

# **Ceylon Beverage Holdings PLC**

*Interim Condensed Financial Statements  
for the Fourth Quarter ended  
31st March 2022*

# CEYLON BEVERAGE HOLDINGS PLC

## Review

It was a yet another year of varied challenges. The financial year commenced with the onset of the 3rd wave of the Covid pandemic which resulted in an island wide lock down of 52 days in Q1 & Q2. All liquor outlets were closed during the lockdown which resulted in no sales and cash collections. The spread of the pandemic, however, was controlled with the administering of the third booster vaccination.

Furthermore, as outlined in previously, there was a severe shortage of US Dollars. In the first part of the year, the USD shortage was experienced with less intensity, whilst in the latter half, it intensified to extreme levels. With Government foreign currency reserves at negligible levels, pre-existing shortages of essential commodities such as fuel and cooking gas have become severe. Power cuts became acute with as 15 hour long cuts experienced.

Somewhat predictably, the misguided depletion of foreign currency reserves led to a disorganized free float of the LKR, plummeting from 203 to 370 in a matter of weeks. Near hyperinflationary conditions followed. Matters came to head in April with the suspension of the Country's foreign debt repayments. This places severe constraints on the banking system's ability to provide trade finance.

Despite successive compounding problems, not to mention difficult personal circumstances, our teams' planning and execution resulted in continuous operations. Yet again, the teams surpassed expectations.

These events have led to cost inflation and uncertain demand. Despite price increases, gross margins declined in Q4 as cost increases outpaced price increases. Despite declining gross margins, investments behind capabilities and brands were increased.

It is in this challenging and difficult backdrop that the Group returned a profit before tax of Rs. 5,885 million compared to last year's comparative of Rs. 4,284 million. Excluding foreign exchange translation gains, profit before tax amounted to Rs. 5,268 million. However, in USD terms, profit before tax reduced.

### Taxation

Despite the conditions and Covid closures, the Group continued to pay significant taxes to Government. For the 2021/22 year, we paid a total of Rs 46 bn. In a COVID uninterrupted Q4, taxes paid by the Group grew over the prior year.

We have long emphasized the need to address illicit/illegal alcohol to raise tax revenues through common sense regulation. We estimate approximately over Rs 75bn of taxes is lost to tax evasion by illicit/illegal alcohol manufacturers. This amounts to c. 50% of the excise taxes collected or c. 0.5% of GDP. This is very material in the context of the Government's budget deficit.

Given the perilous fiscal situation, we hope Government will finally enact common sense regulatory policies to control tax evasion.

### International

Exports continued its strong run of growth, recording growth of 45% over last year. Growth was held back by operational challenges. Exports faced the same impediments as the domestic business. These problems were further aggravated by the shortage of ships arriving in the Colombo port and strike action in the context of the political crisis. Profitability was a challenge due to rising raw materials as well as freight charges.

The growing International Business enabled the Group to better weather the foreign exchange crisis.

### Outlook

The economic crisis has transitioned into a political and social crisis. Financial conditions will tighten significantly due to the devaluation, USD shortage, monetary and fiscal tightening and a potential global recession. The domestic economy will most likely experience a deep recession in 2022-23.

In terms of the business, volume pressure, cost pressure, VAT and other taxes increases and operational disruptions are likely to feature in 2022-23.

**CEYLON BEVERAGE HOLDINGS PLC**  
**BOARD OF DIRECTORS AS AT 31ST MARCH 2022**

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

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

Mr. R. H. Meewakkala (CEO/Director)

Mr. D. C. R. Gunawardena

Mr. S. Clini

Mrs. S. J. F. Evans

<b>CEYLON BEVERAGE HOLDINGS PLC</b>				
<b>CONDENSED STATEMENT OF FINANCIAL POSITION</b>				
	<b>Company</b>		<b>Group</b>	
<i>As at</i>	<b>31st March 2022</b>	<b>31st March 2021</b>	<b>31st March 2022</b>	<b>31st March 2021</b>
<i>In Rs. '000s</i>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant & equipment	-	-	20,574,458	18,869,754
Investment properties	647,100	486,870	647,100	486,870
Right of use assets	-	-	207,281	239,149
Intangible assets	-	-	819,545	1,289,652
Deferred tax assets	-	-	1,548	23,860
Investment in subsidiaries	1,835,083	1,919,073	-	-
<b>Total non-current assets</b>	<b>2,482,183</b>	<b>2,405,943</b>	<b>22,249,932</b>	<b>20,909,285</b>
<b>Current assets</b>				
Inventories	-	-	4,537,111	3,721,062
Trade & other receivables	571	621	2,406,133	1,796,923
Amounts due from related companies	134,091	119,875	-	-
Current tax assets	-	-	-	2,477
Cash and cash equivalents	28,375	8,858	13,114,311	9,701,006
<b>Total current assets</b>	<b>163,037</b>	<b>129,354</b>	<b>20,057,555</b>	<b>15,221,468</b>
<b>Total assets</b>	<b>2,645,220</b>	<b>2,535,297</b>	<b>42,307,487</b>	<b>36,130,753</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated capital	533,384	533,384	533,384	533,384
Capital reserves	19,924	19,924	1,103,358	735,712
Revenue reserves	1,492,565	1,349,237	8,720,708	7,290,140
<b>Equity attributable to equity holders of the Company</b>	<b>2,045,873</b>	<b>1,902,545</b>	<b>10,357,450</b>	<b>8,559,236</b>
Non controlling interest	-	-	9,515,171	8,104,994
<b>Total equity</b>	<b>2,045,873</b>	<b>1,902,545</b>	<b>19,872,621</b>	<b>16,664,230</b>
<b>Non-current liabilities</b>				
Loans and borrowings	-	-	2,300,311	3,497,060
Lease liabilities	-	-	196,109	218,088
Employee benefits	-	-	182,996	243,171
Deferred tax liabilities	31,584	15,561	5,260,140	5,106,713
<b>Total non-current liabilities</b>	<b>31,584</b>	<b>15,561</b>	<b>7,939,556</b>	<b>9,065,032</b>
<b>Current liabilities</b>				
Trade and other payables	20,524	13,046	3,492,710	1,998,429
Amounts due to related companies	337,741	378,151	155,757	122,828
Refundable deposits	-	-	2,301,181	1,900,393
Current tax liabilities	37,891	28,084	3,163,706	2,414,089
Loans and borrowings	-	25,063	3,347,696	1,893,727
Lease liabilities	-	-	57,499	57,233
Bank overdraft	171,607	172,847	1,976,761	2,014,792
<b>Total current liabilities</b>	<b>567,763</b>	<b>617,191</b>	<b>14,495,310</b>	<b>10,401,491</b>
<b>Total liabilities</b>	<b>599,347</b>	<b>632,752</b>	<b>22,434,866</b>	<b>19,466,523</b>
<b>Total equity and liabilities</b>	<b>2,645,220</b>	<b>2,535,297</b>	<b>42,307,487</b>	<b>36,130,753</b>
<b>Net assets per ordinary share (Rs.)</b>	<b>97.48</b>	<b>90.65</b>	<b>493.49</b>	<b>407.82</b>

Unaudited Financial Statements for the period ended 31st March 2022.

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.**

12th May 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			Year Ended		
	31-Mar-22	31-Mar-21	Change %	31-Mar-22	31-Mar-21	Change %
Revenue	54,732	48,045	14	935,862	494,525	89
Cost of sales	-	-	-	-	-	-
<b>Gross profit</b>	<b>54,732</b>	<b>48,045</b>	<b>14</b>	<b>935,862</b>	<b>494,525</b>	<b>89</b>
Net gains arising from changes in fair value of investment properties	160,230	-	-	160,230	-	-
	<b>214,962</b>	<b>48,045</b>	<b>347</b>	<b>1,096,092</b>	<b>494,525</b>	<b>122</b>
Administrative expenses	(15,890)	(3,863)	311	(27,561)	(21,944)	26
Impairment of investments in subsidiaries	(83,989)	(45,199)	86	(83,989)	(45,199)	86
<b>Profit before finance cost</b>	<b>115,083</b>	<b>(1,017)</b>	<b>(11,416)</b>	<b>984,542</b>	<b>427,382</b>	<b>130</b>
Finance income	2,594	1,605	62	8,220	7,020	17
Finance costs	(9,474)	(8,435)	12	(34,554)	(39,100)	(12)
<b>Net finance costs</b>	<b>(6,880)</b>	<b>(6,830)</b>	<b>1</b>	<b>(26,334)</b>	<b>(32,080)</b>	<b>(18)</b>
<b>Profit before taxation</b>	<b>108,203</b>	<b>(7,847)</b>	<b>(1,479)</b>	<b>958,208</b>	<b>395,302</b>	<b>142</b>
Income tax expenses	(11,843)	(10,018)	18	(144,561)	(77,750)	86
Deferred taxation	(16,023)	-	-	(16,023)	-	-
<b>Profit after taxation</b>	<b>80,337</b>	<b>(17,865)</b>	<b>(550)</b>	<b>797,624</b>	<b>317,552</b>	<b>151</b>
<b>Earnings per ordinary share (Rs.)</b>	<b>3.83</b>	<b>(0.85)</b>		<b>38.00</b>	<b>15.13</b>	

Unaudited Financial Statements for the period ended 31st March 2022.

Figures in brackets indicate deductions.

## CEYLON BEVERAGE HOLDINGS PLC

### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

As at In Rs.'000s	Quarter Ended			Year Ended		
	31-Mar-22	31-Mar-21	Change %	31-Mar-22	31-Mar-21	Change %
Revenue	19,435,448	15,146,065	28	60,211,220	51,172,154	18
Cost of Sales	(15,456,972)	(11,817,698)	31	(47,833,437)	(40,665,744)	18
<b>Gross profit</b>	<b>3,978,476</b>	<b>3,328,367</b>	<b>20</b>	<b>12,377,783</b>	<b>10,506,410</b>	<b>18</b>
Net gains arising from changes in fair value of investment properties	160,230	-	-	160,230	-	-
Other income	60,202	243,138	(75)	193,922	343,869	(44)
	<b>4,198,908</b>	<b>3,571,505</b>	<b>18</b>	<b>12,731,935</b>	<b>10,850,279</b>	<b>17</b>
Distribution expenses	(1,190,563)	(879,346)	35	(3,513,337)	(2,907,551)	21
Administrative expenses	(640,689)	(627,436)	2	(2,366,434)	(1,898,861)	25
Other expenses	(198,845)	(361,963)	(45)	(676,286)	(722,065)	(6)
Impairment of intangible assets	(463,578)	(449,084)	3	(463,578)	(449,084)	3
<b>Profit before finance cost</b>	<b>1,705,233</b>	<b>1,253,676</b>	<b>36</b>	<b>5,712,300</b>	<b>4,872,718</b>	<b>17</b>
Finance income	200,862	117,086	72	627,596	664,193	(6)
Finance costs	306,105	(193,714)	(258)	(454,720)	(1,252,404)	(64)
<b>Net finance income/costs</b>	<b>506,967</b>	<b>(76,628)</b>	<b>(762)</b>	<b>172,876</b>	<b>(588,211)</b>	<b>(129)</b>
<b>Profit before taxation</b>	<b>2,212,200</b>	<b>1,177,048</b>	<b>88</b>	<b>5,885,176</b>	<b>4,284,507</b>	<b>37</b>
Income tax expenses	(951,414)	(655,080)	45	(2,375,031)	(1,893,757)	25
Deferred taxation	174,855	20,684	745	311,653	43,747	612
<b>Profit after taxation</b>	<b>1,435,641</b>	<b>542,652</b>	<b>165</b>	<b>3,821,798</b>	<b>2,434,497</b>	<b>57</b>
<b>Other comprehensive income</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Re-measurement of employee benefit obligation	45,763	1,119	3,990	45,763	1,119	3,990
Deferred tax adjustment on employee benefit obligation	(18,305)	(447)	3,995	(18,305)	(447)	3,995
Revaluation gain on land & buildings	1,172,713	-	-	1,172,713	-	-
Deferred tax adjustment on revaluation of lands & buildings	(469,085)	-	-	(469,085)	-	-
<b>Total other comprehensive income for the period net of tax</b>	<b>731,086</b>	<b>672</b>	<b>108,693</b>	<b>731,086</b>	<b>672</b>	<b>108,693</b>
<b>Total comprehensive income for the period</b>	<b>2,166,727</b>	<b>543,324</b>	<b>299</b>	<b>4,552,884</b>	<b>2,435,169</b>	<b>87</b>
<b>Profit attributable to</b>						
- Equity holders of the company	820,672	290,449	183	2,070,278	1,254,549	65
- Non - controlling interest	614,969	252,203	144	1,751,520	1,179,948	48
<b>Profit available for appropriation</b>	<b>1,435,641</b>	<b>542,652</b>	<b>165</b>	<b>3,821,798</b>	<b>2,434,497</b>	<b>57</b>
<b>Total comprehensive income attributable to</b>						
- Equity holders of the company	1,202,664	290,800	314	2,452,270	1,254,900	95
- Non - controlling interest	964,063	252,524	282	2,100,614	1,180,269	78
<b>Profit available for appropriation</b>	<b>2,166,727</b>	<b>543,324</b>	<b>299</b>	<b>4,552,884</b>	<b>2,435,169</b>	<b>87</b>
<b>Earnings per ordinary share (Rs.)</b>	<b>39.10</b>	<b>13.84</b>		<b>98.64</b>	<b>59.77</b>	

Unaudited Financial Statements for the period ended 31st March 2022.

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		
<b>COMPANY</b>								
Balance as at 1st April 2020	533,384	14,148	5,776	457,020	861,215	1,871,543	-	1,871,543
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	317,552	317,552	-	317,552
<b>Total comprehensive loss for the period</b>	-	-	-	-	317,552	317,552	-	317,552
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>								
Forfeiture of unclaimed dividends	-	-	-	-	987	987	-	987
Dividends	-	-	-	-	(287,537)	(287,537)	-	(287,537)
<b>Balance as at 31st March 2021</b>	<b>533,384</b>	<b>14,148</b>	<b>5,776</b>	<b>457,020</b>	<b>892,217</b>	<b>1,902,545</b>	-	<b>1,902,545</b>
<b>Balance as at 1st April 2021</b>								
<b>Balance as at 1st April 2021</b>	<b>533,384</b>	<b>14,148</b>	<b>5,776</b>	<b>457,020</b>	<b>892,217</b>	<b>1,902,545</b>	-	<b>1,902,545</b>
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	160,230	637,394	797,624	-	797,624
Transfers	-	(14,148)	14,148	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	<b>(14,148)</b>	<b>14,148</b>	<b>160,230</b>	<b>637,394</b>	<b>797,624</b>	-	<b>797,624</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>								
Forfeiture of unclaimed dividends	-	-	-	-	1,162	1,162	-	1,162
Dividends	-	-	-	-	(655,458)	(655,458)	-	(655,458)
<b>Balance as at 31st March 2022</b>	<b>533,384</b>	-	<b>19,924</b>	<b>617,250</b>	<b>875,315</b>	<b>2,045,873</b>	-	<b>2,045,873</b>
<b>GROUP</b>								
<b>Balance as at 1st April 2020</b>	<b>533,384</b>	<b>729,936</b>	<b>5,776</b>	<b>457,020</b>	<b>5,864,770</b>	<b>7,590,886</b>	<b>7,230,325</b>	<b>14,821,211</b>
<b>Total comprehensive income</b>								
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
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>1,254,900</b>	<b>1,254,900</b>	<b>1,180,269</b>	<b>2,435,169</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>								
Forfeiture of unclaimed dividends	-	-	-	-	987	987	-	987
Dividends	-	-	-	-	(287,537)	(287,537)	(305,600)	(593,137)
<b>Balance as at 31st March 2021</b>	<b>533,384</b>	<b>729,936</b>	<b>5,776</b>	<b>457,020</b>	<b>6,833,120</b>	<b>8,559,236</b>	<b>8,104,994</b>	<b>16,664,230</b>
<b>Balance as at 1st April 2021</b>	<b>533,384</b>	<b>729,936</b>	<b>5,776</b>	<b>457,020</b>	<b>6,833,120</b>	<b>8,559,236</b>	<b>8,104,994</b>	<b>16,664,230</b>
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	160,230	1,910,048	2,070,278	1,751,520	3,821,798
Other comprehensive income for the period	-	367,646	-	-	14,346	381,992	349,094	731,086
Transfers	-	(14,148)	14,148	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	<b>353,498</b>	<b>14,148</b>	<b>160,230</b>	<b>1,924,394</b>	<b>2,452,270</b>	<b>2,100,614</b>	<b>4,552,884</b>
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>								
Forfeiture of unclaimed dividends	-	-	-	-	1,402	1,402	219	1,621
Dividends	-	-	-	-	(655,458)	(655,458)	(690,656)	(1,346,114)
<b>Balance as at 31st March 2022</b>	<b>533,384</b>	<b>1,083,434</b>	<b>19,924</b>	<b>617,250</b>	<b>8,103,458</b>	<b>10,357,450</b>	<b>9,515,171</b>	<b>19,872,621</b>

Unaudited Financial Statements for the period ended 31st March 2022.

Figures in brackets indicate deductions.

**CONDENSED STATEMENT OF CASH FLOWS**

<i>For the period ended</i> <i>In Rs. '000s</i>	Company		Group	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Cash flows from operating activities</b>				
<b>Profit before taxation</b>	<b>958,208</b>	<b>395,302</b>	<b>5,885,176</b>	<b>4,284,507</b>
Adjustments for:				
Finance costs (excluding exchange gain/loss)	34,554	39,100	1,062,092	1,298,247
Depreciation on right of use assets	-	-	70,156	77,793
Gain on de recognition of right of use assets	-	-	(715)	(7,106)
Depreciation on property, plant & equipment	-	155	1,532,987	1,319,131
Amortisation of intangible assets	-	-	12,360	7,437
Net Inventory provisions/(reversals)	-	-	(10,315)	1,096
Provision for retirement benefit obligations	-	-	14,847	43,030
Impairment of property plant & equipment	-	-	-	160,258
Impairment of intangible assets	-	-	463,578	449,084
Impairment of doubtful debtors	-	-	-	2,082
Impairment of investments	83,989	45,199	-	-
Finance income	(8,220)	(7,020)	(627,596)	(664,193)
Net gain arising from changes in fair value of investment properties	(160,230)	-	(160,230)	-
Loss on disposal of property, plant & equipment	-	-	13,896	21,011
Loss on disposal of intangible asset	-	-	1,626	-
ESC write off	-	-	5,804	30,670
Deposits written back during the year	-	-	-	(168,072)
Lease interest expenses	-	-	36,773	48,298
Unrealized exchange gain	-	-	(30,344)	(45,535)
<b>Operating cash flow before working capital changes</b>	<b>908,301</b>	<b>472,736</b>	<b>8,270,095</b>	<b>6,857,738</b>
(Increase)/decrease in inventories	-	-	(805,734)	(678,466)
(Increase)/decrease in trade & other receivables	54	17,640	(615,010)	51,324
(Increase)/decrease in amounts due from related companies	(5,996)	(13,946)	-	6,500
Increase/(decrease) in amounts due to related companies	(59,852)	(149,043)	32,929	15,080
Increase/(decrease) in tax payables/receivable	-	-	525,126	1,770,600
Increase/(decrease) in trade & other payables	293	(1,588)	1,485,907	218,079
<b>Cash generated from operations</b>	<b>842,800</b>	<b>325,799</b>	<b>8,893,313</b>	<b>8,240,855</b>
Finance expenses paid	(15,112)	(13,366)	(990,227)	(1,178,119)
Tax paid	(134,754)	(65,253)	(2,148,065)	(1,368,102)
Retirement benefits paid	-	-	(29,259)	(6,073)
<b>Net cash generated from operating activities</b>	<b>692,934</b>	<b>247,180</b>	<b>5,725,762</b>	<b>5,688,561</b>
<b>Cash flows from investing activities</b>				
Purchase and construction of property, plant & equipment	-	-	(2,092,879)	(1,161,207)
Purchase of intangible assets	-	-	(7,457)	(27,196)
Proceeds from sale of property, plant & equipment	-	-	14,005	-
Agent deposits received	-	-	400,788	366,291
Interest received	-	-	627,596	664,193
<b>Net cash (used in)/generated from investing activities</b>	<b>-</b>	<b>-</b>	<b>(1,057,947)</b>	<b>(157,919)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans & borrowings	-	-	2,000,000	3,000,000
Repayment of loans & borrowings	(25,000)	(30,000)	(1,784,300)	(10,330,300)
Repayment of lease rentals	-	-	(96,060)	(103,523)
Forfeiture of unclaimed dividends	1,162	987	1,621	987
Dividends paid net of tax	(648,339)	(288,524)	(1,337,740)	(593,147)
<b>Net cash (used in)/generated from financing activities</b>	<b>(672,177)</b>	<b>(317,537)</b>	<b>(1,216,479)</b>	<b>(8,025,983)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>20,757</b>	<b>(70,357)</b>	<b>3,451,336</b>	<b>(2,495,341)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>(163,989)</b>	<b>(93,632)</b>	<b>7,686,214</b>	<b>10,181,555</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>(143,232)</b>	<b>(163,989)</b>	<b>11,137,550</b>	<b>7,686,214</b>
<b>Analysis of cash and cash equivalents</b>				
Cash and cash equivalents	28,375	8,858	13,114,311	9,701,006
Bank overdraft	(171,607)	(172,847)	(1,976,761)	(2,014,792)
	<b>(143,232)</b>	<b>(163,989)</b>	<b>11,137,550</b>	<b>7,686,214</b>

Unaudited Financial Statements for the period ended 31st March 2022.

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**

**2.2.1** 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 measured at present value of the obligation.

**2.2.2** The tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the note 8

**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 March 2022 amounts to Rs. 2,703,598,404/- (2021 - Rs. 2,360,499,818/-)

##### 3.2 Capital Commitments

###### Lion Brewery (Ceylon) PLC

Capital expenditure committed by the "LBCPLC" for which a provision has not been made in the Financial Statements amounts to Rs. 893,574,836/- at 31st March 2022 (2021 - Rs. 89,297,680/-)

##### 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 March 2022 amounts to Rs. 1,141,663,791/- (2021 - Rs. 200,110,727/-), 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-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Balance as at beginning of the period	-	-	275,321	325,064
Leases obtained	-	-	40,857	49,787
Lease rentals paid	-	-	(96,060)	(103,523)
Interest expenses for the period	-	-	36,773	48,298
Derecognition of lease liability	-	-	(3,283)	(44,305)
Balance as at end of the period	-	-	253,608	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**

According to the Surcharge Tax Act No. 14 of 2022 which was legislated on 8th April 2022, the Group is liable for the surcharge tax of Rs. 1,231 Mn out of the taxable income of Rs. 5,227 Mn for year of assessment 2020/21. Therefore, the surcharge tax shall be deemed to be an expense in the financial statements for the year ended 31st March 2021. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by the Statement of Alternative Treatment on accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka, in April 2022.

The Group impact of the surcharge tax on the comparative year is as follows,

	Rs. Mn
Profit after Tax for the year ended 31st March 2021	2,434
Surcharge tax levied under Surcharge Act	(1,231)
<b>Comparable Profit for the year 2020/2021</b>	<b>1,203</b>

**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		Year ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Share Information</b>				
Price as at the end of the period (Rs.)	706.75	779.75	706.75	779.75
Highest price (Rs.)	820.25	784.00	894.50	890.00
Lowest price (Rs.)	700.00	701.00	660.00	620.00
<b>Trading Statistics</b>				
No of Transactions	106	131	483	338
No of Shares traded	61,299	2,779	120,543	181,947
Value of all shares traded (Rs. Mn.)	48.32	2.09	89.51	137.92

**CEYLON BEVERAGE HOLDINGS PLC****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****11 DIRECTORS' SHAREHOLDINGS**

AS AT 31ST MARCH 2022	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 (CEO/Director)	-
Mr. D.C.R. Gunawardena	15
Mr. S. Clini	-
Mrs. S. J. F. Evans	-

**12 TWENTY MAJOR SHAREHOLDERS AS AT 31ST MARCH 2022**

#	Name of Shareholder	No. of Shares	%
1	CARSON CUMBERBATCH PLC A/C NO.2	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	CARSON CUMBERBATCH PLC A/C NO. 01	144,423	0.69
6	DEUTSCHE BANK AG SINGAPORE A/C 2 (DCS CLT ACC FOR DEUTSCHE BANK AG SINGAPORE - PWMWM CLIENT)	130,000	0.62
7	TRANZ DOMINION,L.L.C.	75,748	0.36
8	MRS. J.K.P. SINGH	31,485	0.15
9	GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10
10	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07
11	MISS A. RADHAKRISHNAN	12,239	0.06
12	MISS M.P. RADHAKRISHNAN	10,257	0.05
13	MR. N.J. GAMADIA	8,786	0.04
14	MR. R. MAHESWARAN	8,134	0.04
15	ADMIN OF A.C. ABDEEN (DECD)	7,725	0.04
16	MRS. M.C. ABEYSEKERA	7,622	0.04
17	MISS. C.S. THENABADU	7,370	0.04
18	MRS. M.L. PAIVA	6,006	0.03
19	MR. N.J.H.M. COORAY	6,000	0.03
20	MRS. S. MAHADEVA	5,660	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 MARCH 2022**

Market Capitalization of the Public Holding	Rs.3.61 Billion
Percentage of ordinary shares held by the public	24.36%
Number of Public Shareholders	973

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

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**14 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.

**14.1 Transactions with related parties/subsidiaries**

In Rs.'000s For the period ended 31st March	Company		Group	
	2022	2021	2022	2021
Royalty income	180,140	160,135	-	-
Royalty expenses	-	-	123,557	142,793
Dividend income	755,722	334,390	-	-
Intercompany interest income	8,220	7,020	-	-
Intercompany interest expense	19,442	25,734	-	-
Beer & spirits sales income	-	-	2,564	1,738
Rent expenses	-	-	71	45
Support services fees expenses	471	805	823,647	488,630
Other service fee expenses	491	327	265,551	166,606

**CEYLON BEVERAGE HOLDINGS PLC****Corporate Information**

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**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 (CEO/Director)  
Mr. D. C. R. Gunawardena  
Mr. S. Clini  
Mrs. S. J. F. Evans

**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  
Colombo 1  
Sri Lanka  
Tel : +94 11 2039 200  
Fax: +94 11 2039 300

**REGISTERED OFFICE**

No: 61, Janadhipathi Mawatha  
Colombo 1  
Sri Lanka  
Tel : +94 11 2039 200  
Fax: +94 11 2039 300

**CORPORATE OFFICE & BREWERY**

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

**GROUP WEBSITE**

[www.carsoncumberbatch.com](http://www.carsoncumberbatch.com)