



**CEYLON TEA BROKERS PLC**

**PB 1280 PQ**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31ST MARCH 2021**

CEYLON TEA BROKERS PLC

Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 31st March

	GROUP						COMPANY					
	For the Quarter Ended		Variance %	For the year ended		Variance %	For the Quarter Ended		Variance %	For the year ended		Variance %
	31.03.2021	31.03.2020		31.03.2021	31.03.2020		31.03.2021	31.03.2020		31.03.2021	31.03.2020	
	Rs.	Rs.		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.	
Revenue	194,744,609	168,574,269	16%	698,257,801	692,627,543	1%	142,415,087	136,848,533	4%	518,980,946	580,642,759	-11%
Operating Expenses	(54,771,798)	(34,905,198)	57%	(195,230,904)	(123,196,158)	58%	(5,687,723)	(4,714,973)	21%	(19,995,117)	(19,888,029)	1%
<b>Gross Profit</b>	139,972,810	133,669,072	5%	503,026,897	569,431,385	-12%	136,727,363	132,133,561	3%	498,985,829	560,754,730	-11%
Marketing Expenses	5,145,103	(45,154,019)	-111%	(38,922,082)	(135,358,435)	-71%	6,681,304	(43,925,533)	-115%	(33,710,556)	(133,307,569)	-75%
Administration Expenses	(92,041,954)	(61,494,439)	50%	(283,883,886)	(241,843,293)	17%	(74,972,214)	(52,622,691)	42%	(236,204,539)	(209,164,381)	13%
Finance Expenses	(24,711,857)	(57,819,538)	-57%	(133,509,224)	(231,218,466)	-42%	(12,220,636)	(38,053,296)	-68%	(76,888,883)	(180,793,469)	-57%
<b>Profit Before Taxation</b>	28,364,103	(30,798,925)	-192%	46,711,705	(38,988,809)	-220%	56,215,818	(2,467,960)	-2378%	152,181,851	37,489,311	306%
Taxation	(10,448,806)	(10,722,059)	-3%	(39,331,938)	(23,508,387)	67%	(10,448,806)	(3,161,919)	230%	(39,331,938)	(15,948,247)	147%
<b>Profit/(Loss) After Taxation</b>	17,915,297	(41,520,984)	-143%	7,379,767	(62,497,196)	-112%	45,767,012	(5,629,879)	-913%	112,849,913	21,541,064	424%
Other Comprehensive Income/(Loss)	(6,034,330)	(832,197)		(6,034,330)	(832,197)		(1,620,899)	(822,144)		(1,620,899)	(822,144)	
<b>Profit/(Loss) for the Period</b>	11,880,967	(42,353,181)	-128%	1,345,437	(63,329,393)	-102%	44,146,113	(6,452,023)	-784%	111,229,014	20,718,920	437%
Basic Earnings / (Loss) Per Share	0.10	(0.23)		0.04	(0.34)		0.25	(0.03)		0.62	0.12	

figures in brackets indicate deductions.

**CEYLON TEA BROKERS PLC**  
**Statement of Financial Position**

As at	<u>GROUP</u>		<u>COMPANY</u>	
	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	Rs.	Rs.	Rs.	Rs.
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment	696,397,471	718,468,372	12,258,900	16,007,944
Right of Use Assets	217,717,669	262,058,691	37,129,477	53,631,466
Intangible Assets	79,976,594	48,733,220	3,216,916	5,199,865
Deferred Tax	13,520,432	13,365,539	13,520,432	13,365,538
Loans & Advances to Tea Suppliers	49,925,879	55,568,950	49,925,879	55,568,950
Refundable Deposit on Lease Premises	4,029,080	3,629,801	4,029,080	3,629,801
	<u>1,061,567,125</u>	<u>1,101,824,573</u>	<u>120,080,684</u>	<u>147,403,565</u>
Investment in Logicare (Pvt) Ltd	-	-	433,000,000	433,000,000
<b>Current Assets</b>				
Trade and Other Receivables	652,207,762	101,565,183	586,543,180	58,633,825
Loans & Advances to Tea Suppliers	764,540,539	975,639,911	764,540,539	975,639,911
Cash and Cash Equivalents	68,891,097	49,313,045	64,011,892	49,138,185
	<u>1,485,639,399</u>	<u>1,126,518,141</u>	<u>1,415,095,611</u>	<u>1,083,411,922</u>
<b>Total Assets</b>	<u>2,547,206,523</u>	<u>2,228,342,713</u>	<u>1,968,176,296</u>	<u>1,663,815,487</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Stated Capital	333,200,000	333,200,000	333,200,000	333,200,000
Reserves	103,144,448	116,248,586	305,563,667	208,784,228
<b>Total Equity</b>	<u>436,344,448</u>	<u>449,448,586</u>	<u>638,763,667</u>	<u>541,984,228</u>
<b>Non-Current Liabilities</b>				
Interest Bearing Borrowings	679,388,895	896,222,223	130,388,895	347,222,223
Lease Payable	28,722,183	52,297,813	23,979,180	42,156,257
Retirement Benefit Obligations	29,675,844	18,701,349	22,068,653	16,290,437
	<u>737,786,921</u>	<u>967,221,386</u>	<u>176,436,728</u>	<u>405,668,919</u>
<b>Current Liabilities</b>				
Trade and Other Payables	502,505,127	65,291,608	454,077,493	20,928,453
Interest Bearing Borrowings	774,848,272	676,806,672	649,848,272	672,278,030
Amount Due to Related Party	-	-	51,272	2,321,567
Lease Payable	23,212,957	37,909,851	18,177,077	16,168,645
Tax Payable	24,586,605	1,042,381	24,586,605	1,042,381
Bank Overdrafts	47,922,190	30,622,226	6,235,176	3,423,263
	<u>1,373,075,151</u>	<u>811,672,739</u>	<u>1,152,975,897</u>	<u>716,162,339</u>
<b>Total Liabilities</b>	<u>2,110,862,073</u>	<u>1,778,894,124</u>	<u>1,329,412,626</u>	<u>1,121,831,259</u>
<b>Total Equity and Liabilities</b>	<u>2,547,206,523</u>	<u>2,228,342,713</u>	<u>1,968,176,296</u>	<u>1,663,815,487</u>
Net Asset Value Per Share	2.39	2.46	3.50	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

28th May 2021  
Colombo

**CEYLON TEA BROKERS PLC**  
**Statement of Changes in Equity**  
**For the Year Ended 31st March**

<b><u>GROUP</u></b>	<b>Stated Capital Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Rs.</b>
Balance as at 01.04.2019	333,200,000	240,869,814	574,069,814
Profit for the period ended 31.03.2020	-	(62,497,196)	(62,497,196)
Other Comprehensive Income	-	(832,197)	(832,197)
Gain on Unpresented Cheques Payable	-	2,548,165	2,548,165
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 31.03.2020	<u>333,200,000</u>	<u>116,248,586</u>	<u>449,448,586</u>
Balance as at 01.04.2020	333,200,000	116,248,586	449,448,586
Profit for the period ended 31.03.2021	-	7,379,767	7,379,767
Other Comprehensive Income	-	(6,034,330)	(6,034,330)
Gain on Unpresented Cheques Payable	-	142,425	142,425
Dividend Paid	-	(14,592,000)	(14,592,000)
Balance as at 31.03.2021	<u>333,200,000</u>	<u>103,144,448</u>	<u>436,344,448</u>
<b><u>COMPANY</u></b>			
Balance as at 01.04.2019	333,200,000	249,357,143	582,557,143
Profit for the period ended 31.03.2020	-	21,541,064	21,541,064
Other Comprehensive Income	-	(822,144)	(822,144)
Gain on Unpresented Cheques Payable	-	2,548,165	2,548,165
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 31.03.2020	<u>333,200,000</u>	<u>208,784,228</u>	<u>541,984,228</u>
Balance as at 01.04.2020	333,200,000	208,784,228	541,984,228
Profit for the period ended 31.03.2021	-	112,849,913	112,849,913
Other Comprehensive Income	-	(1,620,899)	(1,620,899)
Gain on Unpresented Cheques Payable	-	142,425	142,425
Dividend Paid	-	(14,592,000)	(14,592,000)
Balance as at 31.03.2021	<u>333,200,000</u>	<u>305,563,667</u>	<u>638,763,667</u>

*figures in brackets indicate deductions.*

**CEYLON TEA BROKERS PLC**  
**Statement of Cash Flows**  
**For the Period Ended 31st March**

	GROUP		COMPANY	
	31.03.2021 Rs.	31.03.2020 Rs.	31.03.2021 Rs.	31.03.2020 Rs.
<b><u>Cash Flow From Operating Activities</u></b>				
Profit Before Taxation	46,711,705	(38,988,809)	152,181,851	37,489,311
<i>Adjustments for :</i>				
Depreciation/Amortisation	82,624,021	65,958,851	24,778,987	25,591,382
Interest Income	(20,706,809)	(5,538,758)	(20,236,384)	(5,409,958)
Interest Expense	152,988,828	236,757,224	96,725,988	186,203,427
Provision for Retirement Benefit Obligation	5,380,577	4,345,992	4,274,229	3,784,633
Provision / Writtenoff of Bad Debt	21,108,151	119,845,955	20,891,635	119,845,955
Disposal (Profit)/Loss on Property, Plant and Equipment	(38,369)	(100,955)	(38,369)	(100,955)
Operating Profit Before Working Capital Changes	288,068,103	382,279,500	278,577,937	367,403,795
<b><u>Increase/Decrease in Working Capital</u></b>				
(Increase)/ Decrease in Trade and Other Receivables	(550,642,579)	309,390,849	(527,909,354)	339,372,432
Loans & Advances (Disbursements)/Recoveries From (To) Tea Suppliers	195,634,292	512,916,482	195,850,808	512,916,482
Increase/(Decrease) in Trade and Other Payables	437,355,944	(161,252,233)	433,291,465	(203,884,673)
Increase/(Decrease) in Related Party Payable	-	-	(2,270,295)	389,102
Cash Generated from Operating Activities	370,415,760	1,043,334,598	377,540,560	1,016,197,138
Tax Paid	(15,430,746)	(45,873,573)	(15,430,746)	(45,873,573)
Gratuity Paid	(952,275)	(4,248,275)	(628,775)	(4,151,400)
Net Generated from Operating Activities	354,032,739	993,212,750	361,481,039	966,172,165
<b><u>Cash Flow From Investing Activities</u></b>				
Interest /Investment Income Received	20,307,530	4,241,079	19,837,105	4,241,079
Proceeds from sale of Assets	81,500	244,522	81,500	244,522
Refundable Deposit	-	(2,097,450)	-	(2,097,450)
Investment in Logicare (Pvt) Ltd	-	-	-	(200,000,000)
Acquisition of Intangible Assets	(33,249,413)	(4,311,526)	-	(4,311,526)
Acquisition of Right to Use Assets	-	(908,000)	-	-
Addition to Work In Progress	-	(239,073,164)	-	-
Purchase of Property, Plant & Equipment	(14,249,190)	(30,421,883)	(2,588,138)	(2,714,714)
Net cash flow from ( Used in) Investing Activities	(27,109,572)	(272,326,422)	17,330,468	(204,638,089)
<b><u>Cash Flow From Financing Activities</u></b>				
Interest Paid	(152,988,828)	(217,526,040)	(96,725,988)	(157,249,380)
Proceeds from Commercial Papers issued	-	678,000,000	-	678,000,000
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)
Settlement of lease liabilities	(38,272,523)	(47,544,864)	(16,168,645)	(21,281,666)
<b><u>Movement in Interest Bearing Borrowings</u></b>				
Loan repayment made during the period	(5,647,008,490)	(4,868,111,113)	(5,642,479,848)	(4,868,111,113)
Loan obtained during the period	5,528,216,762	5,178,507,877	5,403,216,762	4,900,000,000
Net cash flow from Financing Activities	(324,645,080)	(18,514,140)	(366,749,717)	(210,482,159)
<b>Net Increase in Cash and Cash Equivalents</b>	2,278,088	702,372,188	12,061,791	551,051,917
Cash and Cash Equivalents at the Beginning of the Period	18,690,820	(683,681,368)	45,714,922	(505,336,995)
<b>Cash and Cash Equivalents at the End of the Period</b>	20,968,907	18,690,820	57,776,716	45,714,922

figures in brackets indicate deductions.

Notes to the Financial Statements:

1. Figures for the period ended as at 31st March 2021 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 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.

4. The nature of related party transactions in the current period is similar to those reported in the Audited Financial
5. There were no significant events that occurred subsequent to the end of the interim period which require disclosure or
6. There were no contingent liabilities identified in the foreseeable future which require disclosure in the financial
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

Logicare (Pvt) Ltd has commenced it's 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:

## 9. SEGMENTAL INFORMATION

As at 31st March 2021

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.

	<b>Segments</b>		
	Tea Broking 2020/21	Warehousing 2020/21	Total 2020/21
<b>Segment Revenue</b>			
External Sales	518,980,946	179,276,855	698,257,801
Total Segment Revenue	<u>518,980,946</u>	<u>179,276,855</u>	<u>698,257,801</u>
Segment Profit/ (Loss) Before Tax	152,181,851	(105,470,146)	46,711,705
Depreciation and Amortization	24,778,987	57,845,034	82,624,021
Finance/Investment Income	20,236,384	470,425	20,706,809
Interest Expense	96,725,988	56,262,840	152,988,828
Impairment/Write off on Financial Assets	-	-	-
Segmental Assets	1,535,176,296	968,496,873	2,503,673,169
Unallocated Assets			<u>43,533,355</u>
<b>Total Segmental Asset</b>			<u><b>2,547,206,523</b></u>
Segmental Liabilities	1,329,412,626	781,449,450	2,110,862,076

10. Market prices recorded during the period ended 31st March 2021.

### 2020/21 -4th Quarter

Highest	Rs. 4.20	Date:	26.01.2021
Lowest	Rs. 2.90	Date:	23.03.2021
Closing	Rs. 3.10		

11. The float adjusted market capitalization as at 31st March 2021 - Rs. 86,071,552.70

12. Percentage of public holding as at 31st March 2021 was 15.22% comprising 2,450 shareholders.

13. 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.

14. Directors' holding in shares as at 31st March 2021

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	31,000	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):

15. 20 major shareholders as at 31st March 2021

Shareholder's Name	As At 31st March 2021	
	No. of Shares	%
1 ASHTHI HOLDINGS (PRIVATE) LIMITED	55,434,267	30.392%
2 MR.W A T FERNANDO	48,837,837	26.775%
3 JETWING TRAVELS (PVT) LTD	34,080,571	18.685%
4 MISS N T M S COORAY	10,908,751	5.981%
5 MR C P R PERERA & MRS D. PERERA	3,500,000	1.919%
6 HATTON NATIONAL BANK PLC/KANDAI AH KANAPATHIPILLAI SHUJEEVAN	2,864,083	1.570%
7 ASSOCIATED ELECTRICAL CORPORATION LTD	1,974,371	1.082%
8 MS H M S PERERA	1,390,492	0.762%
9 MR.P.G.PIYASIRI	957,447	0.525%
11 MR.M.C.M.ZAROOK	761,106	0.417%
15 DIALOG FINANCE PLC/M.R.A.P.C.THUSHARA	735,000	0.403%
19 MR.Y.L.NANDASENA	627,653	0.344%
12 MR A D EDUSSURIYA	500,000	0.274%
13 MR.S.N.C.W.M.B.C.KANDEGEDARA	500,000	0.274%
14 MR.L.M.A.N.LEKAMGE	462,727	0.254%
10 HATTON NATIONAL BANK PLC/VIDANALAGE LAKVIJAYA MITHRAKA SHAVAN DE MEL	456,233	0.250%
16 SAMPATH BANK PLC/MR. N.A.J.A.K.NISSANKA	420,004	0.230%
18 MR K H S DESHAPRIYA	416,000	0.228%
17 MR.T.G.WIMALASENA	373,156	0.205%
20 MERCHANT BANK OF SRI LANKA & FINANCE PLC/ H.A.D.C. JAYATI	354,267	0.194%
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	165,553,965	90.764%
Others	16,846,035	9.236%
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	182,400,000	100.00%