



CEYLON TEA BROKERS PLC

PB 1280 PQ

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2022

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 %
	31.03.2022	31.03.2021		31.03.2022	31.03.2021		31.03.2022	31.03.2021		31.03.2022	31.03.2021	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
Revenue	248,964,764	194,604,609	28%	867,611,646	693,594,801	25%	162,610,228	142,275,087	14%	580,852,490	518,680,946	12%
Operating Expenses	(95,084,754)	(56,890,243)	67%	(290,645,169)	(190,867,904)	52%	(22,988,244)	(5,687,723)	304%	(75,393,435)	(19,995,117)	277%
Gross Profit	153,880,009	137,714,365	12%	576,966,477	502,726,897	15%	139,621,983	136,587,363	2%	505,459,055	498,685,829	1%
Marketing Expenses	(2,903,583)	5,145,103	-156%	(37,984,295)	(38,922,081)	-2%	(2,198,611)	6,681,304	-133%	(31,820,106)	(33,710,556)	-6%
Administration Expenses	(92,163,294)	(99,638,354)	-8%	(352,413,208)	(290,883,888)	21%	(73,979,023)	(82,568,614)	-10%	(262,909,938)	(243,204,541)	8%
Finance Expenses	(36,860,898)	(23,975,457)	54%	(124,825,514)	(133,209,223)	-6%	(11,598,805)	(11,484,236)	1%	(59,337,506)	(76,588,882)	-23%
Profit Before Taxation	21,952,233	19,245,658	14%	61,743,460	39,711,705	55%	51,845,543	49,215,818	5%	151,391,505	145,181,850	4%
Taxation	(12,301,315)	(7,709,583)	60%	(41,940,104)	(38,711,161)	8%	(12,301,315)	(8,768,806)	40%	(41,940,104)	(37,651,938)	11%
Profit/(Loss) After Taxation	9,650,918	11,536,075	-16%	19,803,356	1,000,544	1879%	39,544,228	40,447,012	-2%	109,451,401	107,529,912	2%
Other Comprehensive Income/(Loss)	-	(1,620,899)		-	(4,975,107)		-	(1,620,899)		-	(1,620,899)	
Profit/(Loss) for the Period	9,650,918	9,915,176	-3%	19,803,356	(3,974,563)	-598%	39,544,228	38,826,113	2%	109,451,401	105,909,013	3%
Basic Earnings / (Loss) Per Share	0.05	0.06		0.11	0.01		0.22	0.22		0.60	0.59	

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>
	<u>31.03.2022</u>	<u>31.03.2021</u>	<u>31.03.2022</u>	<u>31.03.2021</u>
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	751,711,630	696,397,472	9,758,683	12,258,902
Right of Use Assets	218,942,706	217,717,669	24,059,578	37,129,476
Intangible Assets	72,667,410	79,976,594	4,220,085	3,216,916
Deferred Tax	13,520,432	13,520,432	13,520,432	13,520,432
Loans & Advances to Tea Suppliers	41,260,290	49,925,879	41,260,290	49,925,879
Refundable Deposit on Lease Premises	4,472,279	4,029,080	4,472,279	4,029,080
	<u>1,102,574,748</u>	<u>1,061,567,126</u>	<u>97,291,347</u>	<u>120,080,685</u>
Investment in Logicare (Pvt) Ltd	-	-	633,000,000	433,000,000
Current Assets				
Trade and Other Receivables	863,135,895	652,207,762	763,465,364	586,543,180
Loans & Advances to Tea Suppliers	718,235,827	764,540,540	718,235,827	764,540,540
Cash and Cash Equivalents	67,854,077	68,891,097	63,781,601	64,011,892
	<u>1,649,225,799</u>	<u>1,485,639,399</u>	<u>1,545,482,792</u>	<u>1,415,095,612</u>
Total Assets	<u>2,751,800,547</u>	<u>2,547,206,525</u>	<u>2,275,774,139</u>	<u>1,968,176,297</u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	333,200,000	333,200,000	333,200,000	333,200,000
Reserves	53,827,567	97,824,452	345,894,827	300,243,667
Total Equity	<u>387,027,567</u>	<u>431,024,452</u>	<u>679,094,827</u>	<u>633,443,667</u>
Non-Current Liabilities				
Interest Bearing Borrowings	984,714,966	643,248,895	345,890,742	130,388,895
Lease Payable	15,440,350	28,722,183	5,804,377	23,979,180
Retirement Benefit Obligations	36,424,219	29,675,844	30,352,093	22,068,653
	<u>1,036,579,535</u>	<u>701,646,922</u>	<u>382,047,212</u>	<u>176,436,728</u>
Current Liabilities				
Trade and Other Payables	647,679,733	506,968,296	612,390,656	461,077,499
Interest Bearing Borrowings	549,405,167	813,525,103	496,722,798	649,848,272
Amount Due to Related Party	-	-	-	51,272
Lease Payable	42,107,573	23,212,957	21,752,648	18,177,077
Tax Payable	19,260,577	22,906,605	19,260,577	22,906,605
Bank Overdrafts	69,740,397	47,922,190	64,505,422	6,235,176
	<u>1,328,193,447</u>	<u>1,414,535,151</u>	<u>1,214,632,101</u>	<u>1,158,295,902</u>
Total Liabilities	<u>2,364,772,981</u>	<u>2,116,182,073</u>	<u>1,596,679,313</u>	<u>1,334,732,630</u>
Total Equity and Liabilities	<u>2,751,800,547</u>	<u>2,547,206,525</u>	<u>2,275,774,139</u>	<u>1,968,176,297</u>
Net Asset Value Per Share	2.12	2.36	3.72	3.47

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

.....
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:

.....
Director
26th May 2022
Colombo

.....
Director

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

<u>GROUP</u>	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01.04.2020	333,200,000	116,248,589	449,448,589
Profit for the period ended 31.03.2021	-	1,000,544	1,000,544
Other Comprehensive Income	-	(4,975,107)	(4,975,107)
Gain on Unpresented Cheques Payable	-	142,426	142,426
Dividend Paid	-	(14,592,000)	(14,592,000)
Balance as at 31.03.2021	<u>333,200,000</u>	<u>97,824,452</u>	<u>431,024,452</u>
Balance as at 01.04.2021	333,200,000	97,824,452	431,024,452
Profit for the period ended 31.03.2022	-	19,803,356	19,803,356
Other Comprehensive Income	-	-	-
Gain on Unpresented Cheques Payable	-	39,759	39,759
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 31.03.2022	<u>333,200,000</u>	<u>53,827,567</u>	<u>387,027,567</u>
<u>COMPANY</u>			
Balance as at 01.04.2020	333,200,000	208,784,228	541,984,228
Profit for the period ended 31.03.2021	-	107,529,912	107,529,912
Other Comprehensive Income	-	(1,620,899)	(1,620,899)
Gain on Unpresented Cheques Payable	-	142,426	142,426
Dividend Paid	-	(14,592,000)	(14,592,000)
Balance as at 31.03.2021	<u>333,200,000</u>	<u>300,243,667</u>	<u>633,443,667</u>
Balance as at 01.04.2021	333,200,000	300,243,667	633,443,667
Profit for the period ended 31.03.2022	-	109,451,401	109,451,401
Other Comprehensive Income	-	-	-
Gain on Unpresented Cheques Payable	-	39,759	39,759
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 31.03.2022	<u>333,200,000</u>	<u>345,894,827</u>	<u>679,094,827</u>

figures in brackets indicate deductions.

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

	GROUP		COMPANY	
	31.03.2022 Rs.	31.03.2021 Rs.	31.03.2022 Rs.	31.03.2021 Rs.
<u>Cash Flow From Operating Activities</u>				
Profit Before Taxation	61,743,460	39,711,705	151,391,505	145,181,850
<i>Adjustments for ;</i>				
Depreciation/Amortisation	93,020,084	82,624,021	24,856,567	24,778,987
Interest /Investment Income	(16,739,569)	(20,193,876)	(16,722,949)	(20,137,106)
Interest Expense	141,548,463	153,403,099	76,060,455	96,725,988
Provision for Retirement Benefit Obligation	7,200,000	5,380,577	6,000,000	4,274,229
Impairment of Loans and Advances given to Tea suppliers	17,744,920	20,891,635	17,744,920	20,891,635
Disposal (Profit)/Loss on Property, Plant and Equipment	32,652	(38,369)	-	(38,369)
Operating Profit Before Working Capital Changes	304,550,011	281,778,792	259,330,499	271,677,214
<u>Increase/Decrease in Working Capital</u>				
(Increase)/ Decrease in Trade and Other Receivables	(210,888,384)	(551,405,175)	(174,147,371)	(528,645,342)
Loans & Advances (Disbursements)/Recoveries From (To) Tea Suppliers	37,225,381	195,850,808	37,225,381	195,850,808
Increase/(Decrease) in Trade and Other Payables	140,711,437	441,819,114	151,313,157	440,291,471
Increase/(Decrease) in Related Party Payable	-	-	(51,272)	(2,270,295)
Cash Generated from Operating Activities	271,598,445	368,043,539	273,670,394	376,903,856
Tax Paid	(45,586,132)	(15,430,745)	(45,586,132)	(15,430,745)
Gratuity Paid	(451,625)	(952,275)	(451,625)	(628,775)
Net Generated from Operating Activities	225,560,688	351,660,519	227,632,637	360,844,336
<u>Cash Flow From Investing Activities</u>				
Interest /Investment Income Received	16,296,370	19,954,597	16,279,750	19,897,827
Proceeds from sale of Assets	1,657,834	81,500	528,203	81,500
Investment in Subsidiary	-	-	(200,000,000)	-
Acquisition of Intangible Assets	(2,754,571)	(33,249,413)	(2,754,571)	-
Purchase of Property, Plant & Equipment	(98,869,931)	(14,249,190)	(2,571,891)	(2,588,138)
Net cash flow from (Used in) Investing Activities	(83,670,298)	(27,462,506)	(188,518,509)	17,391,189
<u>Cash Flow From Financing Activities</u>				
Interest Paid	(134,926,560)	(148,382,464)	(71,953,502)	(92,056,948)
Dividend Paid	(63,840,000)	(14,592,000)	(63,840,000)	(14,592,000)
Settlement of lease liabilities	(43,325,191)	(46,325,237)	(24,197,535)	(21,904,560)
<u>Movement in Interest Bearing Borrowings</u>				
Loan repayment made during the period	(4,037,937,923)	(5,640,836,986)	(3,284,407,685)	(5,640,836,985)
Loan obtained during the period	4,115,284,058	5,528,216,762	3,346,784,058	5,403,216,762
Net cash flow from Financing Activities	(164,745,616)	(321,919,925)	(97,614,664)	(366,173,731)
Net Increase in Cash and Cash Equivalents	(22,855,227)	2,278,087	(58,500,537)	12,061,794
Cash and Cash Equivalents at the Beginning of the Period	20,968,906	18,690,819	57,776,716	45,714,922
Cash and Cash Equivalents at the End of the Period	(1,886,321)	20,968,906	(723,821)	57,776,716

figures in brackets indicate deductions.

Notes to the Financial Statements:

1. Figures for the period ended as at 31st March 2022 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 2021.

-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 – 2020/2021.
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
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.

Tea handling operations were transferred back to Ceylon Tea Brokers PLC from Logicare (Pvt) Ltd w.e.f 1st April 2021. The relevant income and expenses were recognized accordingly.

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:

9. SEGMENTAL INFORMATION

As at 31st March 2022

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
	Tea Broking 2021/22	Warehousing 2021/22	
Segment Revenue			
External Sales	580,852,490	286,759,156	867,611,646
Total Segment Revenue	<u>580,852,490</u>	<u>286,759,156</u>	<u>867,611,646</u>
Segment Profit/ (Loss) Before Tax	151,391,505	(89,648,045)	61,743,460
Depreciation and Amortization	24,856,567	68,163,517	93,020,084
Interest Expense	76,060,455	65,488,008	141,548,463
Segmental Assets	1,642,774,139	1,065,493,055	2,708,267,194
Unallocated Assets			43,533,355
Total Segmental Asset			<u>2,751,800,546</u>
Segmental Liabilities	1,596,679,313	768,093,674	2,364,772,987

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

2021/22 -4th Quarter

Highest	Rs. 4.80	Date:	01.02.2022
Lowest	Rs. 3.20	Date:	31.03.2022
Closing	Rs. 3.20		

11. The float adjusted market capitalization as at 31st March 2022 - Rs. 89,318,454.40

12. Percentage of public holding as at 31st December 2021 was 15.30% comprising 2,493 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 2022

Director's Name	Shareholding (No. of Shares)	%
Mr. C P R Perera (Chairman)	3,500,000	1.92%
Mr. W A T Fernando (Managing Director)	48,837,837	26.78%
Mr. K H S Deshapriya	250,000	0.14%
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	5.98%
Ms. H M S Perera	1,390,492	0.76%
Mr. Dhayan H Madawala	3,425	0.002%
Mr. R J N De Mel	50,000	0.03%
Mr. Z Mohamed	-	-
Mr. K A D Fernando (Director/Chief Operating Officer)	-	-
Mr. H T D Nonis	10,000	0.005%

Notes to the Financial Statements (Continued):

15. 20 major shareholders as at 31st March 2022

Shareholder's Name	As At 31st March 2022	
	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	2,932,887	1.608%
7 MR A.D. EDUSSURIYA	2,000,000	1.096%
8 PEOPLE'S LEASING & FINANCE PLC/MR.S. GOBINATH	1,500,000	0.822%
9 MS H M S PERERA	1,390,492	0.762%
10 ASSOCIATED ELECTRICAL CORPORATION LTD	974,371	0.534%
11 MR.P.G.PIYASIRI	957,447	0.525%
12 MR.W.A.S.P DE SERAM	913,862	0.501%
13 DIALOG FINANCE PLC/M.R.A.P.C.THUSHARA	906,350	0.497%
14 MR.M.SUNDARESAN	700,000	0.384%
15 MR R.A.J.C.MADUSHAN	600,833	0.329%
16 MR. Y.L.NANDASENA	536,043	0.294%
17 MR V. SIVAKUMAR	427,932	0.235%
18 Mr.H.R.A.TISSERA	371,401	0.204%
19 MR M.H.A.KAMIL	367,062	0.201%
20 DIALOG FINANCE PLC/A.S.M.SHIYAM	300,000	0.164%
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	167,640,106	91.908%
Others	14,759,894	8.092%
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	182,400,000	100.00%