



CEYLON TEA BROKERS PLC

PB 1280 PQ

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

CEYLON TEA BROKERS PLC
Statement of Comprehensive Income for Period Ended 30th September

	For the Quarter Ended		Variance %	For the Six months Ended		Variance %
	30.09.2016 Rs.	30.09.2015 Rs.		30.09.2016 Rs.	30.09.2015 Rs.	
Revenue	97,199,415	85,577,152	14%	178,640,819	175,201,231	1.96%
Operating Expenses	(16,303,890)	(15,879,156)	3%	(32,122,904)	(30,775,905)	4.38%
Gross Profit	80,895,525	69,697,996	16%	146,517,915	144,425,326	1.45%
Marketing Expenses	(6,223,270)	(7,729,299)	-19%	(13,280,333)	(16,969,442)	-21.74%
Administration Expenses	(42,397,165)	(38,749,444)	9%	(80,466,144)	(78,523,726)	2.47%
Finance Expenses	(19,746,960)	(14,928,347)	32%	(35,802,835)	(31,802,802)	12.58%
Profit Before Taxation	12,528,130	8,290,906	51%	16,968,603	17,129,356	-0.94%
Taxation	(3,262,344)	(2,248,147)	45%	(5,338,856)	(5,440,078)	-1.86%
Profit After Taxation	9,265,786	6,042,759	53%	11,629,747	11,689,278	-0.51%
Other Comprehensive Income/(Loss)	-	-		-	-	
Profit for the Period	9,265,786	6,042,759		11,629,747	11,689,278	
Earnings Per Share	0.08	0.05		0.10	0.10	

figures in brackets indicate deductions.

CEYLON TEA BROKERS PLC
Statement of Financial Position as at 30th September

	30.09.2016 Rs.	30.09.2015 Rs.	31.03.2016 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	27,186,166	20,862,330	30,193,304
Intangible Assets	4,480,816	5,405,682	5,215,632
Loans to Tea Suppliers	215,313,997	53,473,923	43,674,142
Deferred Tax Asset	774,608	911,628	774,608
	<u>247,755,587</u>	<u>80,653,563</u>	<u>79,857,686</u>
Current Assets			
Trade and Other Receivables	530,788,689	724,769,457	647,146,635
Loans to Tea Suppliers	133,008,938	142,156,729	55,253,236
Cash and Cash Equivalents	94,415,891	62,022,293	90,539,496
	<u>758,213,518</u>	<u>928,948,479</u>	<u>792,939,367</u>
Total Assets	<u>1,005,969,105</u>	<u>1,009,602,042</u>	<u>872,797,053</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	128,000,000	128,000,000	128,000,000
Reserves	79,069,016	67,351,313	81,689,269
Share Based Payment	(994,082)	208,219	(994,082)
Total Equity	<u>206,074,934</u>	<u>195,559,532</u>	<u>208,695,187</u>
Non-Current Liabilities			
Interest Bearing Borrowings	365,513	3,277,669	1,415,811
Retirement Benefit Obligation	12,430,138	12,482,733	11,983,168
	<u>12,795,651</u>	<u>15,760,402</u>	<u>13,398,979</u>
Current Liabilities			
Trade and Other Payables	154,133,728	122,516,457	157,785,347
Interest Bearing Borrowings	231,982,584	250,813,092	101,861,858
Amount due to Related Party	-	-	3,013
Tax Payable	4,313,453	1,815,592	1,176,038
Bank Overdrafts	396,668,754	423,136,966	389,876,631
	<u>787,098,519</u>	<u>798,282,108</u>	<u>650,702,887</u>
Total Liabilities	<u>799,894,170</u>	<u>814,042,510</u>	<u>664,101,866</u>
Total Equity and Liabilities	<u>1,005,969,105</u>	<u>1,009,602,042</u>	<u>872,797,053</u>
Net Asset Value Per Share	1.81	1.72	1.83

I certify that the above financial statements have been prepared in compliance with the requirements of Companies Act No 7 of 2007.

.....sgd.....
Manager Finance

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

Signed for and on behalf of the board by:

.....sgd.....
Director

.....sgd.....
Director

10th November 2016
Colombo

CEYLON TEA BROKERS PLC
Statement of Changes in Equity
For the Period Ended 30th September 2016

	Stated Capital Rs.	Retained Earnings Rs.	Share Based Payment Transaction Rs.	Total Rs.
Balance as at 01.04.2015	128,000,000	84,162,035	208,219	212,370,254
Profit for the period ended 30.09.2015	-	11,689,278	-	11,689,278
Other Comprehensive Income	-	-	-	-
Dividend Paid	-	(28,500,000)	-	(28,500,000)
Balance as at 30.09.2015	<u>128,000,000</u>	<u>67,351,313</u>	<u>208,219</u>	<u>195,559,532</u>
Balance as at 01.04.2016	128,000,000	81,689,269	(994,082)	208,695,187
Profit for the period ended 30.09.2016	-	11,629,747	-	11,629,747
Other Comprehensive Income	-	-	-	-
Dividend Paid	-	(14,250,000)	-	(14,250,000)
Balance as at 30.09.2016	<u>128,000,000</u>	<u>79,069,016</u>	<u>(994,082)</u>	<u>206,074,934</u>

figures in brackets indicate deductions.

CEYLON TEA BROKERS PLC
Statement of Cash Flows
For the Period Ended 30th September 2016

	30.09.2016	30.09.2015
	Rs.	Rs.
<u>Cash Flow From Operating Activities</u>		
Profit Before Taxation	16,968,603	17,129,356
<i>Adjustments for ;</i>		
Depreciation/Amortisation	5,002,010	4,114,615
Interest Income	(58,990,338)	(58,509,851)
Interest Expense	35,712,389	29,363,203
Provision for Retirement Benefit Obligation	1,420,470	1,420,470
Provision for Bad and Doubtful Debt	5,500,000	7,200,000
Proceeds from sale of Assets	(12,000)	-
Share Based Payment	-	-
	5,601,134	717,793
Cash Generated from/(Used In) Operating Activities Before Working Capital Changes		
<u>Increase/Decrease in Working Capital</u>		
Increase in Trade and Other Receivables	116,357,946	200,215,944
Loans (Disbursements)/Recoveries From (To) Tea Suppliers	(254,895,557)	(44,013,985)
Increase in Trade and Other Payables	(3,651,619)	(182,775,866)
Cash Generated from/(Used In) Operating Activities	(136,588,096)	(25,856,114)
Tax Paid	(2,201,445)	(10,056,697)
Gratuity Paid	(973,500)	(545,500)
Net Generated from/(Used In) Operating Activities	(139,763,041)	(36,458,311)
<u>Cash Flow From Investing Activities</u>		
Interest Received	58,990,338	58,509,851
Proceeds from sale of Assets	12,000	-
Acquisition of Intangible Assets	(540,191)	-
Purchase of Property, Plant & Equipment	(719,865)	(8,868,188)
	57,742,282	49,641,663
<u>Cash Flow From Financing Activities</u>		
Interest Paid	(35,712,389)	(29,363,203)
Loan obtained/(repaid) from/to Related Party	(3,013)	-
Dividend Paid	(14,250,000)	(28,500,000)
<u>Movement in Interest Bearing Borrowings</u>	-	-
Loan repayment made during the period	(260,929,567)	(140,734,537)
Loan obtained during the period	390,000,000	75,000,000
Net Proceeds Received/(Paid) for commercial papers issued	-	(100,000,000)
	79,105,031	(223,597,740)
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,915,728)	(210,414,388)
Cash and Cash Equivalents at the Beginning of the Period	(299,337,135)	(150,700,285)
Cash and Cash Equivalents at the End of the Period	(302,252,863)	(361,114,673)

figures in brackets indicate deductions.

Notes to the Financial Statements:

1. Figures for the year ended and as at 30th September 2016 are unaudited.
2. The Company is required to prepare Interim Financial Statements in accordance with LKAS 34 – Interim Financial Reporting.

Following are the areas where the significant accounting policies have an impact on the financial statements compared to SLAS existed immediately prior to 1st January 2012.

-The same accounting policies and methods of computation are followed in the interim financial statements as compared with audited annual financial statements as at 31st March 2016.

-Impairment of Loans & Advances granted have been assessed based on individually significant customers where there is an objective evidence of Impairment.

-Staff loans granted have been recognised at fair value at the time of granting and resultant adjustments were accounted as prepaid staff cost and amortised over the tenure of the loan on a straight line basis. Interest income was recognised using effective interest rate method.

-Loans granted to customers were recognised at fair value plus directly attributable transaction costs and fee income, initially. Subsequent measurement of loans were recognised at amortised cost using effective interest rate.

-Storage & Storage Related Income were recognised on accrual basis for the period of service provided by the company instead of the date of auction.

3. The nature of related party transactions in the current period is similar to those reported in the Audited Financial Statements – 2015/2016.
4. There were no significant events that occurred subsequent to the end of the interim period which require disclosure or adjustments in the interim financial statements.
5. There were no contingent liabilities identified in the foreseeable future which require disclosure in the financial statements.
6. To facilitate comparison and where relevant, balances pertaining to the previous period have been reclassified.
7. Market prices recorded during the year ended 30th September 2016.

2016/17 -2nd Quarter

Highest	Rs. 4.20	Date:	28.07.2016
Lowest	Rs. 3.60	Date:	01.08.2016
Closing	Rs. 3.80		

Notes to the Financial Statements (Continued):

8. Directors' holding in shares as at 30th September 2016

Director's Name	Shareholding (No. of Shares)	%
Mr. C P R Perera (Chairman)	1,928,800	1.692%
Mr. W A T Fernando (Managing Director)	2,000,210	1.755%
Mr. K H S Deshapriya (Executive Director)	260,000	0.228%
Mr. M J C S Perera (Director/Chief Executive Officer)	56,795	0.050%
Mr. B R L Fernando	7,900	0.007%
Mr. W De Silva (Director/Chief Operating Office)	-	0.000%
Ms. N T M S Cooray	-	0.000%
Ms. H M S Perera	100	0.000%
Mr. Dhayan H Madawala	-	0.000%

9. 20 major shareholders as at 30th September 2016.

Shareholder's Name	As at 30th September 2016	
	No. of Shares	%
SEYLAN BANK PLC/CAPITAL ALLIANCE HOLDINGS LIMITED	92,747,000	81.357%
COLOMBO TRUST FINANCE PLC/ K. E. H. DE ALWIS	6,072,244	5.327%
ASSOCIATED ELECTRICAL CORPORATION LTD	2,830,166	2.483%
MR.W. A. T. FERNANDO	2,000,210	1.755%
MR.C. P. R. PERERA	1,928,800	1.692%
PAN ASIA BANKING CORPORATION PLC/MR.A.W.L.R SILVA & MRS. P. M. ABAYASEKARA	1,000,000	0.877%
MR D A EDUSSURIYA	320,000	0.281%
MR. K. H. S. DESHAPRIYA	260,000	0.228%
SINDBAD (PRIVATE) LIMITED	222,210	0.195%
MR E M R EGODAWATTE	215,973	0.189%
MR N A WITHANA	208,000	0.182%
MERCHANT BANK OF SRI LANKA LTD A/C NO 1	193,155	0.169%
MR. R. P. K. N. DE SILVA	178,436	0.157%
MR Y L NANDASENA	167,027	0.147%
MISS C S WANIGASEKARA	156,000	0.137%
MR P G PIYASIRI	148,328	0.130%
MR P G W SIRISENA	125,000	0.110%
MR M DAYANANDA	125,000	0.110%
MR E J A G FERNANDO	124,500	0.109%
PAN ASIA BANKING CORPORATION PLC/MR. RAVINDRA ERLE RAMBUKWELLE	115,000	0.101%
	109,137,049	95.734%
Others	4,862,951	4.266%
	<u>114,000,000</u>	<u>100.000%</u>

10. Percentage of public holding as at 30th September 2016 was 14.89% comprising of 1,571 shareholders.