

GUARDIAN CAPITAL PARTNERS PLC

INTERIM REPORT FOR THE THREE MONTHS ENDED 30TH JUNE 2020

A CARSON CUMBERBATCH COMPANY.

GUARDIAN CAPITAL PARTNERS PLC

Mangers' Review

For the period ended 30th June 2020

The business and economic environment continues to be challenging due to the impact of the Covid 19 pandemic. However, after the easing of lock down measures since mid-May, there has been an improvement in overall activity in the economy.

The investment in the online travel agency business continues to be impacted by the shutdown of the Bandaranaike International Airport. The operations of the other investee companies were not as affected and continue to operate subject to various limitations that have arisen due to Covid 19 and its impact on the economy.

For the quarter, the company recorded a profit of Rs. 33.9 Mn up from the Rs. 14 Mn recorded last year. This was primarily due to the recovery in the share price of LVL Energy Fund PLC from Rs. 4.20 to Rs. 6.90 as at 30th June 2020, resulting in fair value gains recorded increasing from Rs. 4.2 Mn to Rs. 28.8 Mn. Revenue recorded for the quarter dropped due to a reduction in interest income and dividend income. Interest income dropped due to the reduction in interest rates. The change in portfolio composition as well as a reduction in dividends declared during the quarter resulted in dividend income dropping for the quarter.

Guardian Fund Management Limited

Investment Managers

10th August 2020

GUARDIAN CAPITAL PARTNERS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All figures are in Sri Lankan Rupees '000)

	Three months ended			31.03.2020 Audited
	30th June			
	2020	2019	Change %	
Revenue	7,373	13,205	(44)	58,259
Net change in fair value of fair value through profit or loss financial assets	28,847	4,222	583	(44,318)
Profit on investment activities	36,220	17,427	108	13,941
Administrative and other operating expenses	(743)	(1,439)	(48)	(6,703)
Profit from operations	35,477	15,988	122	7,238
Income tax expense	(1,534)	(1,984)	(23)	(10,054)
Profit / (loss) for the period	33,943	14,004	142	(2,816)
Other comprehensive income				
Items that are or may be reclassified to profit or loss	-	-	-	-
Other comprehensive income / (expense) for the period	-	-	-	-
Total comprehensive income / (expense) for the period	33,943	14,004	142	(2,816)
Earnings / (loss) per share (Rs.)	1.31	0.54		(0.11)
Dividend per share (Rs.)*	-	-		-

Change % represent the percentage change in current period's results compared to comparative period of previous year.

* Dividend per share is based on the proposed/interim dividends.

Figures in brackets indicate deductions

GUARDIAN CAPITAL PARTNERS PLC
STATEMENT OF FINANCIAL POSITION

(All figures are in Sri Lankan Rupees '000)

As at 30th June 2020 2019 31.03.2020
(Audited)

ASSETS

Current assets

Fair value through profit or loss financial assets	210,807	260,015	182,964
Other receivables	1,910	58	81
Investment in unit trusts	99,933	226,650	257,058
Cash and cash equivalents	420,941	233,210	257,936
Total current assets	733,591	719,933	698,039
Total assets	733,591	719,933	698,039

EQUITY AND LIABILITIES

Equity

Stated capital	513,656	513,656	513,656
Revenue reserves	212,629	195,506	178,686
Total equity	726,285	709,162	692,342

Current liabilities

Other payables	5,487	4,418	4,944
Current tax payable	1,819	6,353	753
Total current liabilities	7,306	10,771	5,697
Total equity and liabilities	733,591	719,933	698,039

Net assets per share (Rs.) 28.11 27.45 26.80

The Statement of Financial Position as at 30th June 2020 and the related Statements of Profit or Loss and Other Comprehensive Income Changes in Equity and Cash Flow for the period then ended as disclosed in pages 2 to 4 have been drawn up from unaudited accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

(Sgd).

V. R. Wijesinghe

Director - Finance

Carsons Management Services (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved & signed on behalf of the Investment Managers,

Approved & signed on behalf of the Board,

(Sgd).

K. Selvanathan

Director

Guardian Fund Management Limited

Colombo

10th August 2020

(Sgd).

D. C. R. Gunawardena

Director

(Sgd).

S. Mahendrarajah

Director

GUARDIAN CAPITAL PARTNERS PLC
STATEMENT OF CHANGES IN EQUITY

(All figures are in Sri Lankan Rupees '000)

	Stated capital	Revenue reserves	Total equity
Balance as at 1st April 2019	513,656	181,502	695,158
Loss for the period	-	(2,816)	(2,816)
Other comprehensive income for the period	-	-	-
Total comprehensive expense for the period	-	(2,816)	(2,816)
Balance as at 31st March 2020 (Audited)	513,656	178,686	692,342
Balance as at 1st April 2020	513,656	178,686	692,342
Profit for the period	-	33,943	33,943
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	33,943	33,943
Balance as at 30th June 2020 (Unaudited)	513,656	212,629	726,285
Balance as at 1st April 2019	513,656	181,502	695,158
Profit for the period	-	14,004	14,004
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	14,004	14,004
Balance as at 30th June 2019 (Unaudited)	513,656	195,506	709,162

GUARDIAN CAPITAL PARTNERS PLC
STATEMENT OF CASH FLOWS

(All figures are in Sri Lankan Rupees '000.)

For the three months ended 30th June	2020	2019	31.03.2020 (Audited)
Cash flows from operating activities			
Profit from operations	35,477	15,988	7,238
Net change in fair value of fair value through profit or loss financial assets	(28,847)	(4,222)	44,318
Operating profit before changes in working capital	6,630	11,766	51,556
Decrease / (increase) in investments	158,129	(168,801)	(170,698)
Decrease / (increase) in other receivables	(1,829)	584	561
Decrease / (increase) in investment in fixed deposits	-	215,102	215,102
Increase / (decrease) in other payable	543	375	917
Cash generated from operating activities	163,473	59,026	97,438
Income tax paid	(468)	(902)	(14,572)
Net cash generated from operating activities	163,005	58,124	82,866
Cash flows from financing activities			
Dividend paid	-	(1,517)	(1,533)
Net cash used in financing activities	-	(1,517)	(1,533)
Net increase in cash & cash equivalents during the period	163,005	56,607	81,333
Cash & cash equivalents at the beginning of the period	257,936	176,603	176,603
Cash & cash equivalents at the end of the period	420,941	233,210	257,936
Statement of cash and cash equivalents			
Placement with banking institutions	363,126	222,090	250,223
Securities purchased under resale agreements	5,378	8,898	5,845
Cash at bank	52,437	2,222	1,868
Total Cash and cash equivalents	420,941	233,210	257,936

Figures in brackets indicate deductions/ negative changes.

GUARDIAN CAPITAL PARTNERS PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

(All figures are in Sri Lankan Rupees thousands, unless otherwise stated).

1 Basis of Preparation of Interim Financial Statements

The Interim Financial Statements of the Company have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2020.

These Interim Financial Statements are in compliance with Sri Lanka Accounting Standard - "Interim Financial Reporting" (LKAS 34). Further, the provision of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company.

2 Revenue

For the three months ended 30th June	2020	2019
Interest income on financial assets carried at amortized cost	4,146	7,635
Dividend income	1,857	5,570
Net gain from disposal of financial assets measured at fair value through profit or loss	1,370	-
	7,373	13,205

3 Summary of Investment Portfolio

Fair value through profit or loss financial assets	Fair value hierarchy	Fair value as at 30.06.2020	Fair value as at 30.06.2019	Fair value as at 31.03.2020
Current Assets				
Investment in Equity Securities - Quoted Shares (3.1 (a))	Level 1	71,156	110,254	43,313
Investment in Equity Securities- Private Equity- Unquoted (3.1 (b))	Level 3	139,651	149,761	139,651
		210,807	260,015	182,964
Investment in Unit Trusts				
Investment in Unit Trusts -Unquoted (3.2)	Level 2	99,933	226,650	257,058

3.1 Investment in Equity Securities

	Fair value as at 30.06.2020	Fair value as at 30.06.2019	Fair value as at 31.03.2020
(a) Investment in Equity Securities- Quoted Shares	30.06.2020	30.06.2019	31.03.2020
Access Engineering PLC	-	32,882	-
Expolanka Holdings PLC	-	28	-
LVL Energy Fund PLC	71,156	77,344	43,313
	71,156	110,254	43,313
(b) Investment in Equity Securities- Private Equity (Unquoted)			
hSenid Business Solutions (Pvt) Ltd.	106,472	80,000	106,472
Findmyfare Private Limited	33,179	69,761	33,179
	139,651	149,761	139,651

3.2 Investment in Unit Trusts

	Fair value as at 30.06.2020	Fair value as at 30.06.2019	Fair value as at 31.03.2020
Guardian Acuity Money Market Fund	99,933	226,650	257,058
	99,933	226,650	257,058

4 Impact of COVID-19

On the 20th of March 2020, the Government imposed an island wide curfew aimed at controlling the spread of COVID-19 in the country. Accordingly, the Colombo Stock Exchange was closed for trading activities from 21st March 2020 for nearly two months. With the relaxation of curfew to recommence business activities, the Colombo bourse resumed trading activities on 11th May 2020. However, as at 30th June 2020 the Company maintains 71% of the its assets in cash and cash equivalents, and investment in unit trusts. Further, the Company has valued its private equity investments taking into consideration the estimated impact of COVID-19 on respective private equity investee companies.

In preparing the Interim Financial Statements, the Company has considered the "Guidance Notes on Accounting Considerations of the COVID 19 Outbreak (updated on 11th May 2020)" issued by The Institute of Chartered Accountants of Sri Lanka.

5 Events after the reporting period

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosures in the financial statements.

GUARDIAN CAPITAL PARTNERS PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

(All figures are in Sri Lankan Rupees thousands, unless otherwise stated).

6 Contingent Liabilities and Capital Commitments

There were no material contingent liabilities and capital commitments since the last reporting date.

7 Liabilities for expenditure

There were no liabilities for management fees or any other similar expenditure not provided for in the Interim Financial Statements.

8 Comparative figures

Previous period's figures and phrases have been rearranged wherever necessary to conform to the current period's presentation.

9 Stated capital

Stated capital of the Company amounted to Rs. 513.7mn which comprise of 25,833,808 fully paid ordinary shares.

10 Related party transactions	2020	2019
Transactions with affiliate companies		
Receiving of services	119	119

11 Twenty major shareholders as at 30th June 2020

Name of the Shareholder	No. of Shares	%
1 Ceylon Guardian Investment Trust PLC A/C No 3	21,692,800	83.97
2 Carson Cumberbatch PLC A/C No.2	581,950	2.25
3 Union Investments Private Ltd	111,000	0.43
4 Mr. V. Nataraj	99,532	0.39
5 Mrs. V. Nataraj	99,532	0.39
6 Bansei Securities Capital (Pvt) Ltd/S.M.T.B.Samarakoon	93,401	0.36
7 Natwest Nominees (Pvt) Limited.	84,858	0.33
8 Wardley Investments (Pvt) Limited	84,858	0.33
9 Goodhope Holdings(Pvt) Limited.	76,940	0.30
10 Mr. M. Selvanathan	63,409	0.25
11 Mrs. H.R.P. Sanjeevani	58,450	0.23
12 Mr. J.P. Paul	53,155	0.21
13 Skan Investments (Pvt) Limited.	51,774	0.20
14 Mr. S.P. Jayakumar	50,139	0.19
15 Merchant Bank of Sri Lanka & Finance PLC/W B R Somaweera	49,700	0.19
16 Mr. M.W. De Silva	49,291	0.19
17 Mr. B.S. Goonesekera	49,090	0.19
18 Mr. M.S. Hiripitiya	42,696	0.17
19 Mr. K.S.H. Mawellage	35,882	0.14
20 Dr. R.M.N.K. Ranasingha	35,848	0.14

12 Public holding

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization of less than Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 10%.

The Company's Public Holding as at 30th June 2020;

Market Capitalization of the Public Holding	Rs.79.40 Million
Percentage of ordinary shares held by the public	12.91%
Number of public shareholders	2,094

13 Investor information

Share valuation	For the three months ended 30th June 2020
Market value per share (Rs.)	23.80
Highest price per share for the period (Rs.)	25.00
Lowest price per share for the period (Rs.)	18.00
Market capitalization (Rs. thousands)	614,845

14 Directors shareholdings

	No. of shares held as at 30th June 2020
Mr. I. Paulraj (vacated office w.e.f. 31/05/2020 / Appointed w.e.f. 17/07/2020)	200
Mr. D. C. R. Gunawardena	25
Mr. S. Mahendrarajah (Director / Ceased to be Alternate to Mr. I. Paulraj w.e.f. 31/05/2020)	25
Mrs. M. A. R. C. Cooray (vacated office w.e.f. 31/05/2020 / Appointed w.e.f. 17/07/2020)	-
Mr. K. Selvanathan	-

CORPORATE INFORMATION

Name of Company	Guardian Capital Partners PLC <i>(A Carson Cumberbatch Company)</i>
Company Registration No.	PQ 49
Legal Form	A Public Quoted Company listed on the Diri Sari Board of the Colombo stock exchange with limited liability, incorporated in Sri Lanka in 1920
Principal activity and nature of operation	The principal activity of the company is to hold and manage a portfolio of private equity investments.
Parent and Ultimate Parent Entities	Ceylon Guardian Investment Trust PLC is the immediate Parent Company of Guardian Capital Partners PLC. In the opinion of the Directors, Carson Cumberbatch PLC is the Parent Company of Ceylon Guardian Investment Trust PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Guardian Investment Trust PLC.
Directors	Mr. I. Paulraj - Chairman (vacated office w.e.f. 31/05/2020 / Appointed w.e.f. 17/07/2020) Mr. D. C. R. Gunawardena Mr. S. Mahendrarajah (Director / Ceased to be Alternate to Mr. I. Paulraj w.e.f. 31/05/2020) Mr. K. Selvanathan Mrs. M. A. R. C. Cooray (vacated office w.e.f. 31/05/2020 / Appointed w.e.f. 17/07/2020)
Bankers	Standard Chartered Bank Commercial Bank of Ceylon PLC Deutsche Bank AG
Auditors	Messrs. KPMG Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03 Sri Lanka.
Managers & Secretaries	Carsons Management Services (Private) Limited 61, Janadhipathi Mawatha, Colombo 01 Sri Lanka. Telephone No: +94-11-2039200 Fax No: +94-11-2039300
Investment Managers	Guardian Fund Management Limited 61, Janadhipathi Mawatha, Colombo 01 Sri Lanka Telephone No: +94-11-2039200 Fax No: +94-11-2039385
Registered Office	61, Janadhipathi Mawatha, Colombo 01 Sri Lanka Telephone No: +94-11-2039200 Fax No: +94-11-2039300
Corporate Website	www.carsoncumberbatch.com