



CEYLON TEA BROKERS PLC

PB 1280 PQ

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2020

CEYLON TEA BROKERS PLC
Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 31st December

	GROUP						COMPANY					
	For the Quarter Ended		Variance %	For the Nine months ended		Variance %	For the Quarter Ended		Variance %	For the Nine months ended		Variance %
	31.12.2020	31.12.2019		31.12.2020	31.12.2019		31.12.2020	31.12.2019		31.12.2020	31.12.2019	
	Rs.	Rs.		Rs.	Rs.		Rs.	Rs.		Rs.	Rs.	
Revenue	175,674,203	164,248,605	7%	499,396,771	527,296,416	-5%	125,541,754	131,265,533	-4%	376,565,860	444,094,226	-15%
Operating Expenses	(53,530,033)	(37,042,373)	45%	(133,166,375)	(92,313,147)	44%	(5,135,806)	(5,343,325)	-4%	(14,307,394)	(15,173,056)	-6%
Gross Profit	122,144,171	127,206,231	-4%	366,230,396	434,983,268	-16%	120,405,949	125,922,207	-4%	362,258,466	428,921,169	-16%
Marketing Expenses	(15,794,065)	(67,093,032)	-76%	(50,815,082)	(90,005,016)	-44%	(14,823,977)	(66,751,410)	-78%	(48,390,750)	(89,301,035)	-46%
Administration Expenses	(79,058,214)	(63,931,670)	24%	(193,434,587)	(178,661,306)	8%	(64,653,141)	(54,611,399)	18%	(157,463,736)	(156,622,690)	1%
Net Finance Expenses	(26,492,278)	(55,224,682)	-52%	(103,633,125)	(174,506,831)	-41%	(13,818,057)	(38,974,341)	-65%	(60,437,947)	(143,040,173)	-58%
Profit/(Loss) Before Taxation	799,614	(59,043,154)	-101%	18,347,602	(8,189,885)	-324%	27,110,774	(34,414,944)	-179%	95,966,033	39,957,271	140%
Taxation	(8,133,232)	12,233,502	-166%	(28,883,131)	(12,786,328)	126%	(8,133,232)	12,233,502	-166%	(28,883,131)	(12,786,328)	126%
Profit/(Loss) After Taxation	(7,333,618)	(46,809,652)	-84%	(10,535,529)	(20,976,213)	-50%	18,977,542	(22,181,442)	-186%	67,082,902	27,170,943	147%
Other Comprehensive Income/(Loss)	-	-		-	-		-	-		-	-	
Profit/(Loss) for the Period	(7,333,618)	(46,809,652)	-84%	(10,535,529)	(20,976,213)	-50%	18,977,542	(22,181,442)	-186%	67,082,902	27,170,943	147%
Basic Earnings/(Loss) Per Share	(0.04)	(0.26)		(0.06)	(0.12)		0.10	(0.12)		0.37	0.15	

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>31.12.2020</u>	<u>31.03.2020</u>	<u>31.12.2020</u>	<u>31.03.2020</u>
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	700,681,632	718,468,373	12,963,922	16,007,944
Right of Use Asset	228,787,332	262,058,691	41,254,974	53,631,466
Intangible Assets	47,211,471	48,733,220	3,678,116	5,199,865
Work In Progress	29,571,153	-	-	-
Loans and Advances to Tea Suppliers	19,902,527	55,568,950	19,902,527	55,568,950
Refundable Deposit on Lease Permisses	3,925,321	3,629,801	3,925,321	3,629,801
Deferred Tax Asset	13,365,538	13,365,538	13,365,538	13,365,538
	<u>1,043,444,974</u>	<u>1,101,824,573</u>	<u>95,090,398</u>	<u>147,403,564</u>
Investment in Logicare (Pvt) Ltd	-	-	433,000,000	433,000,000
Current Assets				
Trade and Other Receivables	99,244,329	101,565,183	19,141,714	58,633,826
Loans and Advance to Tea Suppliers	1,054,817,687	975,639,911	1,054,817,686	975,639,911
Receivable from Related Party	-	-	93,641,686	-
Investment In Unit trusts	457,441,895	-	457,441,895	-
Cash and Cash Equivalents	40,550,794	49,313,045	39,475,582	49,138,185
	<u>1,652,054,705</u>	<u>1,126,518,139</u>	<u>1,664,518,563</u>	<u>1,083,411,922</u>
Total Assets	<u>2,695,499,679</u>	<u>2,228,342,712</u>	<u>2,192,608,961</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
Reserves	91,121,060	116,248,589	261,275,132	208,784,229
Total Equity	<u>424,321,060</u>	<u>449,448,589</u>	<u>594,475,132</u>	<u>541,984,229</u>
Non-Current Liabilities				
Interest Bearing Borrowings	721,222,229	896,222,223	172,222,229	347,222,223
Lease Payable	42,829,553	52,297,813	29,266,944	42,156,257
Retirement Benefit Obligation	22,649,072	18,701,349	20,161,660	16,290,437
	<u>786,700,854</u>	<u>967,221,385</u>	<u>221,650,833</u>	<u>405,668,917</u>
Current Liabilities				
Trade and Other Payables	109,653,228	65,291,608	58,773,118	20,928,454
Lease Payable	18,569,315	37,909,851	17,110,596	16,168,645
Interest Bearing Borrowings	1,305,548,633	676,806,672	1,280,548,634	672,278,030
Amount due to Related Party	-	-	-	2,321,567
Tax Payable	19,714,439	1,042,381	19,714,440	1,042,381
Bank Overdrafts	30,992,150	30,622,226	336,209	3,423,263
	<u>1,484,477,765</u>	<u>811,672,738</u>	<u>1,376,482,996</u>	<u>716,162,340</u>
Total Liabilities	<u>2,271,178,619</u>	<u>1,778,894,123</u>	<u>1,598,133,829</u>	<u>1,121,831,257</u>
Total Equity and Liabilities	<u>2,695,499,679</u>	<u>2,228,342,712</u>	<u>2,192,608,961</u>	<u>1,663,815,486</u>
Net Asset Value Per Share	2.33	2.46	3.26	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

22nd January 2021
Colombo

CEYLON TEA BROKERS PLC
Statement of Changes in Equity
For the Period Ended 31st December

<u>GROUP</u>	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01.04.2019	333,200,000	240,869,815	574,069,815
Profit for the period ended 31.12.2019	-	(20,976,213)	(20,976,213)
Other Comprehensive Income	-	-	-
Reversal of Unclaimed Dividends	-	2,548,165	2,548,165
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 31.12.2019	<u>333,200,000</u>	<u>158,601,767</u>	<u>491,801,767</u>
Balance as at 01.04.2020	333,200,000	116,248,589	449,448,589
Profit for the period ended 31.12.2019	-	(10,535,529)	(10,535,529)
Other Comprehensive Income	-	-	-
Dividend Paid	-	(14,592,000)	(14,592,000)
Balance as at 31.12.2020	<u>333,200,000</u>	<u>91,121,060</u>	<u>424,321,060</u>
<u>COMPANY</u>			
Balance as at 01.04.2019	333,200,000	249,357,144	582,557,144
Profit for the period ended 31.12.2019	-	27,170,943	27,170,943
Reversal of Unclaimed Dividends	-	2,548,165	2,548,165
Dividend Paid	-	(63,840,000)	(63,840,000)
Balance as at 31.12.2019	<u>333,200,000</u>	<u>215,236,252</u>	<u>548,436,252</u>
Balance as at 01.04.2020	333,200,000	208,784,229	541,984,229
Profit for the period ended 31.12.2020	-	67,082,902	67,082,902
Dividend Paid	-	(14,592,000)	(14,592,000)
Balance as at 31.12.2020	<u>333,200,000</u>	<u>261,275,132</u>	<u>594,475,132</u>

figures in brackets indicate deductions.

CEYLON TEA BROKERS PLC
Statement of Cash Flows
For the Period Ended 31st December 2020

	GROUP		COMPANY	
	31.12.2020 Rs.	31.12.2019 Rs.	31.12.2020 Rs.	31.12.2019 Rs.
<u>Cash Flow From Operating Activities</u>				
Profit Before Taxation	18,347,602	(8,189,885)	95,966,033	39,957,271
<i>Adjustments for ;</i>				
Depreciation/Amortisation	61,793,293	18,239,666	18,648,749	6,993,111
Interest /Investment Income	(10,327,693)	(1,980,563)	(10,327,693)	(1,980,563)
Interest Expense	113,946,529	176,487,394	70,765,640	145,020,736
Provision for Retirement Benefit Obligation	5,400,000	7,100,000	4,500,000	5,850,000
Provision for Bad and Doubtful Debt	31,000,000	78,567,112	31,000,000	78,567,112
Writtenoff Balances	92,682	-	78,394	-
Operating Profit Before Working Capital Changes	220,252,412	270,223,724	210,631,123	274,407,667
<u>Increase/Decrease in Working Capital</u>				
(Increase)/ Decrease in Trade and Other Receivables	2,228,179	273,790,221	39,413,728	323,697,797
Loans (Disbursements)/Recoveries From (To) Tea Suppliers	(74,511,352)	3,954,822	(74,511,352)	3,954,822
Increase/(Decrease) in Trade and Other Payables	44,361,620	(88,066,987)	35,523,097	(95,612,331)
Increase/(Decrease) in Related Party Receivable	-	-	(93,641,686)	(20,582,296)
Cash Generated from/ (Used in) Operating Activities	192,330,859	459,901,780	117,414,909	485,865,659
Tax Paid	(10,211,076)	(45,219,139)	(10,211,076)	(45,219,139)
Gratuity Paid	(1,452,275)	(4,351,400)	(628,775)	(4,351,400)
Net Cash Generated / (Used in) from Operating Activities	180,667,508	410,331,241	106,575,058	436,295,120
<u>Cash Flow From Investing Activities</u>				
Interest Received	2,590,278	1,980,563	2,590,278	1,980,563
Investment of Unit Trusts	(450,000,000)	-	(450,000,000)	-
Investment in Logicare (Pvt) Ltd	-	-	-	(200,000,000)
Acquisition of Intangible Assets	-	(4,345,739)	-	(4,311,526)
Payment of Lease Liabilities	(34,819,869)	-	(16,428,420)	-
Purchase of Property, Plant & Equipment	(38,784,593)	(232,107,168)	(1,706,487)	(2,284,352)
Net cash flow from / (Used in) Investing Activities	(521,014,184)	(234,472,345)	(465,544,629)	(204,615,315)
<u>Cash Flow From Financing Activities</u>				
Interest Paid	(107,935,459)	(176,487,394)	(66,284,587)	(145,020,736)
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)
<u>Movement in Interest Bearing Borrowings</u>				
Loan repayment made during the period	(3,488,974,801)	(3,584,391,494)	(3,484,446,153)	(3,337,767,292)
Loan obtained during the period	3,942,716,762	3,906,021,055	3,917,716,762	3,395,000,000
Net cash flow from /(Used in) Financing Activities	331,214,501	81,302,167	352,394,022	(151,628,028)
Net Increase in Cash and Cash Equivalents	(9,132,175)	257,161,063	(6,575,549)	80,051,777
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	9,558,644	(426,520,305)	39,139,373	(425,285,218)

figures in brackets indicate deductions.

Notes to the Financial Statements:

1. Figures for the period ended as at 31st December 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 31st December 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	376,565,860	122,830,911	499,396,771
Total Segment Revenue	<u>376,565,860</u>	<u>122,830,911</u>	<u>499,396,771</u>
Segment Profit/ (Loss) Before Tax	95,966,033	(77,618,431)	18,347,602
Depreciation and Amortization	18,648,749	43,144,543	61,793,293
Finance/Investment Income	10,327,693	-	10,327,693
Interest Expense	70,765,640	43,180,889	113,946,529
Impairment/Write off on Financial Assets	-	-	-
Segmental Assets	1,665,967,275	985,999,049	2,651,966,324
Unallocated Assets			43,533,355
Total Segmental Asset			<u>2,695,499,679</u>
Segmental Liabilities	1,598,133,829	673,044,791	2,271,178,620

9. Market prices recorded during the period ended 31st December 2020.

2020/21 -3rd Quarter

Highest	Rs. 5.30	Date:	13.10.2020
Lowest	Rs. 3.20	Date:	06.10.2020
Closing	Rs. 4.00		

10. The float adjusted market capitalization as at 31st December 2020 - Rs. 111,080,068.13
11. Percentage of public holding as at 31st December 2020 was 15.22% comprising 2,463 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 31st December 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 31st December 2020

Shareholder's Name	As at 31st December 2020	
	No. of Shares	%
ASHTHI HOLDINGS (PRIVATE) LIMITED	55,434,267	30.39%
MR.W A T FERNANDO	48,837,837	26.78%
JETWING TRAVELS (PVT) LTD	34,080,571	18.68%
MISS N T M S COORAY	10,908,751	5.98%
MR C P R PERERA & MRS D. PERERA	3,500,000	1.92%
PEOPLE'S LEASING & FINANCE PLC/MR. K.K.SHUJEEVAN	2,864,083	1.57%
ASSOCIATED ELECTRICAL CORPORATION LTD	2,000,071	1.10%
MS H M S PERERA	1,390,492	0.76%
MR.P.G.PIYASIRI	957,447	0.52%
HATTON NATIONAL BANK PLC/VIDANALAGE LAKVIJAYA MITHRAKA SHAVAN DE MEL	924,299	0.51%
MR.M.C.M.ZAROOK	600,000	0.33%
MR A D EDUSSURIYA	500,000	0.27%
MR.S.N.C.W.M.B.C.KANDEGEDARA	500,000	0.27%
MR.L.M.A.N.LEKAMGE	500,000	0.27%
DIALOG FINANCE PLC/M.R.A.P.C.THUSHARA	488,500	0.27%
SAMPATH BANK PLC/MR. N.A.J.A.K.NISSANKA	420,004	0.23%
MR.T.G.WIMALASENA	417,448	0.23%
MR K H S DESHAPRIYA	416,000	0.23%
MR.Y.L.NANDASENA	407,653	0.22%
DIALOG FINANCE PLC/A.S.M.SHIYAM	300,000	0.16%
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	165,447,423	90.71%
Others	16,952,577	9.29%
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	182,400,000	100.00%