



CEYLON TEA BROKERS PLC

PB 1280 PQ

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2020

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

	GROUP						COMPANY					
	For the Quarter Ended		Variance %	For the Six months ended		Variance %	For the Quarter Ended		Variance %	For the Six months ended		Variance %
	30.09.2020 Rs.	30.09.2019 Rs.		30.09.2020 Rs.	30.09.2019 Rs.		30.09.2020 Rs.	30.09.2019 Rs.		30.09.2020 Rs.	30.09.2019 Rs.	
Revenue	164,906,562	179,719,373	-8%	323,809,633	363,047,812	-10.81%	125,025,239	151,096,850	-17%	251,024,105	312,828,695	-19.76%
Operating Expenses	(42,736,510)	(32,745,174)	31%	(79,353,451)	(55,349,314)	43.37%	(5,322,862)	(5,271,952)	1%	(9,171,589)	(9,829,731)	-6.70%
Gross Profit	122,170,051	146,974,199	-17%	244,456,183	307,698,498	-20.55%	119,702,377	145,824,898	-18%	241,852,517	302,998,964	-20.18%
Marketing Expenses	(14,219,516)	(12,503,949)	14%	(27,030,414)	(22,911,984)	17.98%	(13,156,223)	(12,297,487)	7%	(25,486,883)	(22,549,625)	13.03%
Administration Expenses	(63,454,071)	(56,304,696)	13%	(122,630,776)	(114,574,874)	7.03%	(51,813,069)	(50,468,400)	3%	(100,890,484)	(101,920,624)	-1.01%
Finance Expenses	(34,804,030)	(61,872,274)	-44%	(77,126,557)	(119,282,149)	-35.34%	(20,301,563)	(47,025,146)	-57%	(46,619,890)	(104,065,832)	-55.20%
Profit Before Taxation	9,692,434	16,293,280	-41%	17,668,435	50,929,491	-65.31%	34,431,521	36,033,865	-4%	68,855,259	74,462,883	-7.53%
Taxation	(10,329,457)	(12,722,544)	-19%	(20,749,899)	(25,019,830)	-17.07%	(10,329,457)	(12,722,544)	-19%	(20,749,899)	(25,019,830)	-17.07%
Profit After Taxation	(637,023)	3,570,736	-118%	(3,081,464)	25,909,661	-111.89%	24,102,064	23,311,321	3%	48,105,360	49,443,053	-2.71%
Other Comprehensive Income/(Loss)	-	-		-	-		-	-		-	-	
Profit for the Period	(637,023)	3,570,736	-118%	(3,081,464)	25,909,661	-111.89%	24,102,064	23,311,321	3%	48,105,360	49,443,053	-2.71%
Basic Earnings Per Share	(0.00)	0.02		(0.02)	0.27		0.13	0.13		0.26	0.27	

figures in brackets indicate deductions.

CEYLON TEA BROKERS PLC
Statement of Financial Position

As at	<u>GROUP</u>		<u>COMPANY</u>	
	<u>Unaudited</u> 30.09.2020 Rs.	<u>Audited</u> 31.03.2020 Rs.	<u>Unaudited</u> 30.09.2020 Rs.	<u>Audited</u> 31.03.2020 Rs.
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	706,193,261	718,468,373	14,518,773	16,007,944
Right of Use Asset	239,883,961	262,058,691	45,380,471	53,631,466
Intangible Assets	47,692,479	48,733,220	4,159,124	5,199,865
Work In Progress	19,683,273	-	-	-
Loans to Tea Suppliers	30,752,528	55,568,950	30,752,528	55,568,950
Refundable Deposit on Lease Permisses	3,824,234	3,629,801	3,824,234	3,629,801
Deferred Tax Asset	13,365,538	13,365,538	13,365,538	13,365,538
	<u>1,061,395,274</u>	<u>1,101,824,573</u>	<u>112,000,668</u>	<u>147,403,564</u>
Investment in Logicare (Pvt) Ltd	-	-	433,000,000	433,000,000
Current Assets				
Trade and Other Receivables	539,228,422	101,565,183	484,395,671	58,633,826
Loans & Advances to Tea Suppliers	677,763,822	975,639,911	677,763,822	975,639,911
Receivable from Related Party	-	-	74,932,708	-
Cash and Cash Equivalents	268,579,606	49,313,045	267,626,428	49,138,185
	<u>1,485,571,850</u>	<u>1,126,518,139</u>	<u>1,504,718,629</u>	<u>1,083,411,922</u>
Total Assets	<u>2,546,967,124</u>	<u>2,228,342,712</u>	<u>2,049,719,296</u>	<u>1,663,815,486</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	333,200,000	333,200,000	333,200,000	333,200,000
Retained Earnings	98,575,125	116,248,589	242,297,590	208,784,229
Total Equity	<u>431,775,125</u>	<u>449,448,589</u>	<u>575,497,590</u>	<u>541,984,229</u>
Non-Current Liabilities				
Interest Bearing Borrowings	779,555,561	896,222,223	230,555,561	347,222,223
Lease Payables	36,826,354	52,297,813	31,295,447	42,156,257
Retirement Benefit Obligation	21,549,072	18,701,349	18,661,660	16,290,437
	<u>837,930,987</u>	<u>967,221,385</u>	<u>280,512,668</u>	<u>405,668,917</u>
Current Liabilities				
Trade and Other Payables	369,724,963	65,291,608	347,439,546	20,928,454
Lease Payables	34,319,760	37,909,851	19,181,622	16,168,645
Interest Bearing Borrowings	832,833,338	676,806,672	807,833,338	672,278,030
Amount due to Related Party	-	-	-	2,321,567
Tax Payable	16,621,207	1,042,381	16,621,207	1,042,381
Bank Overdrafts	23,761,746	30,622,226	2,633,325	3,423,263
	<u>1,277,261,014</u>	<u>811,672,738</u>	<u>1,193,709,038</u>	<u>716,162,340</u>
Total Liabilities	<u>2,115,192,001</u>	<u>1,778,894,123</u>	<u>1,474,221,706</u>	<u>1,121,831,257</u>
Total Equity and Liabilities	<u>2,546,967,124</u>	<u>2,228,342,712</u>	<u>2,049,719,296</u>	<u>1,663,815,486</u>
Net Asset Value Per Share	2.37	2.46	3.16	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

12th November 2020
Colombo

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

	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 30.09.2019	-	25,909,661	25,909,661
Other Comprehensive Income	-	-	-
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 30.09.2019	<u>333,200,000</u>	<u>202,939,476</u>	<u>536,139,476</u>
Balance as at 01.04.2020	333,200,000	116,248,589	449,448,589
Profit for the period ended 30.09.2020	-	(3,081,464)	(3,081,464)
Other Comprehensive Income	-	-	-
Dividend Paid	-	(14,592,000)	(14,592,000)
Balance as at 30.09.2020	<u>333,200,000</u>	<u>98,575,125</u>	<u>431,775,125</u>
<u>COMPANY</u>			
Balance as at 01.04.2019	333,200,000	249,357,144	582,557,144
Profit for the period ended 30.09.2019	-	49,443,053	49,443,053
Other Comprehensive Income	-	-	-
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 30.09.2019	<u>333,200,000</u>	<u>234,960,197</u>	<u>568,160,197</u>
Balance as at 01.04.2020	333,200,000	208,784,229	541,984,229
Profit for the period ended 30.09.2020	-	48,105,360	48,105,360
Other Comprehensive Income	-	-	-
Dividend Paid	-	(14,592,000)	(14,592,000)
Balance as at 30.09.2020	<u>333,200,000</u>	<u>242,297,590</u>	<u>575,497,590</u>

figures in brackets indicate deductions.

CEYLON TEA BROKERS PLC
Statement of Cash Flows
For the Period Ended 30th September 2020

	GROUP		COMPANY	
	30.09.2020 Rs.	30.09.2019 Rs.	30.09.2020 Rs.	30.09.2019 Rs.
<u>Cash Flow From Operating Activities</u>				
Profit Before Taxation	17,668,435	50,929,491	68,855,259	74,462,883
<i>Adjustments for :</i>				
Depreciation	19,808,491	8,385,822	4,216,390	4,638,910
Amortization	21,271,771	-	8,250,995	-
Interest Income	(2,409,150)	(1,349,100)	(2,214,717)	(1,349,100)
Interest Expense	79,146,842	120,175,461	48,640,174	105,414,931
Provision for Retirement Benefit Obligation	3,800,000	4,400,000	3,000,000	3,900,000
Provision for Bad and Doubtful Debt	21,000,000	17,000,000	21,000,000	17,000,000
Operating Profit Before Working Capital Changes	160,286,389	199,541,675	151,748,101	204,067,625
<u>Increase/Decrease in Working Capital</u>				
(Increase)/ Decrease in Trade and Other Receivables	(437,663,239)	432,186,119	(425,761,845)	471,326,883
(Increase)/ Decrease in Work In Progress	(19,683,273)	-	-	-
Loans (Disbursements)/Recoveries From (To) Tea Suppliers	301,692,511	(2,952,410)	301,692,511	(2,952,410)
Increase/(Decrease) in Trade and Other Payables	304,433,355	(16,436,776)	326,511,092	(17,717,995)
Increase/(Decrease) in Related Party Receivable	-	-	(77,254,275)	(164,092,921)
Cash Generated from Operating Activities	309,065,744	612,338,608	276,935,584	490,631,182
Tax Paid	(5,171,073)	(33,326,517)	(5,171,073)	(33,326,517)
Gratuity Paid	(952,275)	(4,151,400)	(628,775)	(4,151,400)
Net Generated from Operating Activities	302,942,396	574,860,691	271,135,736	453,153,265
<u>Cash Flow From Investing Activities</u>				
Interest Received	2,214,717	1,349,100	2,020,284	1,349,100
Purchase of Property, Plant & Equipment	(5,589,679)	(170,374,211)	(1,686,478)	(3,599,722)
Net cash flow from (Used in) Investing Activities	(3,374,962)	(169,025,111)	333,806	(2,250,622)
<u>Cash Flow From Financing Activities</u>				
Interest Paid	(79,146,842)	(120,175,461)	(48,640,174)	(105,414,931)
Proceeds from Commercial Papers issued	-	678,000,000	-	678,000,000
Payment of Lease Liabilities	(19,061,550)	-	(7,847,833)	-
Repayment of Commercial Papers Issued	-	(678,000,000)	-	(678,000,000)
Dividend Paid	(14,592,000)	(63,840,000)	(14,592,000)	(63,840,000)
<u>Movement in Interest Bearing Borrowings</u>				
Loan repayment made during the period	(1,995,111,353)	(2,417,502,235)	(1,995,111,353)	(2,417,502,235)
Loan obtained during the period	2,034,471,353	2,486,507,872	2,014,000,000	2,250,000,000
Net cash flow from Financing Activities	(73,440,392)	(115,009,824)	(52,191,360)	(336,757,166)
Net Increase in Cash and Cash Equivalents	226,127,041	290,825,756	219,278,182	114,145,477
Cash and Cash Equivalents at the Beginning of the Period	18,690,819	(683,681,368)	45,714,922	(505,336,995)
Cash and Cash Equivalents at the End of the Period	244,817,860	(392,855,612)	264,993,103	(391,191,518)

figures in brackets indicate deductions.

Notes to the Financial Statements:

1. Figures for the year ended and as at 30th September 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 2020.

-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.

Notes to the Financial Statements:

4. The nature of related party transactions in the current period is similar to those reported in the Audited Financial Statements – 2019/2020.
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.

SEGMENTAL INFORMATION

As at 30th September 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	251,024,105	72,785,528	323,809,633
Total Segment Revenue	<u>251,024,105</u>	<u>72,785,528</u>	<u>323,809,633</u>
Segment Profit/ (Loss) Before Tax	68,855,259	(51,186,824)	17,668,435
Depreciation and Amortization	12,467,385	28,612,877	41,080,262
Finance Income	2,214,717	-	2,214,717
Finance Cost	48,640,174	30,506,668	79,146,842
Impairment/Write off on Financial Assets	-	-	-
Segmental Assets	1,541,786,589	961,647,181	2,503,433,770
Unallocated Assets			43,533,355
Total Segmental Asset			<u>2,546,967,125</u>
Segmental Liabilities	1,474,221,706	640,970,295	2,115,192,001

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

2020/21 -2nd Quarter

Highest	Rs. 4.10	Date:	24.09.2020
Lowest	Rs. 2.80	Date:	14.07.2020
Closing	Rs. 3.70		

10. The float adjusted market capitalization as at 30th September 2020 - Rs. 102,749,062.90
11. Percentage of public holding as at 30th September 2020 was 15.23% comprising 2,283 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 September 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	26,000	0.014%
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 September 2020

Shareholder's Name	As at 30th September 2020	
	No. of Shares	%
1 ASHTHI HOLDINGS (PRIVATE) LIMITED	55,434,267	30.39%
2 MR.W A T FERNANDO	48,837,837	26.78%
3 JETWING TRAVELS (PVT) LTD	34,080,571	18.68%
4 MISS N T M S COORAY	10,908,751	5.98%
5 ASSOCIATED ELECTRICAL CORPORATION LTD	5,390,834	2.96%
6 MR C P R PERERA & MRS D. PERERA	3,500,000	1.92%
7 PEOPLE'S LEASING & FINANCE PLC/MR. K.K.SHUJEEVAN	2,864,083	1.57%
8 MR A S RATNAYAKE	1,397,950	0.77%
9 MS H M S PERERA	1,390,492	0.76%
10 MR S.N.C.W.M.B.C. KANDEGEDARA	600,000	0.33%
11 MR A D EDUSSURIYA	500,000	0.27%
12 MR K.K. SHUJEEVAN	444,840	0.24%
13 MR K H S DESHAPRIYA	416,000	0.23%
14 MR Y.L. NANDASENA	389,137	0.21%
15 SINDBAD (PRIVATE) LIMITED	355,536	0.19%
16 MR W.S.A.R. FERNANDO	340,000	0.19%
17 MR L.A.J.F. MORAIS	313,652	0.17%
18 MERCHANT BANK OF SRI LANKA & FINANCE PLC/S GOBINATH	300,000	0.16%
19 MR M.H.A. KAMIL	284,000	0.16%
20 MR V. SIVAKUMAR	266,948	0.15%
	<u>168,014,898</u>	<u>92.11%</u>
Others	<u>14,385,102</u>	<u>7.89%</u>
	<u><u>182,400,000</u></u>	<u><u>100.000%</u></u>