



CEYLON TEA BROKERS PLC

PB 1280 PQ

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2020

CEYLON TEA BROKERS PLC
Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 30th June

	GROUP			COMPANY		
	For the Quarter Ended		Variance %	For the Quarter Ended		Variance %
	30.06.2020 Rs.	30.06.2019 Rs.		30.06.2020 Rs.	30.06.2019 Rs.	
Revenue	159,660,583	183,328,440	-13%	126,756,377	161,731,845	-22%
Operating Expenses	(36,563,765)	(28,236,509)	29%	(3,848,726)	(4,557,779)	-16%
Gross Profit	123,096,818	155,091,931	-21%	122,907,651	157,174,066	-22%
Marketing Expenses	(12,790,406)	(10,408,035)	23%	(12,330,660)	(10,252,138)	20%
Administration Expenses	(58,702,464)	(52,634,580)	12%	(49,077,415)	(51,452,224)	-5%
Net Finance Expenses	(43,080,038)	(57,409,874)	-25%	(27,075,838)	(57,040,686)	-53%
Profit Before Taxation	8,523,910	34,639,442	-75%	34,423,738	38,429,018	-10%
Taxation	(10,420,442)	(12,297,286)	-15%	(10,420,442)	(12,297,286)	-15%
Profit / (Loss) After Taxation	(1,896,532)	22,342,156	-108%	24,003,296	26,131,732	-8%
Other Comprehensive Income/(Loss)	-	-		-	-	
Profit / (Loss) for the Period	(1,896,532)	22,342,156	-108%	24,003,296	26,131,732	-8%
Earnings / (Loss) Per Share	(0.01)	0.12		0.13	0.14	

figures in brackets indicate deductions.

CEYLON TEA BROKERS PLC
Statement of Financial Position

As at	<u>GROUP</u>		<u>COMPANY</u>	
	<u>Unaudited</u> 30.06.2020 Rs.	<u>Unaudited</u> 31.03.2020 Rs.	<u>Unaudited</u> 30.06.2020 Rs.	<u>Unaudited</u> 31.03.2020 Rs.
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	884,866,628	718,468,372	15,477,136	16,007,942
Right of Use Assets	76,864,667	262,058,691	49,505,969	53,631,466
Intangible Assets	48,197,763	48,733,220	4,664,408	5,199,865
Deferred Tax Asset	13,365,538	13,365,539	13,365,538	13,365,539
Loans & Advances to Tea Suppliers	41,954,691	55,568,950	41,954,691	55,568,950
Work In Progress	2,831,450	-	-	-
	<u>1,068,080,737</u>	<u>1,098,194,772</u>	<u>124,967,742</u>	<u>143,773,762</u>
Investment in Logicare (Pvt) Ltd	-	-	433,000,000	433,000,000
Current Assets				
Trade and Other Receivables	620,885,725	105,194,984	580,604,483	62,263,627
Loans & Advances to Tea Suppliers	720,660,298	975,639,911	720,660,298	975,639,911
Receivable from Related Party	-	-	64,510,526	-
Cash and Cash Equivalents	256,294,372	49,313,046	253,505,986	49,138,185
	<u>1,597,840,394</u>	<u>1,130,147,941</u>	<u>1,619,281,293</u>	<u>1,087,041,723</u>
Total Assets	<u>2,665,921,131</u>	<u>2,228,342,713</u>	<u>2,177,249,035</u>	<u>1,663,815,485</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	333,200,000	333,200,000	333,200,000	333,200,000
Reserves	114,352,057	116,248,589	232,787,526	208,784,230
Total Equity	<u>447,552,057</u>	<u>449,448,589</u>	<u>565,987,526</u>	<u>541,984,230</u>
Non-Current Liabilities				
Interest Bearing Borrowings	837,888,893	896,222,223	288,888,893	347,222,223
Lease Payable	59,301,892	52,297,813	41,793,158	42,156,257
Retirement Benefit Obligation	20,801,347	18,701,349	17,790,435	16,290,437
	<u>917,992,132</u>	<u>967,221,385</u>	<u>348,472,486</u>	<u>405,668,917</u>
Current Liabilities				
Trade and Other Payables	631,370,407	65,291,609	602,836,232	20,928,449
Interest Bearing Borrowings	633,333,334	676,806,672	633,333,334	672,278,030
Lease Payable	21,253,699	37,909,851	12,665,223	16,168,645
Amount due to Related Party	-	-	-	2,321,567
Tax Payable	13,079,068	1,042,384	13,079,068	1,042,384
Bank Overdrafts	1,340,433	30,622,226	875,165	3,423,263
	<u>1,300,376,941</u>	<u>811,672,742</u>	<u>1,262,789,022</u>	<u>716,162,338</u>
Total Liabilities	<u>2,218,369,073</u>	<u>1,778,894,124</u>	<u>1,611,261,508</u>	<u>1,121,831,255</u>
Total Equity and Liabilities	<u>2,665,921,131</u>	<u>2,228,342,713</u>	<u>2,177,249,035</u>	<u>1,663,815,485</u>
Net Asset Value Per Share	2.45	2.46	3.10	2.97

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

.....sgd.....
Financial Controller

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

24th July 2020
Colombo

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

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
<u>GROUP</u>			
Balance as at 01.04.2019	333,200,000	240,869,815	574,069,815
Profit for the period ended 30.06.2019	-	22,342,156	22,342,156
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 30.06.2019	<u>333,200,000</u>	<u>199,371,971</u>	<u>532,571,971</u>
Balance as at 01.04.2020	333,200,000	116,248,589	449,448,589
Profit for the period ended 30.06.2020	-	(1,896,532)	(1,896,532)
Balance as at 30.06.2020	<u>333,200,000</u>	<u>114,352,057</u>	<u>447,552,057</u>
<u>COMPANY</u>			
Balance as at 01.04.2019	333,200,000	249,357,144	582,557,144
Profit for the period ended 30.06.2019	-	26,131,732	26,131,732
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 30.06.2019	<u>333,200,000</u>	<u>211,648,876</u>	<u>544,848,876</u>
Balance as at 01.04.2020	333,200,000	208,784,230	541,984,230
Profit for the period ended 30.06.2020	-	24,003,296	24,003,296
Balance as at 30.06.2020	<u>333,200,000</u>	<u>232,787,526</u>	<u>565,987,526</u>

figures in brackets indicate deductions.

CEYLON TEA BROKERS PLC

Statement of Cash Flows

For the Period Ended 30th June

	GROUP		COMPANY	
	30.06.2020 Rs.	30.06.2019 Rs.	30.06.2020 Rs.	30.06.2019 Rs.
<u>Cash Flow From Operating Activities</u>				
Profit Before Taxation	8,523,910	34,639,442	34,423,738	38,429,018
<i>Adjustments for ;</i>				
Depreciation/Amortisation	20,616,435	3,522,580	6,255,741	2,275,273
Interest Income	(240,710)	(639,537)	(224,048)	(631,884)
Interest Expense	43,304,086	57,784,129	27,299,886	57,672,570
Provision for Retirement Benefit Obligation	2,100,000	1,950,000	1,500,000	1,950,000
Provision for Bad and Doubtful Debt	10,500,000	8,000,000	10,500,000	8,000,000
Cash Generated from/(Used In)Operating Activities Before Working Capital Changes	84,803,721	105,256,614	79,755,317	107,694,977
<u>Increase/Decrease in Working Capital</u>				
(Increase)/ Decrease in Trade and Other Receivables	(515,690,741)	292,925,759	(518,340,856)	333,463,286
Loans & Advances (Disbursements)/Recoveries From (To) Tea Suppliers	258,093,872	(5,941,812)	258,093,872	(5,941,812)
Increase/(Decrease) in Trade and Other Payables	567,695,046	13,410,123	583,524,025	11,410,415
(Increase)/Decrease in Related Party Receivable	-	-	(66,832,093)	(113,994,515)
Cash Generated from/(Used In) Operating Activities	394,901,898	405,650,684	336,200,265	332,632,351
Tax Paid	-	(20,898,053)	-	(20,898,053)
Gratuity Paid	-	(4,151,400)	-	(4,151,400)
Net Generated from/(Used In) Operating Activities	394,901,898	380,601,231	336,200,265	307,582,898
<u>Cash Flow From Investing Activities</u>				
Interest Received	240,710	639,537	224,048	631,884
Acquisition of Intangible Assets	-	(1,378,835)	-	(1,344,622)
Decrease/(Increase) in Work In Progress	(2,831,450)	-	-	-
Purchase of Property, Plant & Equipment	(1,285,209)	(80,084,396)	(1,063,981)	(1,052,739)
Net Generated from/(Used In) Investing Activities	(3,875,949)	(80,823,694)	(839,932)	(1,765,477)
<u>Cash Flow From Financing Activities</u>				
Interest Paid	(43,304,086)	(74,113,501)	(27,299,886)	(57,672,570)
Lease Payments	(9,652,073)	-	(3,866,521)	-
Commercial Papers issued	-	678,000,000	-	678,000,000
Dividend Paid	-	(63,840,000)	-	(63,840,000)
<u>Movement in Interest Bearing Borrowings</u>				
Loan repayment made during the period	(706,806,671)	(1,092,246,439)	(702,278,029)	(1,092,246,439)
Loan obtained during the period	605,000,000	1,165,063,222	605,000,000	930,000,000
Net Generated from/(Used In) Financing Activities	(154,762,830)	612,863,282	(128,444,435)	394,240,991
Net Increase in Cash and Cash Equivalents	236,263,119	912,640,819	206,915,897	700,058,412
Cash and Cash Equivalents at the Beginning of the Period	18,690,820	(683,681,368)	45,714,922	(505,336,995)
Cash and Cash Equivalents at the End of the Period	254,953,938	228,959,451	252,630,818	194,721,417

figures in brackets indicate deductions.

Notes to the Financial Statements:

1. Figures for the year ended and as at 30th June 2020 are unaudited.
2. The Company is required to prepare Interim Financial Statements in accordance with LKAS 34 – Interim Financial Reporting issued by the Institute of Chartered Accountants of Sri Lanka.

3. **Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements unless otherwise stated.

Changes in Significant Accounting Policies

SLFRS 16 Leases

The Group and the Company adopted SLFRS 16, 'Leases', with effect from 1 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 1 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 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 2019 except SLFRS 8 (Operating Segments) and SLFRS 16 (Leases).

-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 group instead of the date of auction.

4. The nature of related party transactions in the current period is similar to those reported in the Audited Financial Statements – 2018/2019.
5. 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.
6. There were no contingent liabilities identified in the foreseeable future which require disclosure in the financial statements.
7. To facilitate comparison and where relevant, balances pertaining to the previous period have been reclassified.
8. Ceylon Tea Brokers Group consists of Logicare (Pvt) Ltd which is a fully owned subsidiary of Ceylon Tea Brokers PLC. Logicare (Pvt) Ltd has commenced its commercial operations during the Quarter ended 30th June 2019. Logicare (Pvt) Ltd has entered into a 39 year lease agreement commencing 29/07/2016 with the Sri Lanka Land Reclamation and Development Corporation to lease a land in Muthurajawela.

Notes to the Financial Statements (Continued):

9. **SEGMENTAL INFORMATION**

As at 30th June 2020

The group has the following two strategic business segments, which are its reportable segments. These two segments offer different services to the customers and separate financial information are available. These two segments are managed separately because they require different technology and marketing strategy.

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance. The management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Segments		Total 2020/21
	Tea Broking 2020/21	Warehousing 2020/21	
Segment Revenue			
External Sales	126,756,377	32,904,206	159,660,583
Total Segment Revenue	<u>126,756,377</u>	<u>32,904,206</u>	<u>159,660,583</u>
Segment Profit/ (Loss) Before Tax	34,423,738	(25,899,828)	8,523,910
Depreciation and Amortization	6,255,741	14,360,694	20,616,435
Finance Income	224,048	16,663	240,711
Finance Cost	27,299,886	16,004,200	43,304,086
Impairment/Write off on Financial Assets	10,500,000	-	10,500,000
Segmental Assets	1,679,738,508	942,649,267	2,622,387,774
Unallocated Assets			43,533,355
Total Segmental Asset			<u>2,665,921,129</u>
Segmental Liabilities	1,611,261,508	607,107,566	2,218,369,075

9. Market prices recorded during the period ended 30th June 2020

2020/21 -1st Quarter

Highest	Rs. 3.40	Date:	22.06.2020
Lowest	Rs. 2.10	Date:	12.05.2020
Closing	Rs. 3.10		

10. The float adjusted market capitalization as at 30th June 2020 - Rs. 86,136,652.70

11. Percentage of public holding as at 30th June 2020 was 15.23% comprising 2,215 shareholders.

12. The float adjusted market capitalization of the company falls under option 2 of Rule 7.13.1 (b) of the Listing rules of the Colombo Stock Exchange and the company has complied with the minimum public holding requirement applicable under the said option.

13. Directors' holding in shares as at 30th June 2020

Director's Name	Shareholding (No. of Shares)	%
Mr. C P R Perera (Chairman)	3,500,000	1.919%
Mr. W A T Fernando (Managing Director)	48,837,837	26.775%
Mr. K H S Deshapriya (Director/Chief Operating Officer)	416,000	0.228%
Mr. B R L Fernando	22,640	0.012%
Mr. D.G.W De Silva (Director/Chief Executive Officer)	-	-
Ms. N T M S Cooray	10,908,751	5.981%
Ms. H M S Perera	1,390,492	0.762%
Mr. Dhayan H Madawala	3,425	0.002%
Mr. R J N De Mel (Deputy Chairman)	11,000	0.005%
Mr. Z Mohamed	-	-
Mr. K A D Fernando	-	-
Mr. H T D Nonis	10,000	0.005%

Notes to the Financial Statements (Continued):

14. 20 major shareholders as at 30th June 2020

Shareholder's Name	As at 30th June 2020	
	No. of Shares	%
ASHTHI HOLDINGS (PRIVATE) LIMITED	55,434,267	30.392%
MR.W A T FERNANDO	48,837,837	26.775%
JETWING TRAVELS (PVT) LTD	34,080,571	18.685%
MISS N T M S COORAY	10,908,751	5.981%
ASSOCIATED ELECTRICAL CORPORATION LTD	5,390,834	2.956%
MR C P R PERERA & MRS D.PERERA	3,500,000	1.919%
PEOPLE'S LEASING & FINANCE PLC/MR. K.K.SHUJEEVAN	2,818,624	1.545%
MR A S RATNAYAKE	1,944,924	1.066%
MS H M S PERERA	1,390,492	0.762%
MR A D EDUSSURIYA	500,000	0.274%
MR K B R R KARIYAWASAM	495,210	0.271%
MR Y.L.NANDASENA	479,131	0.263%
MR K H S DESHAPRIYA	416,000	0.228%
MR V SIVAKUMAR	366,948	0.201%
SINDBAD (PRIVATE) LIMITED	355,536	0.195%
MR R E RAMBUKWELLA	338,000	0.185%
MR C R NARANGODA	303,000	0.166%
MR. K.K.SHUJEEVAN	296,550	0.163%
MR W S A R FERNANDO	290,000	0.159%
MR M H A KAMIL	284,000	0.156%
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	168,430,675	92.341%
Others	13,969,325	7.659%
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	182,400,000	100.000%