

Ceylon Beverage Holdings PLC

*Interim Condensed Financial Statements
for the Third Quarter ended
31st December 2021*

CEYLON BEVERAGE HOLDINGS PLC

Review

For the 9 months ended 31st December 2021, a profit after tax of Rs. 2.4 billion was earned on a turnover of Rs. 40.8 billion, compared to previous years comparatives of Rs.2.0 billion & Rs.36.0 billion respectively. In the 3rd quarter, the business environment returned to near normal levels, with sales benefitting from a re-stocking after closure in Q2. This was a result of the Government's initiative to keep the Country open, notwithstanding the simmering Covid pandemic which pervaded during that period. This provided an opportunity for society to acclimatize to the new ways of engaging in their daily activities. During this period, the authorities commenced administering the booster vaccine, which provided protection from serious health implications, caused by contracting Covid. The Government's initiative of opening the borders also bore dividend, as the country saw an increased number of tourists in the quarter under consideration, which supported volumes, especially in touristic pockets.

The overall cost escalations continued to exert pressure on margins, whilst the November budget, also increased the excise duty on beer. As a result, the Group was compelled to revise the prices of beer. In addition to the increase in excise duty, the budget also announced two new taxes namely, a surcharge tax on taxable income of the financial year 20/21 of 25% & a social security contribution tax of 2.5% on turnover which is to be effective from 1st April 2022. The exact methodology of their enactment is yet being worked out. These two taxes are in addition to the special goods & services tax in lieu of excise duty, as was announced in the previous year's budget, which too remains to be enacted.

In the month of December, the Group added Guinness to its existing brand portfolio. Guinness was first brewed at the St. James's Gate Brewery in Dublin, Ireland in 1759 by Arthur Guinness. Guinness is now a part of Diageo. The group's association with Guinness, dates back to the late twentieth century, when Guinness was brewed at the Nuwara Eliya brewery, until its closure in 2001. Guinness offers the consumer a unique perfectly balanced super-premium dark beer, rich & creamy, distinctly black, velvety in finish and with a warming mouthfeel.

During the quarter under review, all Covid 19 protocols continued to be stringently followed within the brewery, to ensure uninterrupted operations. Proactive operational measures taken by the Group enabled it to navigate within this fluid and changing operating environment. During the period ending 9 months, the Group paid to the Government Rs. 26 billion as Excise Duty and other taxes.

Exports volumes recorded a growth of 65%, in comparison to the corresponding period last year. Although this performance could be considered good, exports fell below potential, due to the inability to find vessels to carry our cargo. The number of vessels calling in at the port of Colombo reduced substantially, resulting in difficulties to obtain space for our cargo whilst also causing substantial increases in the freight rates. Export margins remained under pressure.

The forex crisis has created a shortage of dollars required to pay for imports of raw material & other inputs for manufacturing. Of the limited dollars available, banks give preference for payments towards import of fuel, medicine & other essential food items. It is fervently hoped that this issue gets resolved quickly as businesses are compelled to manage on a "hand to mouth" focus on a daily basis.

Few factors will determine the immediate future. The most significant is the way in which Sri Lankans respond to the Covid pandemic. If the booster vaccine is received across the population, and if necessary precautions are taken by all concerned, the health complications arising by contracting Covid will greatly reduce. The other factor is the availability of Dollars for the import of raw & other material required to ensure continued operations. Apart from these, with the reduction in disposable incomes, the authorities should be cognizant that there is every possibility for the illicit alcohol industry to thrive, which will have an impact on the legal alcobev industry. Growth in illicit trade will significantly impact government revenue from the legal alcobev industry, which is budgeted at circa Rs 200 billion this year. It should also be reiterated that increasing the outlet base, through streamlining the license process, would be a longer-term solution to minimize threat to government tax revenues, whilst reducing the harmful impact of low-quality illegal products.

CEYLON BEVERAGE HOLDINGS PLC BOARD OF DIRECTORS AS AT 31ST DECEMBER 2021

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)

Mr. R. H. Meewakkala (Chief Executive Officer - appointed w.e.f. 01/07/2021)

Mr. D. C. R. Gunawardena

Mr. S. Clini

Mrs. S. J. F. Evans

Mr. S. K. Shah (Chief Executive Officer - retired w.e.f. 30/06/2021)

CEYLON BEVERAGE HOLDINGS PLC				
CONDENSED STATEMENT OF FINANCIAL POSITION				
	Company		Group	
As at	31st December 2021	31st March 2021	31st December 2021	31st March 2021
In Rs. '000s		(Audited)		(Audited)
ASSETS				
Non-current assets				
Property, plant & equipment	-	-	19,386,795	18,869,754
Investment properties	486,870	486,870	486,870	486,870
Right of use assets	-	-	186,899	239,149
Intangible assets	-	-	1,280,310	1,289,652
Deferred tax assets	-	-	23,860	23,860
Investment in subsidiaries	1,919,073	1,919,073	-	-
Total non-current assets	2,405,943	2,405,943	21,364,734	20,909,285
Current assets				
Inventories	-	-	3,578,067	3,721,062
Trade & other receivables	264	621	2,902,202	1,796,923
Amounts due from related companies	134,091	119,875	-	-
Current tax assets	-	-	2,477	2,477
Cash and cash equivalents	24,748	8,858	11,431,670	9,701,006
Total current assets	159,103	129,354	17,914,416	15,221,468
Total assets	2,565,046	2,535,297	39,279,150	36,130,753
EQUITY AND LIABILITIES				
Equity				
Stated capital	533,384	533,384	533,384	533,384
Capital reserves	19,924	19,924	735,712	735,712
Revenue reserves	1,411,066	1,349,237	7,884,288	7,290,140
Equity attributable to equity holders of the Company	1,964,374	1,902,545	9,153,384	8,559,236
Non controlling interest	-	-	8,550,889	8,104,994
Total equity	1,964,374	1,902,545	17,704,273	16,664,230
Non-current liabilities				
Loans and borrowings	-	-	2,664,677	3,497,060
Lease liabilities	-	-	177,785	218,088
Employee benefits	-	-	234,174	243,171
Deferred tax liabilities	15,561	15,561	4,969,915	5,106,713
Total non-current liabilities	15,561	15,561	8,046,551	9,065,032
Current liabilities				
Trade and other payables	15,483	13,046	2,709,476	1,998,429
Amounts due to related companies	344,269	378,151	120,888	122,828
Refundable deposits	-	-	2,201,013	1,900,393
Current tax liabilities	64,048	28,084	1,419,485	2,414,089
Loans and borrowings	2,500	25,063	4,203,232	1,893,727
Lease liabilities	-	-	53,833	57,233
Bank overdraft	158,811	172,847	2,820,399	2,014,792
Total current liabilities	585,111	617,191	13,528,326	10,401,491
Total liabilities	600,672	632,752	21,574,877	19,466,523
Total equity and liabilities	2,565,046	2,535,297	39,279,150	36,130,753
Net assets per ordinary share (Rs.)	93.60	90.65	436.12	407.82

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

D.R.P. Goonetilleke

Head of Finance

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.

Approved and signed on behalf of the Managers

Approved and signed on behalf of the Board

(Sgd.)

V. R. Wijesinghe

Director

Carsons Management Services (Private) Ltd.

11th February 2022

(Sgd.)

M.Selvanathan

Director

(Sgd.)

R.H. Meewakkala

Director

CEYLON BEVERAGE HOLDINGS PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

As at In Rs.'000s	Quarter Ended			Nine Months Ended			Year Ended
	31-Dec-21	31-Dec-20	Change %	31-Dec-21	31-Dec-20	Change %	31-Mar-21 (Audited)
Revenue	208,321	43,839	375	881,130	446,480	97	494,525
Cost of sales	-	-	-	-	-	-	-
Gross profit	208,321	43,839	375	881,130	446,480	97	494,525
Administrative expenses	(3,036)	(12,478)	(76)	(11,671)	(18,081)	(35)	(21,944)
Impairment of investments in subsidiaries	-	-	-	-	-	-	(45,199)
Profit before finance cost	205,285	31,361	555	869,459	428,399	103	427,382
Finance income	2,265	1,619	-	5,626	5,415	4	7,020
Finance costs	(9,152)	(5,768)	59	(25,080)	(30,665)	(18)	(39,100)
Net finance costs	(6,887)	(4,149)	66	(19,454)	(25,250)	(23)	(32,080)
Profit before taxation	198,398	27,212	629	850,005	403,149	111	395,302
Income tax expenses	(33,410)	(8,055)	315	(132,718)	(67,732)	96	(77,750)
Profit after taxation	164,988	19,157	761	717,287	335,417	114	317,552
Earnings per ordinary share (Rs.)	7.86	0.91		34.18	15.98		15.13

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

As at	Quarter Ended			Nine Months Ended			Year Ended
	31-Dec-21	31-Dec-20	Change %	31-Dec-21	31-Dec-20	Change %	31-Mar-21 (Audited)
In Rs.'000s							
Revenue	18,485,482	13,972,559	32	40,775,772	36,026,089	13	51,172,154
Cost of Sales	(14,583,241)	(11,201,601)	30	(32,376,465)	(28,848,046)	12	(40,665,744)
Gross profit	3,902,241	2,770,958	41	8,399,307	7,178,043	17	10,506,410
Other income	55,617	34,787	60	133,720	100,731	33	343,869
	3,957,858	2,805,745	41	8,533,027	7,278,774	17	10,850,279
Distribution expenses	(894,904)	(748,956)	19	(2,322,774)	(2,028,205)	15	(2,907,551)
Administrative expenses	(641,701)	(501,557)	28	(1,725,745)	(1,271,425)	36	(1,898,861)
Other expenses	(224,621)	(147,606)	52	(477,441)	(360,102)	33	(722,065)
Impairment of intangible assets	-	-	-	-	-	-	(449,084)
Profit before finance cost	2,196,632	1,407,626	56	4,007,067	3,619,042	11	4,872,718
Finance income	137,080	133,470	3	426,734	547,107	(22)	664,193
Finance costs	(263,697)	(248,402)	6	(760,825)	(1,058,690)	(28)	(1,252,404)
Net finance costs	(126,617)	(114,932)	10	(334,091)	(511,583)	(35)	(588,211)
Profit before taxation	2,070,015	1,292,694	60	3,672,976	3,107,459	18	4,284,507
Income tax expenses	(765,900)	(484,723)	58	(1,423,617)	(1,238,677)	15	(1,893,757)
Deferred taxation	592	(10,966)	(105)	136,798	23,063	493	43,747
Profit after taxation	1,304,707	797,005	64	2,386,157	1,891,845	26	2,434,497
Other comprehensive income							
Items that will never be reclassified to profit or loss							
Re-measurement of employee benefit obligation	-	-	-	-	-	-	1,119
Deferred tax adjustment on employee benefit obligation	-	-	-	-	-	-	(447)
Total other comprehensive income	-	-	-	-	-	-	672
Total comprehensive income	1,304,707	797,005	64	2,386,157	1,891,845	26	2,435,169
Profit attributable to							
- Equity holders of the company	720,144	423,458	70	1,249,606	964,100	30	1,254,549
- Non - controlling interest	584,563	373,547	56	1,136,551	927,745	23	1,179,948
Profit available for appropriation	1,304,707	797,005	64	2,386,157	1,891,845	26	2,434,497
Total comprehensive income attributable to							
- Equity holders of the company	720,144	423,458	70	1,249,606	964,100	30	1,254,900
- Non - controlling interest	584,563	373,547	56	1,136,551	927,745	23	1,180,269
Profit available for appropriation	1,304,707	797,005	64	2,386,157	1,891,845	26	2,435,169
Earnings per ordinary share (Rs.)	34.31	20.18		59.54	45.94		59.77

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CONDENSED STATEMENTS OF CHANGES IN EQUITY

In Rs. '000s	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Stated capital	Revaluation reserve	General capital reserve	Revenue reserves fair value	Revenue reserves retained earnings	Total		
COMPANY								
Balance as at 1st April 2020	533,384	14,148	5,776	457,020	861,215	1,871,543	-	1,871,543
Total comprehensive income								
Profit for the period	-	-	-	-	335,417	335,417	-	335,417
Total comprehensive income for the period	-	-	-	-	335,417	335,417	-	335,417
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(287,537)	(287,537)	-	(287,537)
Balance as at 31st December 2020	533,384	14,148	5,776	457,020	909,095	1,919,423	-	1,919,423
Balance as at 1st April 2020								
Balance as at 1st April 2020	533,384	14,148	5,776	457,020	861,215	1,871,543	-	1,871,543
Total comprehensive income								
Profit for the period	-	-	-	-	317,552	317,552	-	317,552
Total comprehensive loss for the period	-	-	-	-	317,552	317,552	-	317,552
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Forfeiture of unclaimed dividends	-	-	-	-	987	987	-	987
Dividends	-	-	-	-	(287,537)	(287,537)	-	(287,537)
Balance as at 31st March 2021	533,384	14,148	5,776	457,020	892,217	1,902,545	-	1,902,545
Balance as at 1st April 2021								
Balance as at 1st April 2021	533,384	14,148	5,776	457,020	892,217	1,902,545	-	1,902,545
Total comprehensive income								
Profit for the period	-	-	-	-	717,287	717,287	-	717,287
Total comprehensive income for the period	-	-	-	-	717,287	717,287	-	717,287
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(655,458)	(655,458)	-	(655,458)
Balance as at 31st December 2021	533,384	14,148	5,776	457,020	954,046	1,964,374	-	1,964,374
GROUP								
Balance as at 1st April 2020	533,384	729,936	5,776	457,020	5,864,770	7,590,886	7,230,325	14,821,211
Total comprehensive income								
Profit for the period	-	-	-	-	964,100	964,100	927,745	1,891,845
Total comprehensive income for the period	-	-	-	-	964,100	964,100	927,745	1,891,845
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(287,537)	(287,537)	(305,600)	(593,137)
Balance as at 31st December 2020	533,384	729,936	5,776	457,020	6,541,333	8,267,449	7,852,470	16,119,919
Balance as at 1st April 2020								
Balance as at 1st April 2020	533,384	729,936	5,776	457,020	5,864,770	7,590,886	7,230,325	14,821,211
Total comprehensive income								
Profit for the period	-	-	-	-	1,254,549	1,254,549	1,179,948	2,434,497
Other comprehensive income for the period	-	-	-	-	351	351	321	672
Total comprehensive income for the period	-	-	-	-	1,254,900	1,254,900	1,180,269	2,435,169
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Forfeiture of unclaimed dividends	-	-	-	-	987	987	-	987
Dividends	-	-	-	-	(287,537)	(287,537)	(305,600)	(593,137)
Balance as at 31st March 2021	533,384	729,936	5,776	457,020	6,833,120	8,559,236	8,104,994	16,664,230
Balance as at 1st April 2021								
Balance as at 1st April 2021	533,384	729,936	5,776	457,020	6,833,120	8,559,236	8,104,994	16,664,230
Total comprehensive income								
Profit for the period	-	-	-	-	1,249,606	1,249,606	1,136,551	2,386,157
Total comprehensive income for the period	-	-	-	-	1,249,606	1,249,606	1,136,551	2,386,157
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(655,458)	(655,458)	(690,656)	(1,346,114)
Balance as at 31st December 2021	533,384	729,936	5,776	457,020	7,427,268	9,153,384	8,550,889	17,704,273

CONDENSED STATEMENT OF CASH FLOWS

For the period ended In Rs. '000s	Company			Group		
	31-Dec-21	31-Dec-20	31-Mar-21 (Audited)	31-Dec-21	31-Dec-20	31-Mar-21 (Audited)
Cash flows from operating activities						
Profit before taxation	850,005	403,149	395,302	3,672,976	3,107,459	4,284,507
Adjustments for:						
Finance expenses	25,080	30,665	39,100	760,825	1,058,690	1,298,247
Depreciation on right of use assets	-	-	-	52,250	58,254	77,793
Gain on de recognition of right of use assets	-	-	-	-	(165)	(7,106)
Depreciation on property, plant & equipment	-	155	155	1,106,193	966,354	1,319,131
Amortisation of intangible assets	-	-	-	9,342	4,217	7,437
Net Inventory provisions/(reversals)	-	-	-	(2,867)	1,871	1,096
Provision for retirement benefit obligations	-	-	-	14,942	12,942	43,030
Impairment of property plant & equipment	-	-	-	-	-	160,258
Impairment of intangible assets	-	-	-	-	-	449,084
Impairment of doubtful debtors	-	-	-	-	-	2,082
Impairment of investments	-	-	45,199	-	-	-
Finance income	(5,626)	(5,415)	(7,020)	(426,734)	(547,107)	(664,193)
Loss on disposal of property, plant & equipment	-	-	-	12,006	-	21,011
ESC write off	-	-	-	-	-	30,670
Deposits written back during the year	-	-	-	-	-	(168,072)
Lease interest expenses	-	-	-	27,368	36,606	48,298
Unrealised exchange gain	-	-	-	(2,061)	(2,144)	(45,535)
Operating cash flow before working capital changes	869,459	428,554	472,736	5,224,240	4,696,977	6,857,738
(Increase)/decrease in inventories	-	-	-	145,862	(397,736)	(678,466)
(Increase)/decrease in trade & other receivables	360	17,999	17,640	(1,105,279)	88,647	51,324
(Increase)/decrease in amounts due from related companies	(8,590)	(14,992)	(13,946)	-	(3,826)	6,500
Increase/(decrease) in amounts due to related companies	(48,319)	(97,145)	(149,043)	(1,940)	89,130	15,080
Increase/(decrease) in tax payables/receivable	-	-	-	(841,467)	1,690,471	1,770,600
Increase/(decrease) in trade & other payables	(1,283)	(1,939)	(1,588)	711,047	(107,716)	218,079
Cash generated from operations	811,627	332,477	325,799	4,132,463	6,055,947	8,240,855
Finance expenses paid	(10,643)	(9,668)	(13,366)	(693,292)	(972,061)	(1,178,119)
Tax paid	(96,754)	(44,253)	(65,253)	(1,576,754)	(736,115)	(1,368,102)
Retirement benefits paid	-	-	-	(23,939)	(6,073)	(6,073)
Net cash generated from operating activities	704,230	278,556	247,180	1,838,478	4,341,698	5,688,561
Cash flows from investing activities						
Purchase and construction of property, plant & equipment	-	-	-	(1,649,245)	(831,846)	(1,161,207)
Purchase of intangible assets	-	-	-	-	(1,482)	(27,196)
Proceeds from sale of property, plant & equipment	-	-	-	14,005	-	-
Agent deposits received	-	-	-	300,620	274,452	366,291
Interest received	-	-	-	426,734	547,107	664,193
Net cash (used in)/generated from investing activities	-	-	-	(907,886)	(11,769)	(157,919)
Cash flows from financing activities						
Proceeds from loans & borrowings	-	-	-	2,700,000	2,781,250	3,000,000
Repayment of loans & borrowings	(22,500)	(22,500)	(30,000)	(1,288,350)	(7,582,100)	(10,330,300)
Repayment of lease payments	-	-	-	(71,071)	(76,926)	(103,523)
Forfeiture of unclaimed dividends	-	-	987	-	-	987
Dividends paid net of tax	(651,804)	(287,537)	(288,524)	(1,346,114)	(593,147)	(593,147)
Net cash (used in)/generated from financing activities	(674,304)	(310,037)	(317,537)	(5,535)	(5,470,923)	(8,025,983)
Net increase/(decrease) in cash & cash equivalents	29,926	(31,481)	(70,357)	925,057	(1,140,994)	(2,495,341)
Cash & cash equivalents at the beginning of the year	(163,989)	(93,632)	(93,632)	7,686,214	10,181,555	10,181,555
Cash & cash equivalents at the end of the period	(134,063)	(125,113)	(163,989)	8,611,271	9,040,561	7,686,214
Analysis of cash and cash equivalents						
Cash and cash equivalents	24,748	38,184	8,858	11,431,670	10,576,656	9,701,006
Bank overdraft	(158,811)	(163,297)	(172,847)	(2,820,399)	(1,536,095)	(2,014,792)
	(134,063)	(125,113)	(163,989)	8,611,271	9,040,561	7,686,214

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Ceylon Beverage Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The parent company of Ceylon Beverage Holdings PLC is Carson Cumberbatch PLC (CCPLC) and the ultimate parent company is Bukit Darah PLC. The registered office of the Company is situated at No 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at No 254, Colombo Road, Biyagama.

The Interim Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The Subsidiaries of the Company are set out below.

Subsidiary	Controlling interest	Note
Lion Brewery (Ceylon) PLC	52.25%	"LBCPLC"
Pubs 'N Places (Private) Limited	99.9%	
Retail Spaces (Private) Limited	100%	
Luxury Brands (Private) Limited	100%	
Pearl Springs (Private) Limited	52.25%	"PSPL", wholly owned subsidiary of "LBCPLC"
Millers Brewery Limited	52.25%	wholly owned subsidiary Subsidiary of "PSPL"

The principal activities of the Group is brewing and marketing of high quality beers for both local & export markets and retailing of beer & alcohol products locally through its owned/managed wine shops & pubs. The Group is also engaged in the import & marketing of globally renowned high quality beer and spirits brands.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The interim condensed Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 (Interim Financial Reporting). This Interim Financial Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2021 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards, (" SLFRSs/LKASs ")

2.2 Basis of measurement

The interim condensed Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following;

- Freehold Land and buildings are measured at cost at the time of acquisition and construction and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.
- Employee benefits are recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

2.3 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees Thousands (Rs.'000s) which is the Group's functional currency, unless otherwise indicated.

CEYLON BEVERAGE HOLDINGS PLC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

3 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Financial Commitments

Lion Brewery (Ceylon) PLC

Document credits established for foreign purchases of the company as at 31st December 2021 amounts to Rs. 1,914,808,953/- (2020 - Rs. 595,736,603/-)

3.2 Capital Commitments

Lion Brewery (Ceylon) PLC

Capital expenditure committed by the Company for which a provision has not been made in the Financial Statements amounts to Rs. 306,760,198/- at 31st December 2021 (2020 - Rs. 142,660,974/-)

3.3 Contingencies

Following legal matters are outstanding against the Group and no provision has been made in the Financial Statements in this regard.

(i) Company

In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs.25,059,553/86 as its penalty. The Company and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86, pending the Judgment from the Supreme Court in the said Leave to Appeal matter. This matter came up for Argument before the Supreme Court on 12th July 2021. Arguments were concluded after a full day and matter is reserved for Judgment.

(ii) Lion Brewery (Ceylon) PLC

Contingent liabilities as at 31st December 2021 amounts to Rs. 282,931,693/- (2020 - Rs. 210,652,730/-), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

Apart from the above there were no other material contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

4 COMPARATIVE FIGURES

Comparative figures/information have been reclassified where necessary in line with the changes to the new Sri Lanka Accounting Standards (SLFRS/LKAS).

5 STATED CAPITAL

The Company's stated capital consists of 20,988,090 ordinary shares.

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****6 LEASE LIABILITIES**

In Rs. 000's	Company		Group	
	31-Dec-21	31-Mar-21	31-Dec-21	31-Mar-21
Balance as at beginning of the period	-	-	275,321	325,064
Leases obtained	-	-	-	49,787
Lease rentals paid	-	-	(71,071)	(103,523)
Interest expenses for the period	-	-	27,368	48,298
Derecognition of lease liability	-	-	-	(44,305)
Balance as at end of the period	-	-	231,618	275,321

7 SEGMENTAL ANALYSIS

The Group does not distinguish its products into significant components for different Geographical/Business segments as the differentiations are insignificant.

8 SURCHARGE TAX

In the 2022 National Budget, the Government proposed a one time surcharge tax of 25% on Group/company's taxable income exceeding Rs. 2 billion for the year of assessment 2020/21. Since this proposal is yet to be legislated, in the financial statements for the period ended 31st December 2021, the Group has not provided for its potential liability.

9 EVENTS AFTER THE REPORTING PERIOD

There are no circumstances that have arisen subsequent to the reporting date, which required adjustment to or disclosure in these Financial Statements.

10 INVESTOR INFORMATION

Investor Information	Quarter ended		Nine months ended		Year ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
Share Information					
Price as at the end of the period (Rs.)	825.25	752.00	825.25	752.00	779.75
Highest price (Rs.)	836.00	819.90	894.50	890.00	890.00
Lowest price (Rs.)	660.00	720.40	660.00	620.00	620.00
Trading Statistics					
No of Transactions	152	120	377	207	338
No of Shares traded	51,573	16,125	59,244	179,168	181,947
Value of all shares traded (Rs. Mn.)	35.21	12.70	41.19	135.83	137.92

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

11 DIRECTORS' SHAREHOLDINGS

AS AT 31ST DECEMBER 2021	No. of Shares
Mr. D. A. Cabraal (Chairman)	1,500
Mr. H. Selvanathan (Deputy Chairman)	690
Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)	690
Mr. R. H. Meewakkala (Chief Executive Officer - appointed w.e.f. 01/07/2021)	-
Mr. D.C.R. Gunawardena	15
Mr. S. Clini	-
Mrs. S. J. F. Evans	-
Mr. S. K. Shah (Chief Executive Officer - retired w.e.f. 30/06/2021)	2,632

12 TWENTY MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2021

#	Name of Shareholder	No. of Shares	%
1	CARSON CUMBERBATCH PLC A/C NO.02	15,726,912	74.93
2	GF CAPITAL GLOBAL LIMITED	2,096,858	9.99
3	CARLSBERG A/S	1,676,440	7.99
4	SERENDIP INVESTMENTS LIMITED	644,000	3.07
5	DEUTSCHE BANK AG SINGAPORE A/C 2 (DCS CLT ACC FOR DEUTSCHE BANK AG SINGAPORE-PWMWM CLIENT)	130,000	0.62
6	CARSON CUMBERBATCH PLC A/C NO. 01	97,050	0.46
7	TRANZ DOMINION, L.L.C.	75,500	0.36
8	J.B. COCOSHELL (PVT) LTD	32,322	0.15
9	MRS. J.K.P. SINGH	31,485	0.15
10	GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10
11	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07
12	MISS A. RADHAKRISHNAN	12,239	0.06
13	MISS M.P. RADHAKRISHNAN	10,257	0.05
14	MR. N.J. GAMADIA	8,786	0.04
15	MR. R. MAHESWARAN	8,134	0.04
16	ADMIN OF A.C. ABDEEN (DECD)	7,725	0.04
17	MRS. M.C. ABEYSEKERA	7,622	0.04
18	MISS. C.S. THENABADU	7,370	0.04
19	MRS. M.L. PAIVA	6,006	0.03
20	MR. N.J.H.M. COORAY	6,000	0.03

13 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 1, i.e. Float-Adjusted Market Capitalization of Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 7.5%.

The Company's Public Holding as at 31st December 2021

Market Capitalization of the Public Holding	Rs.4.26 Billion
Percentage of ordinary shares held by the public	24.58%
Number of Public Shareholders	971

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

13 RELATED PARTY DISCLOSURES

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 - 'Related Party Disclosures', the details of which are reported below.

13.1 Transactions with related parties/subsidiaries

In Rs.'000s For the period ended 31st December	Company		Group	
	2021	2020	2021	2020
Royalty income	125,408	112,090	-	-
Royalty expenses	-	-	85,220	101,991
Dividend income	755,722	334,390	-	-
Intercompany interest income	5,626	5,415	-	-
Intercompany interest expense	14,437	20,997	-	-
Beer & spirits sales income	-	-	1,318	1,373
Rent expenses	-	-	19	14
Support services fees expenses	199	413	688,849	358,847
Other service fee expense	227	223	155,258	105,962

CEYLON BEVERAGE HOLDINGS PLC**Corporate Information**

NAME OF THE COMPANY

Ceylon Beverage Holdings PLC
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NUMBER

PQ 35

LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910
Official listing of the Colombo Stock Exchange was obtained in April 1991

SUBSIDIARY COMPANIES

Lion Brewery (Ceylon) PLC
Pubs 'N Places (Private) Limited
Retail Spaces (Private) Limited
Luxury Brands (Private) Limited
Pearl Springs (Private) Limited
Millers Brewery Limited

PARENT AND CONTROLLING ENTITY

Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

DIRECTORS

Mr. D. A. Cabraal (Chairman)
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mr. R. H. Meewakkala (Chief Executive Officer - appointed w.e.f. 01/07/2021)
Mr. D. C. R. Gunawardena
Mr. S. Clini
Mrs. S. J. F. Evans
Mr. S. K. Shah (Chief Executive Officer - retired w.e.f. 30/06/2021)

BANKERS

Citibank
Commercial Bank
Deutsche Bank
DFCC Bank
Hatton National Bank
Nations Trust Bank
National Development Bank
Peoples' Bank
Standard Chartered Bank
Sampath Bank

LEGAL ADVISERS

Messrs. F.J. & G. De Saram
216, De Saram Place
Colombo 10
Sri Lanka
Tel: + 94 11 4718200
Fax: + 94 11 4718220

AUDITORS

Messrs. KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha
Colombo 3
Sri Lanka
Tel: + 94 11 5426426
Fax:+94 11 2445872

MANAGERS & SECRETARIES

Carsons Management Services (Private) Limited
No: 61, Janadhipathi Mawatha
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Sri Lanka
Tel : +94 11 2039 200
Fax: +94 11 2039 300

REGISTERED OFFICE

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Tel : +94 11 2039 200
Fax: +94 11 2039 300

CORPORATE OFFICE & BREWERY

254, Colombo Road, Biyagama
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Tel: +94 11 2465900 (10 Lines)
Fax:+94 11 2465901

GROUP WEBSITE

www.carsoncumberbatch.com