,673,065
Progressive insurance receipts on property damage	-	-	-	-	-	(1,366,294)
Finance income	-	-	-	(633,223)	(276,465)	(427,493)
(Profit)/Loss on disposal of property, plant & equipment	-	-	-	46,643	43,175	(896)
Loss on PPE written-off	-	-	-	-	-	525,850
Reversal of unabsorbed VAT provision	-	-	-	-	(339,811)	(339,811)
ESC Write Off	-	-	-	-	-	2,666
Unrealised gain on asset held for sale	-	-	-	-	2,224	-
Unrealised exchange loss/(gain) on foreign currency term Loan	-	-	-	(6,304)	(1,225)	6,305
<b>Operating cash flow before working capital changes</b>	<b>51,488</b>	<b>143,100</b>	<b>155,280</b>	<b>3,194,091</b>	<b>2,593,158</b>	<b>1,166,213</b>
Decrease in inventories	-	-	-	786,550	(1,664,583)	98,809
(Increase)/decrease in trade & other receivables	6,259	(3,134)	(4,721)	(262,216)	(3,055,247)	337,962
(Increase)/decrease in amounts due from related companies	(51,989)	(1,491)	212,048	(746,224)	-	(33,076)
Increase/(decrease) in amounts due to related companies	-	-	-	(53,609)	334,571	(49,663)
Increase/(decrease) in tax payables	838	(75)	29	721,226	(233,968)	149,226
Increase/(decrease) in trade & other payables	2,407	155	1,137	531,020	408,826	(119,231)
<b>Cash generated from operations</b>	<b>9,003</b>	<b>138,555</b>	<b>363,773</b>	<b>4,170,838</b>	<b>(1,617,243)</b>	<b>1,550,240</b>
Finance expenses	(30,907)	(34,329)	(44,787)	(1,776,497)	(1,307,657)	(1,779,096)
Tax paid	(19,329)	(12,330)	(36,674)	(23,311)	(122,060)	(122,427)
Economic service charge paid	-	-	-	-	(2,017)	(2,907)
Retirement benefits paid	-	-	-	(15,829)	(9,327)	(27,442)
<b>Net cash generated from operating activities</b>	<b>(41,233)</b>	<b>91,896</b>	<b>282,312</b>	<b>2,355,201</b>	<b>(3,058,304)</b>	<b>(381,632)</b>
<b>Cash Flows from Investing Activities</b>						
Purchase and construction of property, plant & equipment	-	-	-	(857,498)	(1,378,706)	(3,306,634)
Borrowing cost capitalized	-	-	-	(27,614)	(91,946)	(119,225)
Purchase of intangible assets	-	-	-	(2,036)	(2,640)	(7,864)
Proceeds from sale of property, plant & equipment	-	-	-	-	27,492	23,731
Proceeds from sale of assets held for sale	-	-	-	-	-	5,200
Agent deposits received	-	-	-	38,026	823	22,189
Interest received	-	-	-	633,223	273,879	376,585
Investment in subsidiaries	-	(50,000)	(311,880)	-	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(50,000)</b>	<b>(311,880)</b>	<b>(215,899)</b>	<b>(1,171,098)</b>	<b>(3,006,018)</b>
<b>Cash Flows from Financing Activities</b>						
Proceeds from loans & borrowings	-	-	150,000	1,500,000	6,936,717	8,100,000
Repayment of loans & borrowings	(97,200)	(74,629)	(104,600)	(2,619,065)	(1,245,380)	(1,614,935)
Repayment of debentures	-	-	-	(799,400)	(799,400)	(799,400)
Progressive insurance receipts on property damage	-	-	-	-	-	1,366,294
Dividends paid net of tax	(20,988)	(62,957)	(62,977)	(22,188)	(165,944)	(165,964)
<b>Net cash generated from/(used in) financing activities</b>	<b>(118,188)</b>	<b>(137,586)</b>	<b>(17,577)</b>	<b>(1,940,653)</b>	<b>4,725,993</b>	<b>6,885,995</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(159,421)</b>	<b>(95,690)</b>	<b>(47,145)</b>	<b>198,649</b>	<b>496,591</b>	<b>3,498,345</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>(178,398)</b>	<b>(131,253)</b>	<b>(131,253)</b>	<b>5,097,839</b>	<b>1,599,494</b>	<b>1,599,494</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>(337,819)</b>	<b>(226,943)</b>	<b>(178,398)</b>	<b>5,296,488</b>	<b>2,096,085</b>	<b>5,097,839</b>
<b>Analysis of Cash and Cash Equivalents</b>						
Cash and cash equivalents	3,988	79	70	7,426,109	4,243,456	7,645,227
Bank overdraft	(341,807)	(227,022)	(178,468)	(2,129,621)	(2,147,371)	(2,547,388)
	<b>(337,819)</b>	<b>(226,943)</b>	<b>(178,398)</b>	<b>5,296,488</b>	<b>2,096,085</b>	<b>5,097,839</b>

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		
<b>COMPANY</b>							
Balance as at 1st April 2016	533,384	328,914	5,776	938,698	1,806,772	-	1,806,772
<b>Total Comprehensive Income</b>							
Profit for the period	-	-	-	107,154	107,154	-	107,154
<b>Total Comprehensive income for the period</b>	-	-	-	<b>107,154</b>	<b>107,154</b>	-	<b>107,154</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>							
Balance as at 31st December 2016	533,384	328,914	5,776	1,045,852	1,913,926	-	1,913,926
<b>Balance as at 1st April 2016</b>							
Balance as at 1st April 2016	533,384	328,914	5,776	938,698	1,806,772	-	1,806,772
<b>Total Comprehensive Income</b>							
Profit for the period	-	-	-	82,163	82,163	-	82,163
<b>Total Comprehensive income for the period</b>	-	-	-	<b>82,163</b>	<b>82,163</b>	-	<b>82,163</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>							
Dividends	-	-	-	(62,964)	(62,964)	-	(62,964)
Balance as at 31st March 2017	533,384	328,914	5,776	957,897	1,825,971	-	1,825,971
<b>Balance as at 1st April 2017</b>							
Balance as at 1st April 2017	533,384	328,914	5,776	957,897	1,825,971	-	1,825,971
<b>Total Comprehensive Income</b>							
Profit for the period	-	-	-	10,880	10,880	-	10,880
<b>Total Comprehensive income for the period</b>	-	-	-	<b>10,880</b>	<b>10,880</b>	-	<b>10,880</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>							
Dividends	-	-	-	(20,988)	(20,988)	-	(20,988)
Balance as at 31st December 2017	533,384	328,914	5,776	947,789	1,815,863	-	1,815,863
<b>GROUP</b>							
Balance as at 1st April 2016	533,384	999,580	5,776	3,690,596	5,229,336	4,768,089	9,997,425
<b>Total Comprehensive Income</b>							
Loss for the period	-	-	-	(365,880)	(365,880)	(302,782)	(668,662)
<b>Total Comprehensive income for the period</b>	-	-	-	<b>(365,880)</b>	<b>(365,880)</b>	<b>(302,782)</b>	<b>(668,662)</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>							
Dividends	-	-	-	(62,964)	(62,964)	(114,600)	(177,564)
Balance as at 31st December 2016	533,384	999,580	5,776	3,261,752	4,800,492	4,350,707	9,151,199
<b>Balance as at 1st April 2016</b>							
Balance as at 1st April 2016	533,384	999,580	5,776	3,690,596	5,229,336	4,768,089	9,997,425
<b>Total Comprehensive Income</b>							
Loss for the period	-	-	-	(869,075)	(869,075)	(691,097)	(1,560,172)
Other comprehensive income for the period	-	-	-	8,143	8,143	7,443	15,586
<b>Total Comprehensive Income for the period</b>	-	-	-	<b>(860,932)</b>	<b>(860,932)</b>	<b>(683,654)</b>	<b>(1,544,586)</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>							
Dividends	-	-	-	(62,964)	(62,964)	(114,600)	(177,564)
Balance as at 31st March 2017	533,384	999,580	5,776	2,766,700	4,305,440	3,969,835	8,275,275
<b>Balance as at 1st April 2017</b>							
Balance as at 1st April 2017	533,384	999,580	5,776	2,766,700	4,305,440	3,969,835	8,275,275
<b>Total Comprehensive Income</b>							
Profit for the period	-	-	-	316,931	316,931	391,148	708,079
<b>Total Comprehensive Income for the period</b>	-	-	-	<b>316,931</b>	<b>316,931</b>	<b>391,148</b>	<b>708,079</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>							
Dividends	-	-	-	(20,988)	(20,988)	-	(20,988)
Balance as at 31st December 2017	533,384	999,580	5,776	3,062,643	4,601,383	4,360,983	8,962,366

**CEYLON BEVERAGE HOLDINGS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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%	
Vee Waruna (Private) Limited	100%	Disposed on 11/08/2017
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 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 2017 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 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.



**CEYLON BEVERAGE HOLDINGS PLC****NOTES TO THE INTERIM FINANCIAL STATEMENTS****3 INVESTMENT IN SUBSIDIARIES**

Company disposed its share on fully owned subsidiary Vee Waruna (Private) Limited for Rs.10/- on 11/08/2017. The company had no commercial operations.

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

Document credits established for foreign purchases of the Group as at 31st December 2017 amounts to Rs. 213,078,558/- (2016 - Rs. 317,170,852/-)

**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) The Group**

The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the LBCPLC and its directors to recover Excise Duty amounting to Rs. 58,753,582/94 comprising of the disputed Excise Duty of Rs. 29,376,791/47 and its penalty of Rs. 29,376,791/47. The Company and the directors have filed an application for Writ in the Court of Appeal to quash the Certificate Excise Duty in Default issued by the DG of Customs and Excise Duty to recover the said sum and obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case. The Court of Appeal made an order against the Company refusing the writ of certiorari prayed for and the Company has now preferred an appeal against the said order to the Supreme Court. Matter is currently at the stage of arguments and will be coming up for oral submissions/ arguments on 09th May 2018.

(iii) Contingent liabilities of the Group as at 31st December 2017 amounts to Rs. 222,424,553/- (2016-Rs. 23,201,804/-), 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 FLOOD RELATED LOSSES****Financial year 2016/17****Lion Brewery Ceylon PLC**

The company has estimated and written off its Property Plant & Inventory amounting to Rs. 525,850,338/- and Rs. 372,371,176/- respectively. The other operational costs related to flood recovery amounted to Rs. 143,136,076/-. Accordingly, the total loss of Rs. 1,041,357,590/- was recorded in the financial year ended 31st March 2017. Interim claims on insurance have been submitted for the damages caused to the company's inventory and for Business Interruption. Against these interim claims, an amount of Rs. 2,066,448,095/- has been received as on account payments during the financial year ended 31st March 2017. Whilst Rs. 1,000,000,000/- of this has been received against Business Interruption the balance amount of Rs. 1,066,448,095/- has been recorded against Property Plant & Inventory as at 31st March 2017.

**Luxury Brands (Pvt) Ltd**

The company's inventory were damaged due to flooding and a claim was submitted for the damaged value. As of 31st March 2017, the claim has been fully settled.

An amount of Rs. 307 Million had been recognized for the carrying value of damaged inventory including other operational expenses incurred for the flood recovery process.

**Financial year 2017/18****Lion Brewery Ceylon PLC**

During the period ended 31st December 2017 the company has further, received an amount of Rs.705,085,456/- against Business Interruption. In terms of the policy in place for insurance the maximum amount that could be received against business interruption & the damage caused to fixed assets & inventory is Rs. 4,000,000,000/-

**7 OTHER MATTERS**

On 20th September 2016, Ven. Agulugalle Siri Jinananda Thero and 6 others filed a case against the Minister of Finance and 13 other respondents, which includes Lion Brewery (Ceylon) PLC, contesting the extension of the Excise Duty for import of beer to be at the same rate as when manufactured locally, as the Company's brewery was badly affected due to the flood. This extension was granted by the Department of Trade and Investment Policy with the concurrence of the Minister of Finance and was afforded by the Government for companies affected by the flood which occurred during the period 16th to 22nd May 2016.

The case is to be mentioned in the Court of Appeal on the 8th of March 2018.

**CEYLON BEVERAGE HOLDINGS PLC****NOTES TO THE INTERIM FINANCIAL STATEMENTS****8 STATED CAPITAL**

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

**9 SEGMENTAL ANALYSIS**

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

**10 INVESTOR INFORMATION**

Investor Information	Quarter Ended		Nine Months Ended		Year ended
	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
<b>Share Information</b>					
Price as at the end of the period (Rs.)	<b>700.00</b>	650.50	<b>700.00</b>	650.50	<b>650.50</b>
Highest price (Rs.)	<b>747.00</b>	700.00	<b>747.00</b>	799.90	<b>799.90</b>
Lowest price (Rs.)	<b>487.00</b>	564.00	<b>487.00</b>	564.00	<b>564.00</b>
				-	
<b>Trading Statistics</b>				-	
No of Transactions	<b>83</b>	48	<b>293</b>	91	<b>91</b>
No of Shares traded	<b>253,464</b>	4,100	<b>424,734</b>	16,242	<b>16,242</b>
Value of all shares traded (Rs. Mn.)	<b>151.76</b>	2.50	<b>260.66</b>	10.38	<b>10.38</b>

**CEYLON BEVERAGE HOLDINGS PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**11 DIRECTORS' SHAREHOLDINGS**

As at 31st December 2017	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. L. Lehmann	-
Mr. R. H. Meewakkala	-

**12 TWENTY MAJOR SHAREHOLDERS AS AT 31 DECEMBER 2017**

#	Name of Shareholder	No. of Shares	%
1	CARSON CUMBERBATCH PLC A/C NO.02	15,726,912	74.93
2	GF CAPITAL GLOBAL LIMITED	1,908,523	9.09
3	CARLSBERG A/S	1,676,440	7.99
4	BNYMSANV RE-BUTTERFIELD TRUST ( BERMUDA ) LIMITED	800,000	3.81
5	HSBC INTERNATIONAL NOMINEES LTD-SSBT-DEUSTCHE BANK AG SINGAPORE A/C 01	135,000	0.64
6	CARSON CUMBERBATCH PLC A/C NO. 01	91,655	0.44
7	TRANZ DOMINION,L.L.C.	74,911	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	MR. H.A. PIERIS	10,000	0.05
13	MISS M.P. RADHAKRISHNAN	9,633	0.05
14	MISS A. RADHAKRISHNAN	9,633	0.05
15	MR. N.J. GAMADIA	8,786	0.04
16	THE CEYLON DESICCATED COCONUT AND OIL COMPANY PVT LTD	8,276	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

**13 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 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 2017**

Market Capitalization of the Public Holding	Rs.3.61 Billion
Percentage of ordinary shares held by the public	24.60%
Number of Public Shareholders	948

**14 EVENTS AFTER THE REPORTING PERIOD**

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

**15 RELATED PARTY DISCLOSURES**

**15.1 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.

**15.2 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.

**15.3 Other related party transactions**

**15.3.1 Transactions with subsidiary companies**

Messrs.Mr. L. C. R. de C Wijetunge (stepped down from the Board on 20/07/2017), H.Selvanathan, S.K.Shah, D.C.R.Gunawardena, D.A. Cabraal, Mr. L. Lehmann, Mr. R. H. Meewakkala are also Directors of Lion Brewery (Ceylon) PLC, with which the following contracts/ transactions have been entered into during the period by the Company in the normal course of business.

**(a) Lion Brewery (Ceylon) PLC (LBCPLC)**

(i) Was charged Rs. 56,870,408/- (2016 -Rs.39,659,899/-) as royalty in accordance with the licensed brewing agreement with the Company.

(ii) No balance was receivable or payable to the Company at 31st December 2017. (2016 - Nil)

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

(i) Mr. S.K. Shah Director of the Company is also a Director of Pubs 'N Places (Private) Limited, which as at 31st December 2017 balance receivable from Pubs 'N Places (Private) Limited to the Company was Rs. 102,582,564/- (2016 - Rs. 253,448,294/-).

**(c) Retail Spaces (Pvt) Limited**

(i) Mr. S.K. Shah Director of the Company is also a Directors of Retail Spaces (Private) Limited paid a dividend of Rs. 10,800,000/- (2016 - Rs.1,180,558/-) to the Company.

As at 31st December 2017 no balance was receivable or payable to the Company . (2016 - Nil)

**15.3.2 Transactions with group entities**

Messrs. H.Selvanathan, S.K.Shah and K. 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. 854,761/-(2016 -Rs.638,704/-) was charged by Carsons Management Services (Private) Limited to the Company and Group Rs.310,637,200,/(2016-Rs. 272,260,709/-) during the period ,which included supporting services fees of Rs. 32,480,785/-(2016 - Rs. 238,494,052/-) and other reimbursable expenses incurred by Carsons Management Services (Private) Limited on behalf of the Group.

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

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**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. L. Lehmann  
Mr. R. H. Meewakkala

**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)