

BEYOND BORDERS

Carson Cumberbatch PLC - Interim review for the period ended 31 December 2018

Over the last nine months, we have been able to deliver a healthy growth in the top line through strengthened and focused operations, where Carson Cumberbatch, on a group level posted a revenue of Rs. 71.8 Bn from continuing operations, an increase of 25% versus the comparative period. Beverage segment emerged as the main contributor to the group with a 53% YoY growth in its standalone topline, aided by the business upsurge in the Oil Palm Plantations and Oils and Fats segments.

Beverage segment revenue has expanded by a commendable (Rs. 11 Bn) to stand at Rs. 32.9 Bn. Tourism growth has certainly favoured the Beverage segment. In the meanwhile, the pragmatic and result oriented excise tax policy introduced in November 2017 has proved to be successful for the government and the consumer alike where the government revenue from beer has tremendously grown by (Rs. 7 Bn) to Rs. 25 Bn during the period under discussion. Much anticipated progress on beer exports was also prominent, where the volumes increased by 33% in the discussed period. Exports of Lion branded beer G stout now exceed 1.5 containers a day & the Brewery is focused on rapidly growing this business in the future.

Oil Palm Plantations segment was able to grow its revenue by 13% over the corresponding nine months to Rs. 21.5 Bn, where catalyst for such improvement has been the expansion in the internal Crude Palm Oil (CPO) production by 26%, driven by peak crop production in the first half of the year. The revenue growth is in spite of the average CPO sales prices realized by the segment for the period being 17% lower, over the comparable nine months, driven down by the increased volumes within the industry. As we move forward, the key focus of this segment would be on the control of costs and increased asset utilization. Sales volumes of the Oil and Fats segment has improved by 22% owing to better plant utilization where the high margin packed specialty fats sales volumes have observed a 17% YoY growth. As such, Oils and Fats segment was able to post a revenue of Rs. 16.3 Bn, indicating an improvement of 4% YoY. Moving forward, intention is to maximize the plant utilization of the segment and to increase sales in all categories while managing the input prices. The cost focus would be on working capital management and covering foreign exchange impact.

Portfolio and Asset Management segment has noted a 47% decline in its revenue, which reached Rs. 378.9 Mn for the period under review, owing to the downtrend in the market with a year to date return of negative 6.6% observed in the All Share Price Index. Private equity and venture capital business continued to show lackluster performance with less activity, mirroring the past year conditions. Yet, value-investing philosophy of the segment has resulted in a strong performance relative to its ASPI benchmark with the discretionary portfolio providing a return of 24.53% over the last 5 years compared to 2.36% return by the benchmark ASPI. The portfolio has also outperformed the ASPI over the last three years where it recorded a negative return of 0.04% as compared to ASPI, which showed negative 12.21%, an outperformance of 12.17%.

As disclosed in the previous interim review, the low base of operations of the Leisure segment due to the 32-room closure relating to 21-room refurbishment project at Giritale hotel for over six months, has led to a revenue reduction of 3.5% YoY to (Rs. 486.4 Mn.) Conversely, Pegasus Reef Hotel saw a 6% YoY growth in its company topline attributable to marginal increases in occupancy and Average room rates. As means of strengthening the competitive stand and service, plans are currently underway for a banquet hall refurbishment at Pegasus Reef for a duration of four months, commencing from February 2019.

In the meantime, the Real Estate segment noted a 11% YoY hike in its revenue to reach Rs. 219.7 Mn, reinforced by rent reviews and near full occupancy during majority of the period under discussion.

The group accounted for a total non-cash foreign exchange loss of Rs. 1 Bn as opposed to a loss of Rs. 351.4 Mn in the corresponding nine months, mostly as a result of the USD denominated borrowings of the Oil Palm Plantations segment getting impacted by the depreciating Indonesian Rupiah. In addition to the impact on the income statement, said exchange fluctuation is artificially inflating the group borrowings by as much as Rs. 8.8 Bn resulting from translation to reporting currency.

Carson Cumberbatch PLC - Interim review for the period ended 31 December 2018

The Portfolio and Asset Management segment noted a non-cash fair value loss of Rs. 1.28 Bn recognized in profit or loss pursuant to the adoption of SLFRS 9, due to the sharp decline in market prices of the stocks in the fair value through profit or loss financial assets category.

Factoring in the above segmental performances, the group observed a consolidated operating profit of Rs. 8.6 Bn, which is an increase of 8% over the corresponding period. Driven by the Oil Palm Plantations segment, net finance cost expanded by 6% YoY to stand at Rs. 3.6 Bn. The consolidated profit before tax noted a YoY increase of 10% to Rs. 5 Bn while the profit from continuing operations noted a decline of 18% YoY from Rs. 3.1 Bn to Rs. 2.6 Bn amid a deferred tax increase arising from the Beverage segment.

After the incorporation of a reduced loss of discontinued operations of Arani Agro Oil Industries, Carson Cumberbatch PLC posted a consolidated profit of Rs. 2.4 Bn for the nine months ended 31st December 2018, which demonstrated a YoY reduction of 14%.

Company Statement of Income

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

	For the three months ended			For the nine months ended		
	31st December			31st December		
	2018	2017	Change	2018	2017	Change
			%			%
Revenue	9,058	177,516	(95)	27,624	452,298	(94)
Direct operating expenses	-	-	-	-	-	-
	9,058	177,516	(95)	27,624	452,298	(94)
Items of income						
Fair value change in financial assets measured at fair value through profit or loss	(672)	(508)	32	(6,711)	2,950	(327)
Items of expenses						
Administrative expenses	(17,763)	(15,093)	18	(56,268)	(41,583)	35
Profit / (Loss) from operations	(9,377)	161,915	(106)	(35,355)	413,665	(109)
Net finance cost	(50,877)	(38,104)	34	(133,335)	(123,098)	8
Profit / (Loss) before income tax expenses	(60,254)	123,811	(149)	(168,690)	290,567	(158)
Income tax expenses						
Current taxation	-	(367)	-	-	(367)	-
Profit / (Loss) for the period	(60,254)	123,444	(149)	(168,690)	290,200	(158)
Other Comprehensive income / (expenses)						
Net change in fair value of financial assets measured at fair value through other comprehensive income	(323,252)	20,698	(1,662)	219,298	(311,714)	(170)
Total other comprehensive income / (expenses)	(323,252)	20,698	(1,662)	219,298	(311,714)	(170)
Total comprehensive income / (expenses) for the period	(383,506)	144,142	(366)	50,608	(21,514)	(335)
Earnings (Loss) per ordinary share (Rs.)	(0.31)	0.63	(149)	(0.86)	1.48	(158)
Dividend per ordinary share (Rs.)	-	-	-	-	-	-

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

The above figures are subject to audit.

The notes on pages 16 to 30 form an integral part of these financial statements.

8th February 2019

Company Statement of Financial Position

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

	As at 31st December 2018	As at 31.03.2018 (Audited)
Assets		
Non Current Assets		
Investments in subsidiaries	9,307,670	10,244,764
Financial assets measured at fair value through other comprehensive income	4,440,962	1,359,668
Total non - current assets	13,748,632	11,604,432
Current Assets		
Trade receivables	128,642	35,101
Other non financial receivables	5,889	3,968
Current tax recoverable	10,135	9,339
Financial assets measured at fair value through profit or loss	90,385	30,068
Cash and cash equivalents	306,026	387,773
Total current assets	541,077	466,249
Total assets	14,289,709	12,070,681
Equity and Liabilities		
Equity		
Stated capital	1,114,652	1,114,652
Capital reserve	287,552	287,552
Revenue reserves	10,809,380	9,048,514
Total equity	12,211,584	10,450,718
Current Liabilities		
Other financial payables	150,823	257,542
Loans and borrowings	1,927,302	1,362,421
Total current liabilities	2,078,125	1,619,963
Total liabilities	2,078,125	1,619,963
Total equity and liabilities	14,289,709	12,070,681
Net assets per ordinary share (Rs.)	62.18	53.21

I certify that these financial statements are in compliance with the requirements of Companies Act No. 07 of 2007.

Sgd.

A.P. Weeratunge

Director

Carsons Management Services (Pvt) Ltd.

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were approved by the Board on 8th February 2019.

Sgd.

M. Selvanathan

Director

Sgd.

D.C.R. Gunawardena

Director

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The notes on pages 16 to 30 form an integral part of these financial statements

Company Statement of Changes in Equity

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

	Stated Capital	Capital Reserve	Revenue Reserve	Total Equity
Balance as at 31st March 2018 (Audited)	1,114,652	287,552	9,048,514	10,450,718
Impact of adopting SLFRS 9 – “Financial Instruments” as at 1 April 2018	-	-	1,710,258	1,710,258
Restated Balance as at 1 April 2018	1,114,652	287,552	10,758,772	12,160,976
Loss for the period	-	-	(168,690)	(168,690)
Other comprehensive income for the period	-	-	219,298	219,298
Total Comprehensive income for the period	-	-	50,608	50,608
Transactions with owners of the company				
Dividend paid on Ordinary shares	-	-	-	-
Balance as at 31st December 2018 (Unaudited)	1,114,652	287,552	10,809,380	12,211,584
Balance as at 31st March 2017 (Audited)	1,114,652	287,552	9,187,287	10,589,491
Profit for the period	-	-	290,200	290,200
Other comprehensive expenses for the period	-	-	(311,714)	(311,714)
Total Comprehensive expenses for the period	-	-	(21,514)	(21,514)
Transactions with owners of the company				
Dividend paid on Ordinary shares	-	-	-	-
Balance as at 31st December 2017 (Unaudited)	1,114,652	287,552	9,165,773	10,567,977

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Company Statement of Cash Flow

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

For the nine month ended 31st December	2018	2017
Cash Flows from Operating Activities		
Loss before income tax expenses	(168,690)	290,567
Adjustments for:		
Profit on disposal of noncurrent investments	-	(175,271)
Fair value change in financial assets measured at fair value through profit or loss	6,711	(2,950)
Finance expenses	133,335	123,098
	140,046	(55,123)
Operating profit before working capital changes	(28,644)	235,444
(Increase) / Decrease in trade and other receivables	(95,462)	14,482
Decrease in trade and other payables	(1,359)	(16,195)
	(125,465)	233,731
Net cash movement in operations	-	-
Cash generated from / (used in) operations	(125,465)	233,731
Interest paid	(128,943)	(123,098)
Income tax paid	(796)	(367)
Net cash generated from / (used in) operating activities	(255,204)	110,266
Cash Flows from Investing Activities		
Proceeds from disposal of long term investment in subsidiaries	-	267,850
Payments for acquisition of additional interest in subsidiaries	(281,655)	(5,882)
Net cash generated from / (used in) investing activities	(281,655)	261,968
Cash Flows from Financing Activities		
Dividend paid by the Company	(105,360)	-
Net cash used in financing activities	(105,360)	-
Net increase / (decrease) in cash & cash equivalents	(642,219)	372,234
Cash & cash equivalents at the beginning of the year	(969,441)	(1,416,463)
Cash & cash equivalents at the end of the period	(1,611,660)	(1,044,229)
Statement of Cash & Cash Equivalents		
Cash and cash equivalents	306,026	269,534
	306,026	269,534
Short term borrowings	(1,917,686)	(1,313,763)
	(1,611,660)	(1,044,229)

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Consolidated Statement of Income

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

	For the three months ended			For the nine months ended			
	31st December			31st December			
	2018	2017	Change	2018	2017	Change	
Note			%			%	
Continuing operations							
Revenue	25,462,808	20,658,695	23	71,835,215	57,587,983	25	
Direct operating expenses	(19,008,283)	(15,669,640)	21	(49,935,642)	(42,343,200)	18	
Gross profit	6,454,525	4,989,055	29	21,899,573	15,244,783	44	
Progressive insurance receipts on business interruption claim	-	7,537	-	-	712,622	-	
Fair value change in financial assets measured at fair value through profit or loss	5(a)	165,613	(50,093)	(431)	(1,284,863)	57,442	(2,337)
Other income	302,536	563,408	(46)	757,267	1,110,509	(32)	
Distribution expenses	(1,949,987)	(1,257,940)	55	(5,565,933)	(3,542,753)	57	
Administrative expenses	(2,169,784)	(1,691,006)	28	(5,900,233)	(5,010,653)	18	
Other operating expenses	(29,230)	(62,583)	(55)	(295,429)	(183,387)	61	
Impairment of business assets	-	371	-	-	(102,209)	-	
Foreign exchange gain/(losses)	5(b)	761,698	(250,160)	(404)	(1,026,472)	(351,350)	192
Profit from operations	3,535,371	2,248,589	57	8,583,910	7,935,004	8	
Net finance cost	(1,219,254)	(1,326,363)	(8)	(3,552,798)	(3,361,562)	6	
Share of net results of equity accounted investee	2,014	1,769	14	5,829	9,646	(40)	
Profit before income tax expenses	2,318,131	923,995	151	5,036,941	4,583,088	10	
Income tax expense							
Current taxation	(739,107)	(336,800)	119	(1,936,864)	(1,590,748)	22	
Deferred taxation	79,566	85,941	(7)	(521,135)	149,325	(449)	
Profit from continuing operations	1,658,590	673,136	146	2,578,942	3,141,665	(18)	
Discontinued operations							
Net impact from discontinued operations, net of tax	(46,265)	(115,226)	(60)	(124,485)	(301,952)	(59)	
Total loss for the period from Discontinued Operations	6	(46,265)	(115,226)	(60)	(124,485)	(301,952)	(59)
Profit for the period	1,612,325	557,910	189	2,454,457	2,839,713	(14)	
Profit Attributable to:							
Owners of the Company	762,704	262,346	191	974,175	1,354,172	(28)	
Non controlling interest	849,621	295,564	187	1,480,282	1,485,541	(0)	
	1,612,325	557,910	189	2,454,457	2,839,713	(14)	
Earnings per share (Rs.)	3.88	1.34	190	4.96	6.90	(28)	
Earnings per share - Continuing operations (Rs.)	4.01	1.65	143	5.30	7.72	(31)	
Dividend per ordinary share (Rs.)	-	-	-	-	-	-	

* Discontinued operations for the current period and prior period refers to results of Arani Agro Oil Industries Private Limited which is explained in Note 6.

Change % column represents the percentage change in current period's results compared to comparative period of previous year. The above figures are subject to audit.

Figures in brackets indicate deductions.

The notes on pages 16 to 30 form an integral part of these financial statements

8th February 2019

Consolidated Statement of Other Comprehensive Income

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

	For the three months ended 31st December			For the nine months ended 31st December		
	2018	2017	Change	2018	2017	Change
			%			%
Profit for the period	1,612,325	557,910	189	2,454,457	2,839,713	(14)
Other Comprehensive Income						
Items that may be reclassified subsequently to profit or loss						
Net changes in fair value of financial assets measured at other comprehensive income	69,447	138,995	(50)	(26,710)	(566,742)	(95)
Transfer of realized gain / (loss) on available for sale financial assets	-	(55,113)	-	-	(144,380)	-
Exchange differences on translation of foreign operations	3,591,991	(89,444)	(4,116)	2,194,666	(319,319)	(787)
Other comprehensive income / (expenses) for the period net of tax	3,661,438	(5,562)	(65,930)	2,167,956	(1,030,441)	(310)
Total Comprehensive Income for the period net of tax	5,273,763	552,348	855	4,622,413	1,809,272	155
Attributable to:						
Owners of the Company	2,416,211	419,021	477	1,897,271	675,948	181
Non controlling interest	2,857,552	133,327	2,043	2,725,142	1,133,324	140
	5,273,763	552,348	855	4,622,413	1,809,272	155

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8th February 2019

Consolidated Statement of Financial Position

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

	As at 31st December 2018	As at 31.03.2018 (Audited)
ASSETS		
Non Current Assets		
Property, plant & equipment	54,319,523	50,911,747
Bearer Plants	34,918,139	31,730,624
Prepaid lease payment for land	4,735,563	4,379,949
Investment properties	3,448,106	3,447,798
Intangible assets	6,056,391	6,026,230
Investments in equity accounted investee	47,016	41,184
Financial assets measured at fair value through other comprehensive income	5,480,707	15,285,264
Deferred tax assets	4,546,331	3,537,087
Other financial receivables	184,490	169,966
Other non financial receivables	7,136,767	6,510,303
Total non current assets	120,873,033	122,040,152
Current Assets		
Inventories	8,057,126	6,469,855
Trade receivables	4,299,174	3,607,319
Other financial receivables	1,194,638	1,914,747
Other non financial receivables	11,041,847	7,450,540
Current tax recoverable	210,344	99,385
Financial assets measured at fair value through profit or loss	10,629,964	2,597,369
Derivative financial instruments	120,115	103,756
Biological assets	1,923,174	1,724,203
Cash and cash equivalents	15,421,777	13,342,194
	52,898,159	37,309,368
Assets held for sale	721,424	660,825
Total current assets	53,619,583	37,970,193
Total assets	174,492,616	160,010,345
EQUITY AND LIABILITIES		
EQUITY		
Stated capital	1,114,652	1,114,652
Capital reserves	2,693,502	2,684,579
Revenue reserves	29,420,396	27,702,694
Equity attributable to owners of the company	33,228,550	31,501,925
Non - controlling interest	31,901,690	29,148,484
Total equity	65,130,240	60,650,409

Consolidated Statement of Financial Position

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

	As at 31st December 2018	As at 31.03.2018 (Audited)
LIABILITIES		
Non Current Liabilities		
Loans and borrowings	44,825,787	40,396,059
Debenture	2,000,000	2,000,000
Other financial payables	88,947	87,695
Other non financial liabilities	1,656,439	1,462,835
Deferred tax liabilities	9,707,418	8,262,413
Total non current liabilities	58,278,591	52,209,002
Current Liabilities		
Trade payables	2,724,958	3,729,543
Other financial payables	13,306,826	15,304,671
Current tax liabilities	2,341,387	1,063,692
Derivative financial instruments	-	10,916
Loans and borrowings	32,671,041	25,931,530
Debenture	39,573	1,110,582
Total current liabilities	51,083,785	47,150,934
Total liabilities	109,362,376	99,359,936
Total equity and liabilities	174,492,616	160,010,345
Net assets per ordinary share (Rs.)	169.20	160.41

I certify that these financial statements are in compliance with the requirements of Companies Act No. 07 of 2007.

Sgd.

A.P. Weeraratne

Director

Carsons Management Services (Pvt) Ltd.

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

These financial statements were approved by the Board on 8th February 2019.

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Consolidated Statement of Changes in Equity

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

	Stated Capital	Capital Reserves	Revenue Reserves	Attributable to owners of the company	Non - controlling interest	Total Equity
Balance as at 31st March 2018	1,114,652	2,684,579	27,702,694	31,501,925	29,148,484	60,650,409
Profit for the period	-	-	974,175	974,175	1,480,282	2,454,457
Other comprehensive income for the period	-	-	923,096	923,096	1,244,860	2,167,956
Total comprehensive income for the period	-	-	1,897,271	1,897,271	2,725,142	4,622,413
Transactions with owners of the Company, recognised directly in equity						
Goodwill on change in shareholdings	-	-	(303,924)	(303,924)	(2)	(303,926)
Acquisition, disposal and changes in Non controlling interest	-	8,923	124,355	133,278	28,066	161,344
Total Transactions with owners of the Company	-	8,923	(179,569)	(170,646)	28,064	(142,582)
Balance as at 31st December 2018 (Unaudited)	1,114,652	2,693,502	29,420,396	33,228,550	31,901,690	65,130,240
Balance as at 31st March 2017	1,114,652	3,207,132	26,905,892	31,227,676	28,225,711	59,453,387
Profit for the period	-	-	1,354,172	1,354,172	1,485,541	2,839,713
Other comprehensive expenses for the period	-	-	(678,224)	(678,224)	(352,217)	(1,030,441)
Total comprehensive income for the period	-	-	675,948	675,948	1,133,324	1,809,272
Transactions with owners of the Company, recognised directly in equity						
Goodwill on change in shareholdings	-	-	55,674	55,674	(4,505)	51,169
Subsidiary dividend to non-controlling interest	-	-	-	-	(116,604)	(116,604)
Acquisition, disposal and changes in non-controlling interest	-	(7,940)	143,393	135,453	52,751	188,204
Total Transactions with owners of the Company	-	(7,940)	199,067	191,127	(68,358)	122,769
Balance as at 31st December 2017 (Unaudited)	1,114,652	3,199,192	27,780,907	32,094,751	29,290,677	61,385,428

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Consolidated Statement of Cash Flow

Condensed Interim Financial Statements

(Amounts expressed in Sri Lankan Rs.'000)

For the Nine months ended 31st December	2018	2017
Cash Flows from Operating Activities		
Profit before income tax expenses from continuing operations	5,036,941	4,583,088
Loss before income tax expenses from discontinued operations	(124,485)	(301,952)
	4,912,456	4,281,136
Adjustments for:		
Unwinding of discount on compensation receivable	(14,524)	(13,026)
Fair value change in financial assets measured at fair value through profit or loss	1,284,863	(57,442)
Share of net result of equity accounted investee	(5,829)	(9,646)
Impairment of business assets	-	102,209
Depreciation on property, plant & equipment	2,667,440	2,406,169
Depreciation on Bearer Plants	1,207,526	824,769
Amortization of intangible assets/prepaid lease payment	181,263	183,925
Net Inventory provisions	(77,408)	181,282
Provision for retiring gratuity	221,360	199,578
Amortization of deferred revenue	(6,698)	(5,380)
Finance expenses	3,635,473	3,609,160
Loss on property, plant & equipment write-off	30,992	-
Profit on disposal of property, plant & equipment	(102,167)	27,300
Exchange impact on translation of foreign operations	709,001	474,697
	9,731,292	7,923,595
Operating profit before working capital changes	14,643,746	12,204,731
(Increase)/decrease in inventories	(1,587,271)	111,335
Increase in trade and other receivables	(3,449,503)	(3,018,199)
Increase/(Decrease) in trade and other payables	(3,203,552)	259,549
	6,403,420	9,557,416
Net cash movement in investment	457,482	(349,929)
Cash generated from operations	6,860,902	9,207,487
Interest paid	(3,391,603)	(3,177,057)
Income tax paid	(796,839)	(694,707)
Gratuity paid	(170,479)	(204,037)
Net cash generated from operating activities	2,501,981	5,131,686

For the Nine months ended 31st December**2018****2017****Cash Flows from Investing Activities**

Payments for property, plant & equipment/Investment property	(2,404,385)	(2,435,393)
Payments for bearer Plant development costs	(699,459)	(1,316,326)
Payments for Intangible assets/prepaid lease payments	(60,721)	(177,559)
Proceeds from disposal of long term investment in subsidiaries	-	267,850
Payments for acquisition of additional interest in subsidiaries	(341,043)	(5,882)
Movement in non current VAT and other receivables	397,356	254,839
Movement in Plasma investment	(14,507)	(457,440)
Proceeds from disposal of property, plant & equipment	186,006	38,324
Deposits received	211,710	50,832
Net cash used in investing activities	(2,725,042)	(3,780,755)

Cash Flows from Financing Activities

Net change in borrowings /debenture	(4,228,134)	613,560
Payment of finance lease creditors	(66,435)	(83,074)
Non controlling interest Contribution for Subsidiary Share Issues	200,293	-
Dividend paid to non -controlling shareholders by subsidiaries	-	(116,604)
Dividend paid by the company	(105,360)	-
Net cash generated from/(used in) financing activities	(4,199,636)	413,882
Net increase/(decrease) in cash & cash equivalents	(4,422,697)	1,764,813
Cash & cash equivalents at the beginning of the year	(697,439)	(7,811,751)
Cash & cash equivalents at the end of the period	(5,120,136)	(6,046,938)

Statement of Cash & Cash Equivalents

Cash and cash equivalents	15,421,777	13,039,447
	15,421,777	13,039,447
Short term borrowings	(20,541,913)	(19,086,385)
	(5,120,136)	(6,046,938)

The above figures are subject to audit.

The notes on pages 16 to 30 form an integral part of these financial statements

Notes to the Condensed Interim Financial Statements

Operating Segment Information - Group

(a). Segmental results are as follows:

(Amounts expressed in Sri Lankan Rs.'000)

Business Segment	Investment Holdings		Portfolio & Asset Management		Oil Palm Plantations		Oils and fats	
	2018	2017	2018	2017	2018	2017	2018	2017
For the three months ended 31st December								
Total revenue	9,058	2,246	85,173	306,483	9,172,455	6,351,060	6,048,722	6,214,993
Intra segment revenue	-	-	(20,959)	(18,737)	(1,288,612)	(785,068)	(25,608)	(41,883)
Segment revenue	9,058	2,246	64,214	287,746	7,883,843	5,565,992	6,023,114	6,173,110
Inter segment revenue	-	-	-	-	(469,906)	(152,853)	(152,059)	(103,679)
Revenue	9,058	2,246	64,214	287,746	7,413,937	5,413,139	5,871,055	6,069,431
Segment results	(9,378)	(13,355)	171,501	184,016	745,629	936,027	147,769	427,692
Flood related activities	-	-	-	-	-	-	-	-
Foreign Exchange gain/(losses)	-	-	(20,186)	7,455	761,238	(95,391)	(5,356)	(167,035)
Impairment of business assets	-	-	-	371	-	-	-	-
Profit/(loss) from operations	(9,378)	(13,355)	151,315	191,842	1,506,867	840,636	142,413	260,657
Net finance cost	(50,875)	(38,104)	(4,958)	75	(754,241)	(754,840)	(166,578)	(151,113)
Share of net results of equity accounted investee	-	-	2,014	1,769	-	-	-	-
Profit/(loss) before taxation	(60,253)	(51,459)	148,371	193,686	752,626	85,796	(24,165)	109,544
Income tax expenses								
Current taxation	-	(367)	(15,182)	(8,039)	(423,036)	(230,675)	(1,517)	(2,691)
Deferred taxation	-	-	-	-	152,677	134,358	(11,775)	(32,619)
	-	(367)	(15,182)	(8,039)	(270,359)	(96,317)	(13,292)	(35,310)
Profit/(loss) from continuing operations	(60,253)	(51,826)	133,189	185,647	482,267	(10,521)	(37,457)	74,234
Discontinued operations								
Loss from discontinued operations, net of tax	-	-	-	-	-	-	(46,265)	(115,226)
Profit/(loss) for the period	(60,253)	(51,826)	133,189	185,647	482,267	(10,521)	(83,722)	(40,992)
Attributable to								
Owners of the Company	(60,253)	(51,826)	80,920	98,483	238,269	(10,623)	(46,356)	(25,098)
Non controlling interest	-	-	52,269	87,164	243,998	102	(37,366)	(15,894)
	(60,253)	(51,826)	133,189	185,647	482,267	(10,521)	(83,722)	(40,992)

Beverage		Real Estate		Leisure		Management Services		Group	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
12,042,985	8,658,517	81,319	74,358	170,593	180,348	112,448	111,723	27,722,753	21,899,728
(188,651)	(25,698)	-	-	-	-	-	-	(1,523,830)	(871,386)
11,854,334	8,632,819	81,319	74,358	170,593	180,348	112,448	111,723	26,198,923	21,028,342
-	-	(5,637)	(5,168)	-	-	(108,513)	(107,947)	(736,115)	(369,647)
11,854,334	8,632,819	75,682	69,190	170,593	180,348	3,935	3,776	25,462,808	20,658,695
1,674,276	852,876	49,659	54,403	13,555	15,237	(19,338)	33,945	2,773,673	2,490,841
-	7,537	-	-	-	-	-	-	-	7,537
25,848	4,747	-	-	154	64	-	-	761,698	(250,160)
-	-	-	-	-	-	-	-	-	371
1,700,124	865,160	49,659	54,403	13,709	15,301	(19,338)	33,945	3,535,371	2,248,589
(256,866)	(387,797)	3,487	(1,815)	10,738	7,279	39	(48)	(1,219,254)	(1,326,363)
-	-	-	-	-	-	-	-	2,014	1,769
1,443,258	477,363	53,146	52,588	24,447	22,580	(19,299)	33,897	2,318,131	923,995
(282,720)	(81,067)	(16,652)	(13,237)	-	(724)	-	-	(739,107)	(336,800)
(57,849)	(12,431)	(1,750)	(2,423)	(1,737)	(944)	-	-	79,566	85,941
(340,569)	(93,498)	(18,402)	(15,660)	(1,737)	(1,668)	-	-	(659,541)	(250,859)
1,102,689	383,865	34,744	36,928	22,710	20,912	(19,299)	33,897	1,658,590	673,136
-	-	-	-	-	-	-	-	(46,265)	(115,226)
1,102,689	383,865	34,744	36,928	22,710	20,912	(19,299)	33,897	1,612,325	557,910
516,248	164,449	32,740	34,401	20,435	18,663	(19,299)	33,897	762,704	262,346
586,441	219,416	2,004	2,527	2,275	2,249	-	-	849,621	295,564
1,102,689	383,865	34,744	36,928	22,710	20,912	(19,299)	33,897	1,612,325	557,910

Notes to the Condensed Interim Financial Statements

Operating Segment Information - Group

(a). Segmental results are as follows:

(Amounts expressed in Sri Lankan Rs.'000)

Business Segment	Investment Holdings		Portfolio & Asset Management		Oil Palm Plantations		Oils and fats	
	2018	2017	2018	2017	2018	2017	2018	2017
For the nine months ended 31st								
December	2018	2017	2018	2017	2018	2017	2018	2017
Total revenue	27,624	277,027	455,055	779,917	27,166,053	22,200,161	16,759,811	16,173,799
Intra segment revenue	-	-	(76,109)	(70,021)	(3,386,552)	(2,829,107)	(85,535)	(144,563)
Segment revenue	27,624	277,027	378,946	709,896	23,779,501	19,371,054	16,674,276	16,029,236
Inter segment revenue	-	(274,405)	-	-	(2,302,218)	(401,364)	(360,058)	(397,104)
Revenue	27,624	2,622	378,946	709,896	21,477,283	18,969,690	16,314,218	15,632,132
Segment results	(35,355)	(36,011)	(1,096,899)	590,880	5,533,409	4,849,868	283,067	652,541
Flood related activities	-	-	-	-	-	-	-	-
Foreign Exchange gain/(losses)	-	-	(33,069)	3,840	(1,122,099)	(375,960)	92,475	18,331
Impairment of business assets	-	-	-	(102,209)	-	-	-	-
Profit/(loss) from operations	(35,355)	(36,011)	(1,129,968)	492,511	4,411,310	4,473,908	375,542	670,872
Net finance cost	(133,335)	(123,097)	(5,626)	624	(2,085,632)	(1,684,708)	(484,028)	(448,587)
Share of net results of equity accounted investee	-	-	5,829	9,646	-	-	-	-
Profit/(loss) before taxation	(168,690)	(159,108)	(1,129,765)	502,781	2,325,678	2,789,200	(108,486)	222,285
Income tax expenses								
Current taxation	-	(1,698)	(43,050)	(26,432)	(1,450,425)	(1,387,120)	(4,914)	(6,248)
Deferred taxation	-	-	2,338	-	651,703	322,147	2,085	(14,112)
	-	(1,698)	(40,712)	(26,432)	(798,722)	(1,064,973)	(2,829)	(20,360)
Profit/(loss) from continuing operations	(168,690)	(160,806)	(1,170,477)	476,349	1,526,956	1,724,227	(111,315)	201,925
Discontinued operations								
Loss from discontinued operations, net of tax	-	-	-	-	-	-	(124,485)	(301,952)
Profit/(loss) for the period	(168,690)	(160,806)	(1,170,477)	476,349	1,526,956	1,724,227	(235,800)	(100,027)
Attributable to								
Owners of the Company	(168,690)	(160,806)	(658,663)	250,421	729,176	859,435	(130,876)	(63,055)
Non controlling interest	-	-	(511,814)	225,928	797,780	864,792	(104,924)	(36,972)
	(168,690)	(160,806)	(1,170,477)	476,349	1,526,956	1,724,227	(235,800)	(100,027)

Beverage		Real Estate		Leisure		Management Services		Group	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
33,414,338	21,627,495	236,636	213,437	486,458	504,305	331,905	302,948	78,877,880	62,079,089
(495,368)	(67,670)	-	-	-	-	-	-	(4,043,564)	(3,111,361)
32,918,970	21,559,825	236,636	213,437	486,458	504,305	331,905	302,948	74,834,316	58,967,728
-	-	(16,912)	(15,503)	-	-	(319,913)	(291,369)	(2,999,101)	(1,379,745)
32,918,970	21,559,825	219,724	197,934	486,458	504,305	11,992	11,579	71,835,215	57,587,983
4,795,454	1,390,244	163,210	154,261	31,699	52,161	(64,203)	21,997	9,610,382	7,675,941
-	712,622	-	-	-	-	-	-	-	712,622
35,898	2,224	-	-	323	215	-	-	(1,026,472)	(351,350)
-	-	-	-	-	-	-	-	-	(102,209)
4,831,352	2,105,090	163,210	154,261	32,022	52,376	(64,203)	21,997	8,583,910	7,935,004
(877,267)	(1,119,892)	4,850	(5,107)	28,218	19,325	22	(120)	(3,552,798)	(3,361,562)
-	-	-	-	-	-	-	-	5,829	9,646
3,954,085	985,198	168,060	149,154	60,240	71,701	(64,181)	21,877	5,036,941	4,583,088
(390,775)	(129,024)	(47,700)	(36,049)	-	(4,177)	-	-	(1,936,864)	(1,590,748)
(1,166,494)	(148,186)	(5,246)	(7,477)	(5,521)	(3,047)	-	-	(521,135)	149,325
(1,557,269)	(277,210)	(52,946)	(43,526)	(5,521)	(7,224)	-	-	(2,457,999)	(1,441,423)
2,396,816	707,988	115,114	105,628	54,719	64,477	(64,181)	21,877	2,578,942	3,141,665
-	-	-	-	-	-	-	-	(124,485)	(301,952)
2,396,816	707,988	115,114	105,628	54,719	64,477	(64,181)	21,877	2,454,457	2,839,713
1,110,099	290,368	108,073	98,068	49,237	57,864	(64,181)	21,877	974,175	1,354,172
1,286,717	417,620	7,041	7,560	5,482	6,613	-	-	1,480,282	1,485,541
2,396,816	707,988	115,114	105,628	54,719	64,477	(64,181)	21,877	2,454,457	2,839,713

Notes to the Condensed Interim Financial Statements

Operating Segment Information - Group

(b) Segments Assets/ liabilities are as follows:

(Amounts expressed in Sri Lankan Rs.'000)

Business Segment	Investment Holdings		Portfolio & Asset Management		Oil Palm Plantations		Oils and Fats	
	31.12.2018	31.03.2018	31.12.2018	31.03.2018	31.12.2018	31.03.2018	31.12.2018	31.03.2018
SEGMENT ASSETS								
Non - Current Assets								
Fixed assets**	-	-	2,368	2,854	64,940,703	58,171,819	8,475,945	8,037,310
Intangible assets	-	-	199,781	203,115	1,698,286	1,675,255	1,432,720	1,426,295
Financial assets measured at fair value through other comprehensive income/ equity accounted investee	1,286,368	1,359,668	4,241,355	13,966,780	-	-	-	-
Deferred tax assets	-	-	2,850	511	4,523,346	3,516,041	-	-
Other financial receivables	-	-	-	-	-	-	-	-
Other non financial receivables	-	-	-	-	7,136,767	6,510,303	-	-
Total non - current assets	1,286,368	1,359,668	4,446,354	14,173,260	78,299,102	69,873,418	9,908,665	9,463,605
Current Assets								
Inventories ***	-	-	-	-	5,093,419	3,571,886	2,623,383	2,658,623
Trade debtors and other financial assets	-	-	20,532	22,611	1,258,768	729,227	2,371,395	2,087,088
Other non financial receivables	28,341	13,308	88,243	61,174	6,123,589	3,241,692	3,768,832	3,571,812
Financial assets measured at fair value through profit or loss	90,385	30,068	10,515,215	2,462,497	-	-	-	-
Cash and cash equivalents	306,026	387,774	2,276,657	1,779,167	1,923,020	2,665,601	152,053	126,915
	424,752	431,150	12,900,647	4,325,449	14,398,796	10,208,406	8,915,663	8,444,438
Assets held for sale	-	-	-	-	-	-	721,424	660,825
Total current assets	424,752	431,150	12,900,647	4,325,449	14,398,796	10,208,406	9,637,087	9,105,263
Total segmental assets	1,711,120	1,790,818	17,347,001	18,498,709	92,697,898	80,081,824	19,545,752	18,568,868
SEGMENT LIABILITIES								
Non - Current Liabilities								
Loans and borrowings	-	-	-	-	34,907,582	29,585,378	6,208,799	5,884,558
Other financial payables	-	-	-	-	-	-	-	-
Other non financial liabilities	-	-	9,121	7,426	1,388,712	1,187,632	-	-
Deferred tax liabilities	-	-	-	-	3,472,026	3,228,295	269,853	251,675
Total non - current liabilities	-	-	9,121	7,426	39,768,320	34,001,305	6,478,652	6,136,233
Current Liabilities								
Trade and other financial liabilities	150,823	257,547	156,587	241,978	8,206,959	10,452,321	4,412,236	4,083,870
Loans and borrowings	1,927,302	1,362,421	166,287	16,112	14,124,351	9,768,271	7,547,760	6,162,440
Total current liabilities	2,078,125	1,619,968	322,874	258,090	22,331,310	20,220,592	11,959,996	10,246,310
Total segmental liabilities	2,078,125	1,619,968	331,995	265,516	62,099,630	54,221,897	18,438,648	16,382,543

**Fixed assets include, Property Plant & Equipments, Bearer Plants, Leasehold land rights & Investment properties.

*** Inventories include, Biological Assets

Beverage		Real Estate		Leisure		Management Services		Group	
31.12.2018	31.03.2018	31.12.2018	31.03.2018	31.12.2018	31.03.2018	31.12.2018	31.03.2018	30.09.2018	31.03.2018
(Audited)									
18,175,088	18,476,586	3,852,049	3,851,924	1,947,675	1,887,517	27,503	42,109	97,421,331	90,470,118
2,697,010	2,692,771	27,584	27,584	-	-	1,010	1,210	6,056,391	6,026,230
-	-	-	-	-	-	-	-	5,527,723	15,326,448
6,446	6,846	-	-	-	-	13,689	13,689	4,546,331	3,537,087
-	-	-	-	184,490	169,966	-	-	184,490	169,966
-	-	-	-	-	-	-	-	7,136,767	6,510,303
20,878,544	21,176,203	3,879,633	3,879,508	2,132,165	2,057,483	42,202	57,008	120,873,033	122,040,152
2,241,258	1,945,091	-	-	22,151	18,368	89	90	9,980,300	8,194,058
1,880,220	2,703,523	19,081	19,292	62,098	63,828	1,833	253	5,613,927	5,625,822
1,076,307	545,247	126,973	85,419	20,798	11,234	19,108	20,039	11,252,191	7,549,925
-	-	24,364	104,804	-	-	-	-	10,629,964	2,597,369
10,298,040	8,180,170	291,514	20,711	149,514	148,430	24,953	33,426	15,421,777	13,342,194
15,495,825	13,374,031	461,932	230,226	254,561	241,860	45,983	53,808	52,898,159	37,309,368
-	-	-	-	-	-	-	-	721,424	660,825
15,495,825	13,374,031	461,932	230,226	254,561	241,860	45,983	53,808	53,619,583	37,970,193
36,374,369	34,550,234	4,341,565	4,109,734	2,386,726	2,299,343	88,185	110,816	174,492,616	160,010,345
5,678,964	6,899,620	-	-	30,442	26,503	-	-	46,825,787	42,396,059
-	-	88,947	87,695	-	-	-	-	88,947	87,695
194,353	190,953	3,065	3,511	19,366	17,250	41,822	56,063	1,656,439	1,462,835
4,870,293	3,697,964	892,952	887,705	202,294	196,774	-	-	9,707,418	8,262,413
10,743,610	10,788,537	984,964	978,911	252,102	240,527	41,822	56,063	58,278,591	52,209,002
4,977,740	4,709,532	259,724	149,058	149,884	131,346	59,218	83,170	18,373,171	20,108,822
8,932,484	9,722,314	-	-	11,703	8,475	727	2,079	32,710,614	27,042,112
13,910,224	14,431,846	259,724	149,058	161,587	139,821	59,945	85,249	51,083,785	47,150,934
24,653,834	25,220,383	1,244,688	1,127,969	413,689	380,348	101,767	141,312	109,362,376	99,359,936

Notes to the Condensed Interim Financial Statements

Condensed Interim Financial Statements

1. REPORTING ENTITY

Carson Cumberbatch PLC is a limited liability company which is incorporated in Sri Lanka. The ordinary shares of the Company have a primary listing on the Colombo Stock Exchange.

The Group is a diversified conglomerate and one of the foremost business establishments in Sri Lanka backed by a heritage of well over 100 years. Today it is positioned as a Group whose outlook is regional, focused on a future which is technology-oriented, results driven and world class.

The Group businesses range from oil palm plantations in Indonesia, palm oil refining in Malaysia to breweries, investment holdings, portfolio & assets management, real estate and leisure in Sri Lanka. The Group has offices in Malaysia, Singapore, Indonesia and India in addition to Sri Lanka.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial period under review.

2. BASIS OF PREPARATION OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the nine months ended 31 December 2018 have been prepared in accordance with LKAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2018.

The interim condensed financial statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated.

SLFRS 9 Financial Instruments

The Group has initially adopted SLFRS 9 Financial Instruments with effect from 1st April 2018 in preparation of its financial statements. The effect of applying this standard is described below.

Classification and measurement of financial assets and financial liabilities

SLFRS 9 largely retains the existing requirements in LKAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous LKAS 39 categories of financial assets of held to maturity, loans and receivables and available for sale.

The impact of SLFRS 9 on the classification and measurement of financial assets is set out below.

Under SLFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL). The classification of financial assets under SLFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The following table is the reconciliation of original measurement categories and carrying value in accordance with LKAS 39, SLFRS 3 and the new measurement categories under SLFRS 9 for the Group's / Company's financial assets as at 1st April 2018.

Group

	Note	Original classification under LKAS 39	New classification under SLFRS 9	Original carrying amount under LKAS 39 Rs'000	New carrying amount under SLFRS 9 Rs'000
Financial assets					
Investment in equity securities - quoted : excluding strategic	2.1	Available-for-sale	FVTPL	9,517,445	9,517,445
Investment in equity securities - quoted : strategic	2.3	Available-for-sale	FVOCI - Equity instrument	5,504,964	5,504,964
Investment in other securities - unquoted	2.1 / 2.3 / 2.4	Available-for-sale	FVTPL	262,855	262,855
Total financial assets - 31st March' 2018				15,285,264	15,285,264

Company

	Note	Original classification under LKAS 39	Original classification under SLFRS 3	New classification under SLFRS 9	Original carrying amount under LKAS 39 Rs'000	Original carrying amount under SLFRS 3 Rs'000	New carrying amount under SLFRS 9 Rs'000
Financial assets							
Investment in equity securities - quoted : strategic	2.1	Available-for-sale		FVOCI - Equity Investment	1,292,640	-	1,292,640
Investment in equity securities - quoted : strategic	2.2		Investments in Subsidiaries	FVOCI - Equity instrument	-	937,482	2,647,740
Investment in other securities - unquoted	2.3	Available-for-sale		FVTPL	67,028	-	67,028
Total financial assets - 31st March' 2018					1,359,668	937,482	4,007,408

- 2.1 The non-derivative financial assets that were designated as available-for-sale or were not classified in any of the other categories of financial assets under the LKAS 39, excluding strategic investments have been classified as FVTPL, because they are managed and the performance is monitored on a fair value basis.
- 2.2 Company's direct holding in Lion Brewery (Ceylon) PLC 6.26% has been re-classified under FVOCI effective 1/4/2018. Company does not intend to dispose of this share in the short term.

Notes to the Condensed Interim Financial Statements

Condensed Interim Financial Statements

- 2.3 This represents the investment that the Group intends to hold for strategic purposes. As permitted by SLFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike LKAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.
- 2.4 The Debentures categorised as available-for-sale under LKAS 39, which are held by the Group earns interest income and may be sold or redeemed in the normal course of business. Hence, the Group considers that these securities are held within a business model whose objective is achieved both by collecting contractual cash flows and by selling securities. Therefore, these assets have been classified as financial assets at FVOCI under SLFRS 9.

Impairment

The adoption of SLFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SLFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

3 SEGMENTAL INFORMATION

For management purposes the Group's primary format segment reporting is Industry segments. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the group engages in, rather than the geographical location of these operations.

This is reflected by the Group's organizational structure. Industry segment activities of the group have been broadly classified into eight segments: Investment Holdings, Portfolio and Asset Management, Oil Palm Plantations, Beverage, Real-Estate, Leisure, Oils & Fats and Management Services according to the nature of product sold or service rendered. The principal product and services of each segments are follows.

Investment Holdings	- Holding of Strategic Investments
Portfolio and Asset Management	- Investment and management of listed, private equity, fixed income and unit trust investments
Oils & Fats	- Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate and confectionery, Ice creams and creamer industries to end-customers.
Oil Palm Plantations	- Production and sale of palm oil, palm kernel and fresh fruit bunches (FFB) to the local and international market.
Beverage	- Production and sale of Beer, import & distribution of alcoholic beverages.
Real Estate	- Letting office and warehouse premises on rent for commercial purposes.
Leisure	Hoteliering.
Management Services	- Providing support services to the Group Companies.

Sales between segments are made at prices that approximate the market prices. Segment revenue, segment expenses and segment results include transactions between industry segments. These transactions and any unrealized profits and losses are eliminated on consolidation. Segmental expenses are expenses that are directly attributed to a relevant segment or a portion of expenses that can be allocated on a reasonable basis as determined by the Management.

4 EXCHANGE RATES

The results and net assets of the Group, as reported in Sri Lankan Rupees, are affected by movements in exchange rates between Sri Lankan Rupees and operational currencies of overseas subsidiaries. Carson Cumberbatch PLC uses the average of respective exchange rates prevailing during the period to translate the results and cash flows of overseas Group subsidiaries and associates into Sri Lankan Rupees and period end rates to translate the net assets of those undertakings. The currencies which most influence these translations and the relevant exchange rates, are:

	Nine Months ended 31.12.2018	Six Months ended 30.09.2018	First Quarter ended 30.06.2018	Nine Months ended 31.12.2017	Year ended 31.03.2018
	Rs.	Rs.	Rs.	Rs.	Rs.
Average rates:					
Malaysian Ringgit	40.52	39.68	39.95	36.02	36.80
US Dollar	164.85	159.36	157.52	152.99	153.35
Indonesian Rupiah (Rp)	0.0114	0.0112	0.0112	0.0114	0.0114
Indian Rupee	2.37	2.33	2.36	2.37	2.38
Period-end rates:					
Malaysian Ringgit	44.08	40.87	39.13	37.63	40.33
US Dollar	182.71	168.92	158.22	153.23	155.60
Indonesian Rupiah (Rp)	0.0126	0.0113	0.0110	0.0113	0.0113
Indian Rupee	2.61	2.33	2.30	2.39	2.39

5 (a) Fair Value Change in Financial Assets Measured at Fair Value Through Profit or Loss.

The Group recently adopted the new accounting standard on "Financial Instruments - SLFRS 9" effective for the annual periods beginning on or after 1st January 2018. As per the SLFRS 9, entity has classified its equity investments in the discretionary portfolio as "financial assets held for fair value through profit or loss" which requires recognizing all gains/ (losses) arising from changes in fair values due to market prices fluctuations, in the Statement of Profit or Loss. Accordingly, with the significant market downward movement, a fair value loss of Rs. 1,285 Mn is recognized in profit or loss during the period under review.

(b) Foreign Exchange Gains/ (Losses)

The foreign exchange gain/(loss) relates to the assets, liabilities, income and expenses of the Goodhope Asia Holdings Limited and its subsidiaries whose certain transactions and balances are recorded in different currencies other than reporting currency of each such subsidiary.

For the period ended 31st December 2018, the Goodhope Asia Holding Limited group recorded a foreign exchange loss of Rs. 1,030 Mn. This unrealized exchange gain/(loss) mainly arose from the translation of foreign currency denominated long term borrowings as at the balance sheet date consequent to depreciation of the Indonesian rupiah (IDR) against the US dollar (USD) throughout the period.

The closing exchange rate of IDR against USD as at 31st December 2018 was IDR 14,481 which is a 5.3%% depreciation compared to the closing exchange rate IDR 13,756 that prevailed as at 31 March, 2018.

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6 DISCONTINUED OPERATIONS

Loss for the period from discontinued operations

	Group			
	For the three months ended		For the nine months ended	
	31st December		31st December	
	2018	2017	2018	2017
	(Rs '000)	(Rs '000)	(Rs '000)	(Rs '000)
Revenue	-	-	-	2,697
Direct operating expenses	-	-	-	(3,376)
	-	-	-	(679)
Other income	-	-	956	1,013
Distribution expenses	-	-	-	-
Administrative expenses	(17,188)	(12,145)	(42,766)	(54,688)
Impairment of business assets	-	-	-	-
Foreign exchange losses	-	-	-	-
Loss from operations	(17,188)	(12,145)	(41,810)	(54,354)
Net finance cost	(29,077)	(103,081)	(82,675)	(247,598)
Loss before Income tax expenses	(46,265)	(115,226)	(124,485)	(301,952)
Income tax expenses	-	-	-	-
Current taxation	-	-	-	-
Deferred taxation	-	-	-	-
Loss from discontinued operations, net of tax	(46,265)	(115,226)	(124,485)	(301,952)

The major classes of assets of Oil and Fats segment (Indian operation) Classified as held for sale as at 31st December 2018 are as follows:

	Group	
	31st December	31st March
	2018	2018
As at	(Rs '000)	(Rs '000)
Oils and fats Assets		
Property, plant & equipments	721,424	660,825
	721,424	660,825

7 DIVIDEND PER SHARE

The Directors did not declare a dividend for the period ended 31st December 2018.

8 INTANGIBLE ASSETS

	Goodwill	Customer Relationship	Brand	Total as at 31st December 2018	Total as at 31st March 2018
	(Rs '000)	(Rs '000)	(Rs '000)	(Rs '000)	(Rs '000)
Cost					
Balance at beginning of period	2,567,154	390,551	2,326,935	5,284,640	5,304,675
Impairment loss	-	-	-	-	(20,035)
	2,567,154	390,551	2,326,935	5,284,640	5,284,640
Accumulated Amortisation					
Balance at beginning of period	-	331,984	-	331,984	305,783
Amortization	-	14,640	-	14,640	26,201
	-	346,624	-	346,624	331,984
	2,567,154	43,927	2,326,935	4,938,016	4,952,656

9 RELATED PARTY TRANSACTIONS

For the period ended 31st December	Group		Company	
	2018 (Rs '000)	2017 (Rs '000)	2018 (Rs '000)	2017 (Rs '000)
Transactions with related parties				
Subsidiaries				
Dividend income received	-	-	-	274,405
Support service fees paid	-	-	9,000	9,000
Secretarial fees paid	-	-	333	333
Computer fees paid	-	-	450	450
Outstanding balances				
Amount due from related Companies	-	-	128,642	64,184
Amount due to related Companies	-	-	-	-
Joint Ventures				
Secretarial fees received	178	178	-	-

Notes to the Condensed Interim Financial Statements

Condensed Interim Financial Statements

10 STATED CAPITAL

As at 31st December	Company / Group	
	2018 (Rs 000)	2017 (Rs 000)
Issued and Fully Paid		
Ordinary Shares		
196,386,914 Ordinary shares	1,114,652	1,114,652
	1,114,652	1,114,652

11 LOANS AND BORROWINGS

	Group		Group	
	31st December 2018		31st March 2018	
	Secured (Rs.000)	Unsecured (Rs.000)	Secured (Rs.000)	Unsecured (Rs.000)
(a) Long term bank borrowings	50,244,097	5,362,108	44,810,913	6,702,176
Short term bank borrowings	12,173,175	9,346,228	6,543,643	8,224,766
Finance lease payable	371,220	-	46,091	-
Debenture	-	2,039,573	-	3,110,582
	62,788,492	16,747,909	51,400,647	18,037,524
(b) Amount repayable after one year	41,116,381	5,709,406	35,469,936	6,926,123
Amount repayable in one year or less, or on demand	21,672,111	11,038,503	15,930,711	11,111,401
	62,788,492	16,747,909	51,400,647	18,037,524

(c) The bank term loans and short term working capital loans of the Oil Palm Plantation sector and Oil & Fats sector are secured by a pledge over property, plant and equipment, bearer plants, fixed deposits and other deposits with financial institutions, inventories, trade receivables and by corporate guarantees.

12 There were no liabilities for management fees or any other similar expenditure not provided for in the interim financial statements.

13 The financial statements presented above have not been audited or reviewed by the Company auditors.

14 Net assets per share has been calculated for all periods, based on the number of Ordinary shares in issue as at 31st December 2018.

15 CONTINGENT LIABILITIES

There were no changes of material nature in the contingent liabilities since the last annual balance sheet date.

16 CAPITAL COMMITMENTS

There were no changes of material nature in the capital commitments since the last annual balance sheet date.

17 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No material events took place since December 31st, 2018 that require disclosure in these Financial Statements.

18 DIRECTORS SHAREHOLDING AS AT 31ST DECEMBER 2018

	No of Shares
Mr. Tilak de Zoysa	-
Mr. H. Selvanathan	76,852
Mr. M. Selvanathan	1,805,146
Mr. D.C.R.Gunawardena	-
Mr. S.K. Shah	-
Mr. P.C.P. Tissera	12
Mr. V. P. Malalasekera	-
Mr. F. Mohideen	-
Mr. R. Theagarajah	-
Mr. W. M. R. S. Dias	-
Mr. A. S. Amaratunga	1,156
M/s.M. Selvanathan & H. Selvanathan	449,820
Alternate Directors	
Mr. Krishna Selvanathan (for Mr. M. Selvanathan)	-
Mr. Sudarshan Selvanathan (for Mr. D. C. R. Gunawardena)	-

19 TWENTY MAJOR SHAREHOLDERS - ORDINARY SHARES

	Name of Shareholder	As at 31.12.2018	
		No. of Shares	%
1	Bukit Darah PLC A/C No 2	89,706,431	45.68
2	Tower Investments (Pvt) Ltd	20,927,425	10.66
3	Fulcrum (Private) Limited	19,231,059	9.79
4	Portelet Limited	14,747,670	7.51
5	Newgreens Limited	14,747,670	7.51
6	Employees Provident Fund	5,602,586	2.85
7	Mr. N. Ramaiah	5,563,473	2.83
8	Mrs. V. Nataraj	2,598,447	1.32
9	Mr. V. Nataraj	2,532,074	1.29
10	Goodhope Holdings (Pvt) Limited.	2,167,187	1.10
11	Mr. M. Selvanathan	1,805,146	0.92
12	GF Capital Global Limited	1,616,441	0.82
13	Ceylon Finance and Securities (Private) Ltd	1,606,239	0.82
14	Skan Investments (Pvt) Limited.	1,462,537	0.74
15	Mrs. M.N.C. Pellizzari	939,801	0.48
16	Pershing LLC S/A Averbach Grauson & Co.	769,388	0.39
17	Mr. Satish Selvanathan	703,348	0.36
18	Interkrish Investment Company (Pvt)Limited.	454,488	0.23
19	MR. K.C. Vignarajah	451,969	0.23
20	M/s.M. Selvanathan & H. Selvanathan	449,820	0.23

Notes to the Condensed Interim Financial Statements

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20 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.13.1.a. of the Listing Rules of the Colombo Stock Exchange, under Option 4, i.e. Float-adjusted Market Capitalization of Rs.2.5Billion with 500 Public Shareholders and a Public Holding percentage of 10%.

The Company's Public Holding as at 31st December 2018

* Market Capitalization of the Public Holding - Rs.4.82Billion

* Percentage of ordinary shares held by the public - 14.41%

* Number of Public Shareholders - 2,005

21 INVESTOR INFORMATION

	Nine months ended	Third quarter	Second quarter	First quarter	Nine Months ended	Year ended
As at	31.12.2018	31.12.2018	30.09.2018	30.06.2018	31.12.2017	31.03.2018
Market Performance - Ordinary Shares						
Market value per share (Rs.) - closing	170	170	167	165	176	168
Highest price per share (Rs.)	196	190	196	190	189	240
Lowest price per share (Rs.)	156	156	165	165	145	145
Share Trading						
Value of shares traded (Rs. Mn)	28	6	13	9	55	898
Number of shares traded	170,355	38,978	76,484	54,893	333,405	5,597,903
Number of trades	438	97	182	159	814	1,101
Other Information						
Market Capitalization (Rs. Mn)	33,425	33,425	32,797	32,423	34,564	32,993
Enterprise Value (Rs. Mn)	129,441	129,441	122,094	118,476	121,376	118,237

Corporate Information

Name of the Company

Carson Cumberbatch PLC

Company Registration No.

PQ 41

Legal Form

A Public Quoted Company with limited liability.

Incorporated in Sri Lanka in 1913.

Board Of Directors

Mr. Tilak de Zoysa (Chairman)
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan
Mr. D. C. R. Gunawardena
Mr. S.K. Shah
Mr. P.C.P. Tissera
Mr. V.P. Malalasekera
Mr. F. Mohideen
Mr. R. Theagarajah
Mr. W. M. R. S. Dias
Mr. A. S. Amaratunga

Alternate Director

Mr. Krishna Selvanathan
(for Mr. M. Selvanathan)
Mr. Sudarshan Selvanathan
(for Mr. D. C. R. Gunawardena)

Audit Committee

Mr. V.P. Malalasekera (Chairman)
Non- Executive/Independent Director

Mr. D. C.R. Gunawardena
Non- Executive Director

Mr. F. Mohideen
Non- Executive/Independent Director

Mr. A. S. Amaratunga **
Non-Executive/Independent Director

Remuneration Committee

Mr. T. de Zoysa (Chairman)
Non- Executive/Independent Director

Mr. D. C.R. Gunawardena
Non- Executive Director

Mr. R. Theagarajah
Non- Executive/Independent Director

Mr. W. M. R. S. Dias
Non- Executive/Independent Director

Nomination Committee

Mr. T. de Zoysa (Chairman)
Non- Executive/Independent Director

Mr. D. C.R. Gunawardena
Non- Executive Director

Mr. R. Theagarajah
Non- Executive/Independent Director

Mr. W. M. R. S. Dias
Non- Executive/Independent Director

Related Party Transactions Review Committee

Mr. V.P. Malalasekera (Chairman)
Non- Executive/Independent Director

Mr. F. Mohideen
Non- Executive/Independent Director

Mr. D. C.R. Gunawardena
Non- Executive Director

Mr. H. Selvanathan
Executive Director

Mr. M. Selvanathan
Executive Director

Mr. S.K. Shah
Executive Director

Bankers

Standard Chartered Bank
Bank of Ceylon
Commercial Bank of Ceylon PLC
Sampath Bank PLC
Hatton National Bank PLC
Nations Trust Bank PLC
Deutsche Bank

Auditors

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

Secretaries

Carsons Management Services (Pvt) Ltd.
No. 61, Janadhipathi Mawatha,
Colombo 1
Sri Lanka
Tel: 94-11-2039200
Fax: 94-11-2039300

Registered Office

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Janadhipathi Mawatha,
Colombo 1
Sri Lanka
Tel: 94-11-2039200
Fax: 94-11-2039300

Email

carsons@carcumb.com

Corporate Website

www.carsoncumberbatch.com

** Appointed w.e.f. 15th January 2019

