

GUARDIAN CAPITAL PARTNERS PLC

INTERIM REPORT FOR THE NINE MONTHS ENDED 31ST DECEMBER 2019

A CARSON CUMBERBATCH COMPANY.

GUARDIAN CAPITAL PARTNERS PLC

Mangers' Review

For the period ended 31st December 2019

As mentioned last quarter the sluggish pace of the private equity and venture capital market continued as seen in the last financial year as well. No new opportunities were identified for investment.

The company invested a further sum of Rs. 6.75 Mn in Findmyfare (Pvt) Ltd during the quarter at the same valuation the existing investment is being carried at. These funds were raised by Findmyfare to fund investments into growing business volumes.

For the first 9 months of 2019/2020, the company recorded a profit of Rs. 36.4 Mn compared to the Rs. 4 Mn last year. This increase was primarily driven by the 41% growth in revenue. The increase in revenue was due to net gains on the disposal of Access Engineering and unit trust investments.

Guardian Fund Management Limited

Investment Managers

06th February 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 31st December			Nine months ended 31st December			31.03.2019 Audited
	2019	2018	Change %	2019	2018	Change %	
Revenue	18,637	7,851	137	47,551	33,836	41	45,988
Net change in fair value of fair value through profit or loss financial assets	(7,948)	12,130	(166)	3,095	(3,409)	(191)	(9)
Profit / (loss) on investment activities	10,689	19,981	(47)	50,646	30,427	66	45,979
Administrative and other operating expenses	(1,974)	(748)	164	(4,589)	(18,043)	(75)	(20,382)
Profit / (loss) from operations	8,715	19,233	(55)	46,057	12,384	272	25,597
Income tax expense	(2,878)	(2,902)	(1)	(9,644)	(8,401)	15	(11,228)
Profit / (loss) for the period	5,837	16,331	(64)	36,413	3,983	814	14,369
Other comprehensive income							
Other comprehensive income/ (expense) for the period	-	-	-	-	-	-	-
Total comprehensive income / (expense) for the period	5,837	16,331	(64)	36,413	3,983	814	14,369
Earnings / (loss) per share (Rs.)	0.23	0.63		1.41	0.15		0.56
Dividend per share (Rs.)*	-	-		-	-		0.40

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 31st December	2019	2018	31.03.2019 (Audited)
ASSETS			
Current assets			
Other receivables	-	1,307	642
Investment in equity securities	233,882	259,064	261,353
Investment in unit trusts	144,745	60,862	52,289
Investment in fixed deposits	-	372,339	215,102
Cash and cash equivalents	361,987	8,034	176,603
Total current assets	740,614	701,606	705,989
Total assets	740,614	701,606	705,989
EQUITY AND LIABILITIES			
Equity			
Stated capital	513,656	513,656	513,656
Revenue reserves	217,915	181,450	181,502
Total equity	731,571	695,106	695,158
Current liabilities			
Other payables	3,455	3,243	5,560
Current tax payable	5,588	3,257	5,271
Total current liabilities	9,043	6,500	10,831
Total equity and liabilities	740,614	701,606	705,989
Net assets per share (Rs.)	28.32	26.91	26.91

The Statement of Financial Position as at 31st December 2019 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

06th February 2020

(Sgd).

Mr.S. Mahendrarajah

Director

(Sgd).

D. C. R. Gunawardena

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 2018	513,656	177,467	691,123
Profit for the period	-	14,369	14,369
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	14,369	14,369
Dividend 2018/19	-	(10,334)	(10,334)
Balance as at 31st March 2019 (Audited)	513,656	181,502	695,158
Balance as at 1st April 2019	513,656	181,502	695,158
Profit for the period	-	36,413	36,413
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	36,413	36,413
Balance as at 31st December 2019 (Unaudited)	513,656	217,915	731,571
Balance as at 1st April 2018	513,656	177,467	691,123
Profit for the period	-	3,983	3,983
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	3,983	3,983
Balance as at 31st December 2018 (Unaudited)	513,656	181,450	695,106

GUARDIAN CAPITAL PARTNERS PLC
STATEMENT OF CASH FLOWS
(All figures are in Sri Lankan Rupees '000.)

For the nine months ended 31st December

	2019	2018	31.03.2019 (Audited)
Cash flows from operating activities			
Profit / (loss) from operations	46,057	12,384	25,597
Net change in fair value of fair value through profit or loss financial assets	(3,095)	3,409	9
Operating profit before changes in working capital	42,962	15,793	25,606
Decrease / (increase) in investments	(61,890)	348,835	358,519
Decrease / (increase) in other receivables	642	2,986	3,651
Net change in investment in fixed deposits	215,102	(372,339)	(215,102)
Decrease / (increase) in other payable	(572)	404	1,065
Cash generated from/ (used in) operating activities	196,244	(4,321)	173,739
Income tax paid	(9,327)	(2,027)	(2,840)
Net cash generated from/ (used in) operating activities	186,917	(6,348)	170,899
Cash flows from financing activities			
Dividend paid	(1,533)	-	(8,678)
Net cash used in financing activities	(1,533)	-	(8,678)
Net increase/ (decrease) in cash & cash equivalents during the period	185,384	(6,348)	162,221
Cash & cash equivalents at the beginning of the period	176,603	14,382	14,382
Cash & cash equivalents at the end of the period	361,987	8,034	176,603
Statement of cash and cash equivalents			
Placement with banking institutions	354,274	-	167,507
Securities purchased under resale agreements	5,246	6,153	5,779
Cash at bank	2,467	1,881	3,317
Total Cash and cash equivalents	361,987	8,034	176,603

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 2019.

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 nine months ended 31st December	2019	2018
Interest income on financial assets carried at amortized cost	15,587	23,042
Dividend income	5,571	8,178
Net gain from disposal of financial assets measured at fair value through profit or loss	26,393	2,616
	47,551	33,836

3 Summary of Investment Portfolio

Investment in Equity Securities	Fair value hierarchy	Fair value as at 31.12.2019	Fair value as at 31.12.2018	Fair value as at 31.03.2019
Current Assets				
Investment in Equity Securities - Quoted Shares- Fair value through profit or loss (3.1 (a))	Level 1	77,370	119,295	111,592
Investment in Equity Securities Private Equity- Unquoted- Fair value through profit or loss (3.1 (b))	Level 3	156,512	139,769	149,761
		233,882	259,064	261,353
Investment in Unit Trusts				
Investment in Unit Trusts -Unquoted (3.2)	Level 2	144,745	60,862	52,289

3.1 Investment in Equity Securities

(a) Investment in Equity Securities- Quoted Shares	Fair value as at 31.12.2019	Fair value as at 31.12.2018	Fair value as at 31.03.2019
Access Engineering PLC	-	32,650	30,103
Expolanka Holdings PLC	26	20	20
LVL Energy Fund PLC	77,344	86,625	81,469
	77,370	119,295	111,592
(b) Investment in Equity Securities- Private Equity (Unquoted)			
hSenid Business Solutions (Pvt) Ltd.	80,000	70,008	80,000
Findmyfare Private Limited	76,512	69,761	69,761
	156,512	139,769	149,761

3.2 Investment in Unit Trusts

Investment in Unit Trusts	Fair value as at 31.12.2019	Fair value as at 31.12.2018	Fair value as at 31.03.2019
Guardian Acuity Money Market Fund	144,745	60,862	52,289
	144,745	60,862	52,289

4 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.

5 Contingent Liabilities and Capital Commitments

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

6 Liabilities for expenditure

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

7 Comparative figures

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

GUARDIAN CAPITAL PARTNERS PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

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

8 Stated capital

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

9 Related party transactions	2019	2018
Transactions with affiliate companies		
Receiving of services	356	2,235

10 Twenty major shareholders as at 31st December 2019

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	57,800	0.22
12 Skan Investments (Pvt) Limited.	51,774	0.20
13 Mr. S.P. Jayakumar	50,139	0.19
14 Mr. J.P. Paul	49,985	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 Dr. R.M.N.K. Ranasingha	38,672	0.15
20 Mr. K.S.H. Mawellage	35,882	0.14

11 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 31st December 2019;

Market Capitalization of the Public Holding	Rs.100.08 Million
Percentage of ordinary shares held by the public	12.91%
Number of public shareholders	2,108

12 Investor information

Share valuation	For the three months ended 31st December 2019
Market value per share (Rs.)	30.00
Highest price per share for the period (Rs.)	37.00
Lowest price per share for the period (Rs.)	22.50
Market capitalization (Rs. thousands)	775,014

13 Directors shareholdings

	No. of shares held as at 31st December 2019
Mr. I. Paulraj	200
Mr. D. C. R. Gunawardena	25
Mr.S. Mahendrarajah (Director and Alternate to Mr. I. Paulraj)	25
Mrs. M.A.R.C. Cooray	-
Mr. K. Selvanathan	-

CORPORATE INFORMATION

Name of Company	Guardian Capital Partners PLC (A Carson Cumberbatch Company)
Company Registration No.	PQ 49
Legal Form	A Public Quoted Company listed on the Divisari 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 (<i>Chairman</i>) Mr.D. C. R. Gunawardena Mr.S. Mahendrarajah (Director and Alternate to Mr. I. Paulraj) Mrs. M.A.R.C. Cooray□ Mr. K. Selvanathan
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