

INTERIM CONDENSED FINANCIAL STATEMENTS  
 CONSOLIDATED INCOME STATEMENT

For the three months ended 30th June	Note	2018	2017	Change %
<b>Continuing operations</b>				
Sale of goods		13,973,478	12,342,740	13
<b>Revenue from contracts with customers</b>		13,973,478	12,342,740	13
Cost of sales		(12,731,274)	(10,683,367)	19
<b>Gross profit</b>		1,242,204	1,659,373	(25)
Other operating income		418,870	328,228	28
Selling and distribution expenses		(549,094)	(473,277)	16
Administrative expenses		(426,157)	(364,664)	17
Other operating expenses		(227,884)	(174,659)	30
<b>Results from operating activities</b>		457,939	975,001	(53)
Finance cost		(63,652)	(2,067)	2,979
Finance income		23,383	31,664	(26)
Net finance income		(40,269)	29,597	(236)
Share of results of equity accounted investees		-	(5,430)	(100)
<b>Profit before tax</b>		417,670	999,168	(58)
Tax expense	6	(178,743)	(323,373)	(45)
<b>Profit for the period</b>		238,927	675,795	(65)
<b>Attributable to:</b>				
Equity holders of the Parent		238,927	675,795	(65)
		<b>LKR</b>	<b>LKR</b>	
<b>Earnings per share</b>				
Basic		2.51	7.11	
<b>Dividend per share</b>				
		8.00	8.00	

Note : All values are in LKR '000s, unless otherwise stated.  
 Figures in brackets indicate deductions.  
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INTERIM CONDENSED FINANCIAL STATEMENTS  
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June

	2018	2017
Profit for the period	238,927	675,795
<b>Other comprehensive income</b>		
<b>Other comprehensive income to be reclassified to income statement in subsequent periods</b>		
Share of other comprehensive income of equity accounted investees	-	54,317
Net other comprehensive income to be reclassified to income	-	54,317
Total comprehensive income for the period, net of tax	238,927	730,112
<b>Attributable to:</b>		
Equity holders of the Parent	238,927	730,112
	238,927	730,112

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INTERIM CONDENSED FINANCIAL STATEMENTS  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.06.2018	31.03.2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,537,487	12,868,657
Lease rentals paid in advance	145,506	146,263
Investment property	228,601	228,601
Intangible assets	168,744	165,481
Non-current financial assets	5,613,187	5,610,834
Deferred tax assets	24,952	-
Other non-current assets	1,046,688	866,355
	<b>21,765,165</b>	<b>19,886,191</b>
<b>Current assets</b>		
Inventories	4,250,334	4,092,670
Trade and other receivables	1,829,403	2,584,748
Amounts due from related parties	4,464	2,803
Other current assets	1,630,809	1,506,373
Short term investments	282,012	923,276
Cash in hand and at bank	477,796	552,083
	<b>8,474,818</b>	<b>9,661,953</b>
<b>Total assets</b>	<b>30,239,983</b>	<b>29,548,144</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Parent</b>		
Stated capital	918,200	918,200
Revenue reserves	11,047,024	11,568,431
Other components of equity	1,218,588	1,196,142
<b>Total equity</b>	<b>13,183,812</b>	<b>13,682,773</b>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	1,833,333	1,958,333
Deferred tax liabilities	1,415,004	1,389,306
Employee benefit liabilities	514,607	491,866
Other non-current liabilities	177,397	172,921
Other deferred liabilities	33,070	36,925
	<b>3,973,411</b>	<b>4,049,351</b>
<b>Current liabilities</b>		
Trade and other payables	5,981,594	6,413,243
Amounts due to related parties	227,809	213,365
Income tax liabilities	239,187	197,504
Interest-bearing loans and borrowings	500,000	500,000
Other current liabilities	1,157,002	1,408,161
Bank overdrafts	4,977,168	3,083,747
	<b>13,082,760</b>	<b>11,816,020</b>
<b>Total equity and liabilities</b>	<b>30,239,983</b>	<b>29,548,144</b>
	<b>LKR</b>	<b>LKR</b>
Net assets per share	138.72	143.97

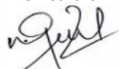
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I certify that the financial statements comply with the requirements of the Companies Act, No.7 of 2007.



P N Fernando  
Chief Financial Officer

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



D P Gamlath  
Director



J G A Cooray  
Director

23rd July 2018

INTERIM CONDENSED FINANCIAL STATEMENTS  
CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 30th June	Note	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before working capital changes	A	822,686	1,268,605
(Increase) / Decrease in inventories		(157,664)	61,844
(Increase) / Decrease in trade and other receivables		755,345	398,570
(Increase) / Decrease in amounts due from related parties		(1,661)	482
(Increase) / Decrease in other current assets		(124,436)	(33,778)
(Increase) / Decrease in non-current financial assets		(2,353)	(12,003)
(Increase) / Decrease in other non-current assets		(180,333)	(18,018)
Increase / (Decrease) in trade and other payables		(431,649)	229,741
Increase / (Decrease) in amounts due to related parties		14,444	12,786
Increase / (Decrease) in other current liabilities		(251,159)	(220,020)
Increase / (Decrease) in other deferred liabilities		(3,855)	(2,736)
Increase / (Decrease) in other non-current liabilities		4,476	(1,265)
<b>Cash generated from operations</b>		<b>443,841</b>	<b>1,684,208</b>
Finance income received		23,383	31,664
Finance costs paid		(63,652)	(2,067)
Tax paid		(136,314)	(268,298)
Gratuity paid		(10,807)	(13,231)
<b>Net cash flow from operating activities</b>		<b>256,451</b>	<b>1,432,276</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment		(1,972,972)	(777,653)
Purchase of intangible assets		(7,273)	-
Proceeds from sale of property, plant and equipment		156	12,595
<b>Net cash flow used in investing activities</b>		<b>(1,980,089)</b>	<b>(765,058)</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Dividend paid to equity holders of Parent		(760,320)	(760,320)
Dividend paid to preference shareholders		(14)	(14)
Proceeds from long term borrowings		-	301,500
Repayment of long term borrowings		(125,000)	-
<b>Net cash flow used in financing activities</b>		<b>(885,334)</b>	<b>(458,834)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(2,608,972)</b>	<b>208,384</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>		<b>(1,608,388)</b>	<b>(107,708)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>		<b>(4,217,360)</b>	<b>100,676</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favorable balances</b>			
Short term investments		282,012	913,715
Cash in hand and at bank		477,796	268,724
<b>Unfavorable balances</b>			
Bank overdrafts		(4,977,168)	(1,081,763)
<b>Total Cash and cash equivalents</b>		<b>(4,217,360)</b>	<b>100,676</b>

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 30th June	2018	2017
<b>A. Profit before working capital changes</b>		
Profit before tax	417,670	999,168
<b>Adjustments for:</b>		
Finance income	(23,383)	(31,664)
Finance cost	63,652	2,067
Share-based payment expense	22,446	24,118
Share of results of equity accounted investees	-	5,430
Amortisation of lease rentals paid in advance	757	26,169
Realised gain on lease rights forgone	-	(1,964)
Depreciation of property, plant and equipment	274,710	212,012
(Profit)/Loss on sale of property, plant and equipment	28,960	(6,206)
Amortisation of intangible assets	4,326	3,050
Gratuity provision and related costs	33,548	36,425
	<b>822,686</b>	<b>1,268,605</b>

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of Parent						Total Equity
	Stated capital	ESOP reserve	Revaluation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Revenue reserves	
<b>As at 1 April 2017</b>	918,200	270,721	947,588	867,703	82,825	10,102,361	13,189,398
Profit for the period	-	-	-	-	-	675,795	675,795
Other comprehensive income	-	-	-	59,940	(5,623)	-	54,317
Total comprehensive income	-	-	-	59,940	(5,623)	675,795	730,112
Share based payments	-	24,118	-	-	-	-	24,118
Final dividend paid - 2016/17	-	-	-	-	-	(760,320)	(760,320)
Preference dividend paid - 2016/17	-	-	-	-	-	(14)	(14)
Changes of holding in equity accounted investees	-	-	-	-	-	(16,761)	(16,761)
<b>As at 30 June 2017</b>	918,200	294,839	947,588	927,643	77,202	10,001,061	13,166,533
<b>As at 1 April 2018</b>	918,200	365,091	831,051	-	-	11,568,431	13,682,773
Profit for the period	-	-	-	-	-	238,927	238,927
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	238,927	238,927
Share based payments	-	22,446	-	-	-	-	22,446
Final dividend paid - 2017/18	-	-	-	-	-	(760,320)	(760,320)
Preference dividend paid - 2017/18	-	-	-	-	-	(14)	(14)
<b>As at 30 June 2018</b>	918,200	387,537	831,051	-	-	11,047,024	13,183,812

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 COMPANY INCOME STATEMENT

For the three months ended 30th June	Note	2018	2017	Change %
<b>Continuing operations</b>				
Sale of goods		3,071,169	3,383,238	(9)
<b>Revenue from contracts with customers</b>		3,071,169	3,383,238	(9)
Cost of sales		(2,119,972)	(2,214,311)	(4)
<b>Gross profit</b>		951,197	1,168,927	(19)
Dividend income		278,088	291,023	(4)
Other operating income		25,009	15,050	66
Selling and distribution expenses		(421,423)	(381,763)	10
Administrative expenses		(176,382)	(170,053)	4
Other operating expenses		(68,984)	(71,722)	(4)
<b>Results from operating activities</b>		587,505	851,462	(31)
Finance cost		(197)	(501)	(61)
Finance income		18,426	16,246	13
Net finance income		18,229	15,745	16
<b>Profit before tax</b>		605,734	867,207	(30)
Tax expense	6	(107,086)	(160,597)	(33)
<b>Profit for the period</b>		498,648	706,610	(29)
		<b>Rs.</b>	<b>Rs.</b>	
<b>Dividend per share</b>		8.00	8.00	

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INTERIM CONDENSED FINANCIAL STATEMENTS  
COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June	2018	2017
Profit for the period	498,648	706,610
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period, net of tax</b>	<b>498,648</b>	<b>706,610</b>

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INTERIM CONDENSED FINANCIAL STATEMENTS  
COMPANY STATEMENT OF FINANCIAL POSITION

As at	30.06.2018	31.03.2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,095,005	4,121,686
Investment property	228,601	228,601
Intangible assets	5,485	5,775
Investment in subsidiaries	2,682,907	2,479,782
Non-current financial assets	5,516,547	5,521,876
Other non-current assets	49,167	50,414
	<u>12,577,712</u>	<u>12,408,134</u>
<b>Current assets</b>		
Inventories	1,249,046	1,079,965
Trade and other receivables	1,133,199	1,712,353
Amounts due from related parties	72,510	42,365
Other current assets	211,480	146,549
Short term investments	184,662	489,065
Cash in hand and at bank	207,219	212,072
	<u>3,058,116</u>	<u>3,682,369</u>
<b>Total assets</b>	<u>15,635,828</u>	<u>16,090,503</u>
<b>EQUITY AND LIABILITIES</b>		
Stated capital	918,200	918,200
Revenue reserves	10,178,427	10,440,113
Other components of equity	1,026,857	1,008,804
<b>Total equity</b>	<u>12,123,484</u>	<u>12,367,117</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	846,011	843,864
Employee benefit liabilities	391,356	374,189
Other non-current liabilities	177,397	172,921
	<u>1,414,764</u>	<u>1,390,974</u>
<b>Current liabilities</b>		
Trade and other payables	943,993	1,158,883
Amounts due to related parties	3,413	1,087
Income tax liabilities	209,123	144,402
Other current liabilities	591,671	879,802
Bank overdrafts	349,380	148,238
	<u>2,097,580</u>	<u>2,332,412</u>
<b>Total equity and liabilities</b>	<u>15,635,828</u>	<u>16,090,503</u>
	<b>Rs.</b>	<b>Rs.</b>
Net assets per share	127.56	130.13

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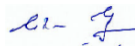


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Chief Financial Officer

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D P Gamlath  
Director  
23rd July 2018



J G A Cooray  
Director

INTERIM CONDENSED FINANCIAL STATEMENTS  
COMPANY STATEMENT OF CASH FLOWS

For the three months ended 30th June	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	605,734	867,207
<b>Adjustments for:</b>		
Finance income	(18,426)	(16,246)
Dividend income	(278,088)	(291,023)
Finance cost	197	501
Depreciation of property, plant and equipment	121,000	117,166
Loss on sale of property, plant and equipment	2,354	21
Amortisation of intangible assets	606	842
Share based payment expenses	18,053	14,211
Gratuity provision and related costs	23,205	19,338
<b>Profit before working capital changes</b>	<b>474,635</b>	<b>712,017</b>
(Increase) / Decrease in inventories	(169,081)	(25,303)
(Increase) / Decrease in trade and other receivables	579,154	486,241
(Increase) / Decrease in amounts due from related parties	(30,145)	1,420
(Increase) / Decrease in other current assets	(64,931)	(72,959)
(Increase) / Decrease in non-current financial assets	5,329	(12,209)
(Increase) / Decrease in other non-current assets	1,247	(4,460)
Increase / (Decrease) in trade and other payables	(214,890)	7,284
Increase / (Decrease) in amounts due to related parties	2,326	6,973
Increase / (Decrease) in other current liabilities	(288,131)	(169,045)
Increase / (Decrease) in other non-current liabilities	4,476	(1,265)
<b>Cash generated from operations</b>	<b>299,989</b>	<b>928,694</b>
Finance income received*	15,301	16,246
Finance expenses paid	(197)	(501)
Tax paid	(40,218)	(182,516)
Gratuity paid	(6,038)	(4,583)
<b>Net cash flow from operating activities</b>	<b>268,837</b>	<b>757,340</b>
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>		
Purchase and construction of property, plant and equipment	(97,181)	(78,016)
Increase in investment in Subsidiary	(200,000)	-
Proceeds from sale of property, plant and equipment	192	48
Dividend income received	278,088	291,023
<b>Net cash flow used in investing activities</b>	<b>(18,901)</b>	<b>213,055</b>
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Dividend paid to equity holders	(760,320)	(760,320)
Dividend paid to preference shareholders	(14)	(14)
Repayment of long term borrowings	-	(7,500)
<b>Net cash flow used in financing activities</b>	<b>(760,334)</b>	<b>(767,834)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(510,398)</b>	<b>202,561</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	<b>552,899</b>	<b>207,119</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	<b>42,501</b>	<b>409,680</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
<b>Favorable balances</b>		
Short term investments	184,662	602,937
Cash in hand and at bank	207,219	123,835
<b>Unfavorable balances</b>		
Bank overdrafts	(349,380)	(317,092)
<b>Total cash and cash equivalents</b>	<b>42,501</b>	<b>409,680</b>

\* Excludes inter company notional guarantee income

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated capital	ESOP reserve	Revaluation reserve	Revenue reserves	Total Equity
<b>As at 1 April 2017</b>	918,200	160,065	903,042	9,477,355	11,458,662
Profit for the period	-	-	-	706,610	706,610
Total comprehensive income	-	-	-	706,610	706,610
Share based payments	-	14,211	-	-	14,211
Final dividend paid - 2016/17	-	-	-	(760,320)	(760,320)
Preference dividend paid - 2016/17	-	-	-	(14)	(14)
<b>As at 30 June 2017</b>	918,200	174,276	903,042	9,423,631	11,419,149
<b>As at 1 April 2018</b>	918,200	228,433	780,371	10,440,113	12,367,117
Profit for the period	-	-	-	498,648	498,648
Total comprehensive income	-	-	-	498,648	498,648
Share based payments	-	18,053	-	-	18,053
Final dividend paid - 2017/18	-	-	-	(760,320)	(760,320)
Preference dividend paid - 2017/18	-	-	-	(14)	(14)
<b>As at 30 June 2018</b>	918,200	246,486	780,371	10,178,427	12,123,484

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## INTERIM CONDENSED FINANCIAL STATEMENTS

### OPERATING SEGMENT INFORMATION

#### Business segments

The following tables present revenue, profit information and other disclosures regarding Group's business segments.

For the three months ended 30th June	Manufacturing		Retail		Group Total	
	2018	2017	2018	2017	2018	2017
Goods transferred at a point in time - External revenue	3,033,981	3,307,816	10,939,497	9,034,924	13,973,478	12,342,740
- Inter segment revenue	84,636	75,422	-	-	84,636	75,422
<b>Total revenue from contracts with customers</b>	<b>3,118,617</b>	<b>3,383,238</b>	<b>10,939,497</b>	<b>9,034,924</b>	<b>14,058,114</b>	<b>12,418,162</b>
Eliminations of inter segment revenue					(84,636)	(75,422)
<b>Net revenue from contracts with customers</b>					<b>13,973,478</b>	<b>12,342,740</b>
<b>Segment result</b>	<b>517,161</b>	<b>842,495</b>	<b>231,733</b>	<b>426,903</b>	<b>748,894</b>	<b>1,269,398</b>
Finance cost	(20,198)	(508)	(43,454)	(1,559)	(63,652)	(2,067)
Finance income	19,456	17,452	3,927	14,212	23,383	31,664
Share of results of equity accounted investees	-	-	-	-	-	(5,430)
Eliminations / adjustments	-	-	-	-	(290,955)	(294,397)
<b>Profit before tax</b>	<b>516,419</b>	<b>859,439</b>	<b>192,206</b>	<b>439,556</b>	<b>417,670</b>	<b>999,168</b>
Tax expense	(82,134)	(160,935)	(96,609) *	(162,438) *	(178,743)	(323,373)
<b>Profit for the period</b>	<b>434,285</b>	<b>698,504</b>	<b>95,597</b>	<b>277,118</b>	<b>238,927</b>	<b>675,795</b>
Reportable Segment Assets	11,564,189	7,664,087	13,034,509	8,335,652	24,503,513	16,800,235
Capital Expenditure	850,687	78,016	1,129,558	669,637	1,980,245	777,653
Reportable Segment Liabilities	6,374,328	3,337,735	10,746,540	6,130,559	17,056,171	10,019,041
Depreciation of Property, Plant and Equipment	132,790	117,178	141,920	94,834	274,710	212,012
Amortization of Intangible Assets	606	842	3,720	2,208	4,326	3,050
Amortization of lease rentals paid in advance	757	26,169	-	-	757	26,169
Gratuity provision and related costs	23,340	19,338	10,208	17,087	33,548	36,425

Inter-segment revenue and inter-company balances are eliminated on consolidation

Segment Asset do not include Goodwill, Investment Property, Investment in Subsidiaries, Investment in equity accounted investees and unquoted equity investments

\* Retail segment tax expense includes tax on consolidation adjustments

Note : All values are in LKR '000s, unless otherwise stated.  
Figures in brackets indicate deductions.  
The above figures are not audited.

## INTERIM CONDENSED FINANCIAL STATEMENTS

### NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

#### 1 CORPORATE INFORMATION

Ceylon Cold Stores PLC is a Public Limited Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. Ordinary shares of the Company are listed on the Colombo Stock Exchange.

#### 2 INTERIM CONDENSED FINANCIAL STATEMENTS

The consolidated financial statements for the quarter ended 30th June 2018, comprise "the Company" referring to Ceylon Cold Stores PLC as the Holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

#### 3 APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements of the Group and the Company for the quarter ended 30th June 2018 were authorised for issue by the Board of Directors on 23rd July 2018.

#### 4 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

##### 4.1 Basis of Preparation

The interim condensed consolidated financial statements for the three months ended 30th June 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.

##### 4.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2018, except for the adoption of new standards effective as of 1 April 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, SLFRS 15 Revenue from Contracts with Customers and SLFRS 9 Financial Instruments that require restatement of previous financial statements. As required by LKAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

##### **SLFRS 15 Revenue from Contracts with Customers**

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed the Group concluded that SLFRS 15 does not have a material impact on Group's consolidated financial statements.

## INTERIM CONDENSED FINANCIAL STATEMENTS

### NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

#### **Sale of goods**

Under SLFRS 15, revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

#### **Rendering of services**

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

#### **SLFRS 9 Financial Instruments**

SLFRS 9 Financial Instruments replaces LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which the Group applied prospectively, the Group has applied SLFRS 9 retrospectively, with the initial application date of 1 April 2018. The Group has taken an exception not to restate comparative information for prior periods with respect to classification and measurement requirements.

#### **Classification and measurement**

Except for certain trade receivables, under SLFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under SLFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' (SPPI) on the principal amount outstanding.

The new classification and measurement of the Group's debt financial assets are, as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and other receivables, and Loans included under Other non-current financial assets.

Other financial assets are classified and subsequently measured, as follows:

Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under SLFRS 9. Under LKAS 39, the Group's unquoted equity instruments were classified as AFS financial assets.

The assessment of the Group's business models was made as of the date of initial application, 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under LKAS 39. Similar to the requirements of LKAS 39, SLFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

INTERIM CONDENSED FINANCIAL STATEMENTS  
 NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

**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 FVPL.

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.

**Hedge accounting**

The Group applied hedge accounting prospectively. At the date of the initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with prior periods, the Group has continued to designate the change in fair value of the entire forward contract in the Group's cash flow hedge relationships and, as such, the adoption of the hedge accounting requirements of SLFRS 9 had no significant impact on the Group's financial statements.

5 OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- Manufacturing
- Retail

6 TAX

For the 3 months ended 30th June  
 In LKR'000s

	Group		Company	
	2018	2017	2018	2017
<b>Income statement</b>				
Current income tax	177,999	317,212	104,940	168,685
Deferred tax charge/(reversal)	744	6,161	2,146	(8,088)
	<b>178,743</b>	<b>323,373</b>	<b>107,086</b>	<b>160,597</b>

INTERIM CONDENSED FINANCIAL STATEMENTS  
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

7 RELATED PARTY TRANSACTIONS

In LKR '000s	Group		Company	
	2018	2017	2018	2017
Transactions with related parties				
<b>Ultimate parent</b>				
Sale of goods	212	218	-	-
Receiving of services	(118,435)	(34,114)	(21,078)	(17,427)
<b>Subsidiaries</b>				
Sale of goods	-	-	84,636	75,422
Rendering of services	-	-	2,372	-
Receiving of services	-	-	(6,605)	(4,724)
Investment in equity	-	-	(200,000)	-
Guarantee income	-	-	3,125	-
<b>Companies under common control</b>				
Sale of goods	1,504	2,382	123	1,015
Purchase of goods	(223,495)	(165,304)	(1,001)	-
Rendering of services	4,379	7,908	2,892	2,869
Receiving Services	(254,609)	(141,846)	(16,764)	(7,581)
<b>Post employment benefit plan</b>				
Contributions to the provident fund	(26,591)	(25,212)	(24,816)	(23,271)
<b>Transactions with related parties - equity accounted investees of Ultimate Parent</b>				
Interest received	173	515	45	153

8 Share information

8.1 Stated capital

Stated capital is represented by number of shares in issue as given below:

As at	30-06-2018	31-03-2018
Ordinary shares	95,040,000	95,040,000
Preference shares	25,000	25,000

8.2 Net assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 30 June 2018.

8.3 Market price per share

For the quarter ended 30th June

	2018 Rs.	2017 Rs.
Highest	1,000.00	1,000.00
Lowest	900.00	810.00
Last traded	992.00	882.60

8.4 Public share holdings

Percentage of shares held by the public and the number of public shareholders is given below:

As at	30-06-2018	31-03-2018
Public share holding (%)	18.54%	18.54%
Public share holders	1,762	1,794
Compliant under option 01 - Float adjusted market capitalization (LKR Mn)	17,479	16,739

The Company is compliant under option 01 of the minimum threshold requirements for the Main Board of CSE, as per section 7.6 of the listing rules of CSE.

8.5 Directors' share holdings

The number of shares held by the Board of Directors (including their spouses) are as follows:

As at	30-06-2018	31-03-2018
Mr. S.C. Ratnayake (Chairman)	3,344	3,344
Mr. K.N.J. Balendra	81,904	81,904
Mr. J.G.A. Cooray	Nil	Nil
Mr. J.R. Gunaratne (CEO) - Resigned on 30th June 2018	5,080	5,080
Mr. D. P. Gamlath	Nil	Nil
Mr. M. Hamza	1,000	1,000
Dr.R.S.W Wijeratnam	Nil	Nil
Ms.S.T. Ratwatte	Nil	Nil



INTERIM CONDENSED FINANCIAL STATEMENTS  
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

8.6 Twenty largest shareholders of the company are as follows:

As at	30-06-2018		31-03-2018		
	Number of shares	%	Number of shares	%	
1	John Keells Holdings PLC	67,155,812	70.66%	67,155,812	70.66%
2	Whittall Boustead (Pvt) Ltd	10,165,392	10.70%	10,165,392	10.70%
3	GF Capital Global Limited	2,074,241	2.18%	2,074,241	2.18%
4	Hsbc Intl Nominees Ltd-Bbh Luxfidelity Funds-Pacific	1,736,967	1.83%	1,337,125	1.41%
5	Hsbc Intl Nom Ltd-Bbh-Matthews Emerging Asia Fund	1,387,119	1.46%	1,387,119	1.46%
6	Hsbc Intl Nominees Ltd-Jpmlu-T Rowe Price Funds SICAV	861,116	0.91%	881,996	0.93%
7	Standard Chartered Bank Mauritius S/A Chambers Street global fund	464,676	0.49%	464,676	0.49%
8	Global Sea Foods (Pvt) Ltd	439,161	0.46%	234,956	0.25%
9	HSBC Intl Nom Ltd - BBH - Fidelity Funds	398,433	0.42%	398,433	0.42%
10	HSBC Intl Nom Ltd-Jpmcb Na-Fidelity Asian Values PLC	285,174	0.30%	285,174	0.30%
11	Life Insurance Corporation of India	272,912	0.29%	272,912	0.29%
12	Hsbc International Nominees Ltd-Ssbt-Deutsche Bank Ag Singapore A/C 01	262,153	0.28%	262,153	0.28%
13	Sisira Investors Limited	259,132	0.27%	259,132	0.27%
14	Seylan Bank PLC/Channa Nalin Rajahmone	179,692	0.19%	179,689	0.19%
15	CB London S/A Verdipapirfondet Holberg Rurik	169,604	0.18%	425,956	0.45%
16	Est Of Lat M. Radhakrishnan (Deceased)	169,256	0.18%	169,256	0.18%
17	J.R.Printer (Deceased)	167,936	0.18%	167,936	0.18%
18	Merrill J.Fernando & Sons (Pvt) Ltd	150,848	0.16%	150,848	0.16%
19	Mr. M.V. Theagarajah	133,548	0.14%	133,548	0.14%
20	Mrs. H.M.Mount (Deceased)	125,360	0.13%	125,360	0.13%

9 Dividends paid

Final dividend of Rs 8.00 per share for the financial year ended 31 March 2018 was paid on 18 June 2018.

10 Comparative Information

The presentation and classification of the financial statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year.

11 Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2018.

12 Resignation of Directors

Mr. J.R.Gunaratne, Executive Non Independent Director resigned from the Board of Ceylon Cold Stores PLC with effect from 30th June 2018.

13 Events after the reporting period

There have been no events subsequent to the reporting date, which require disclose in the interim condensed financial statement.